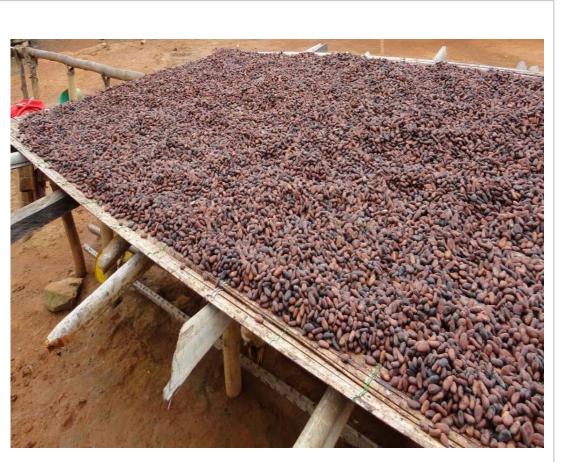


From Production to Export Markets: The Case of Cocoa Value Chain in Ghana

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Introduction

Cocoa production is concentrated in small-scale farms in Africa, Asia, Central and South America where farmers struggle to increase productivity and improve their livelihood receiving lower producer prices.

Awareness from stakeholders in the cocoa value chain search actions to secure cocoa supply and give better opportunities to small-scale cocoa farmers in Ghana.

Objectives

- Analyse the relationships between stakeholders and small-scale cocoa farmers in Ghana.
- Identify possible benefits from stakeholders relationships and improvements in the value chain.
- Analyse the impact of contract farming and its advantages.
- Identify certification awareness among cocoa

Research questions

- 1. What type of relationship do smallscale farmers have with stakeholders within the whole value chain?
- 2. What expectations do farmers have of their relationships with stakeholders?
- 3. What initiatives are suitable for smallscale farmers to get better producer prices?
- 4. How can we measure changes after

given by

Results of these actions have improved farmer and stakeholder relationships, increasing farmer participation in the cocoa value chain by paying them higher prices for cocoa after they adopt more sustainable practices and/or certifications.

Methodology

- Quantitative data: Stratified sample of 300 smallscale farmers in 20 different communities in Brong-Ahafo and Western regions, Ghana.
- Qualitative data: Semi-structured interviews to key stakeholders in Ghana and Switzerland:

Ghana Cocoa Board (Cocobod)
WAFF and Cencosad (NGOs)
Adwumapa Buyers Ltda. (LBC)

communities.



- •The Ghana cocoa, coffee and sheanut farmers association.
- •Purchasing clerks (PCs).
- Chocolate Manufacturers and grinders:
 ADM Ghana
 - Cocoa processing company (Ghana)
 - Chocolats Halba (Switzerland)
 - Felchling AG (Switzerland)

Chocosuisse-biscosuisse (Switzerland)

farmers have adopted such initiatives? Are producer prices higher?

5. What actions are stakeholders willing to take towards paying better prices for cocoa?





Results: Four principal factors that group the advantages between farmers and stakeholders relationships were identified (Figure 1). To improve this relationship Chocolate manufactures, NGOs and COCOBOD are providing training and know-how about alternative production methods (sustainability), alternative ways of income generation and they are trying to improve the communication between them. The success of such relationships is reflected in the benefits at the community level (Figure 2) provided by stakeholders to increase their social responsibility and to keep cocoa farmers motivated. Contract farming and certification awareness has shown very low response in both regions.

Figure 1. Relationships and information flow between Figure 2. Benefits from stakeholders to cocoa farmers and stakeholders communities Fixed price to sell the cocoa Motivation to participate in sustainable beans production Factor 1 Training and knowledge Understand what sustainable production is **Production and** extension market training Technical support for crop Benefits awareness of sustainable production improvements Employees complaints and problems were Child protection **Factor 1** Factor 2 resolved fairly at my farm Information flow Crop improvement Infrastructure Training Long term contracts Medical attention Communication with Ghanaian Cocoa Board Factor 3 Security for next harvest (COCOBOD) officers **Benefits at** Quality control community level Cleary define duties and responsibilities by Factor 2 contractors/stakeholders Education **Farmers** Production limited to selling beans responsibilities

Conclusions

Positive and negative actions from relationships between stakeholders and farmers were identified. Therefore possible improvements in the value chain can increase producer price and sustainability/certification awareness for cocoa farmers.
Certain steps need to be eliminated to increase competitiveness in international markets, farmers participation and communication with stakeholders.
Stakeholders understand the relevance of farmers participation in the cocoa value chain. Participatory methods make it possible for business actors and farmers to work together for common benefits.
The positive correlation (0.598**) indicates that farmers working under contract and knowing the terms and conditions are aware of the cocoa market price fluctuation, sustainability and certification.

Stakeholders	Fix producer price
	Monthly/season income enough to buy food
Factor 3 Farmers income	Monthly/season income enough to buy farm inputs
	Awareness of purchasing clerks able to provide inputs
Factor 4 Farmers and	Freedom to suggest to stakeholders improvements on my farm
purchasing clerks relationship	Trust purchasing clerks at the moment of

Farmers expect fair trade certifications to increase their income from relationships with stakeholders.

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weighting the cocoa beans

