



# 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.

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.

## 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 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)

## Research questions

1. What type of relationship do small-scale 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 small-scale farmers to get better producer prices?
4. How can we measure changes after farmers have adopted such initiatives? Are producer prices higher?
5. What actions are stakeholders willing to take towards paying better prices for cocoa?

## Methodology

- Quantitative data: Stratified sample of 300 small-scale 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)

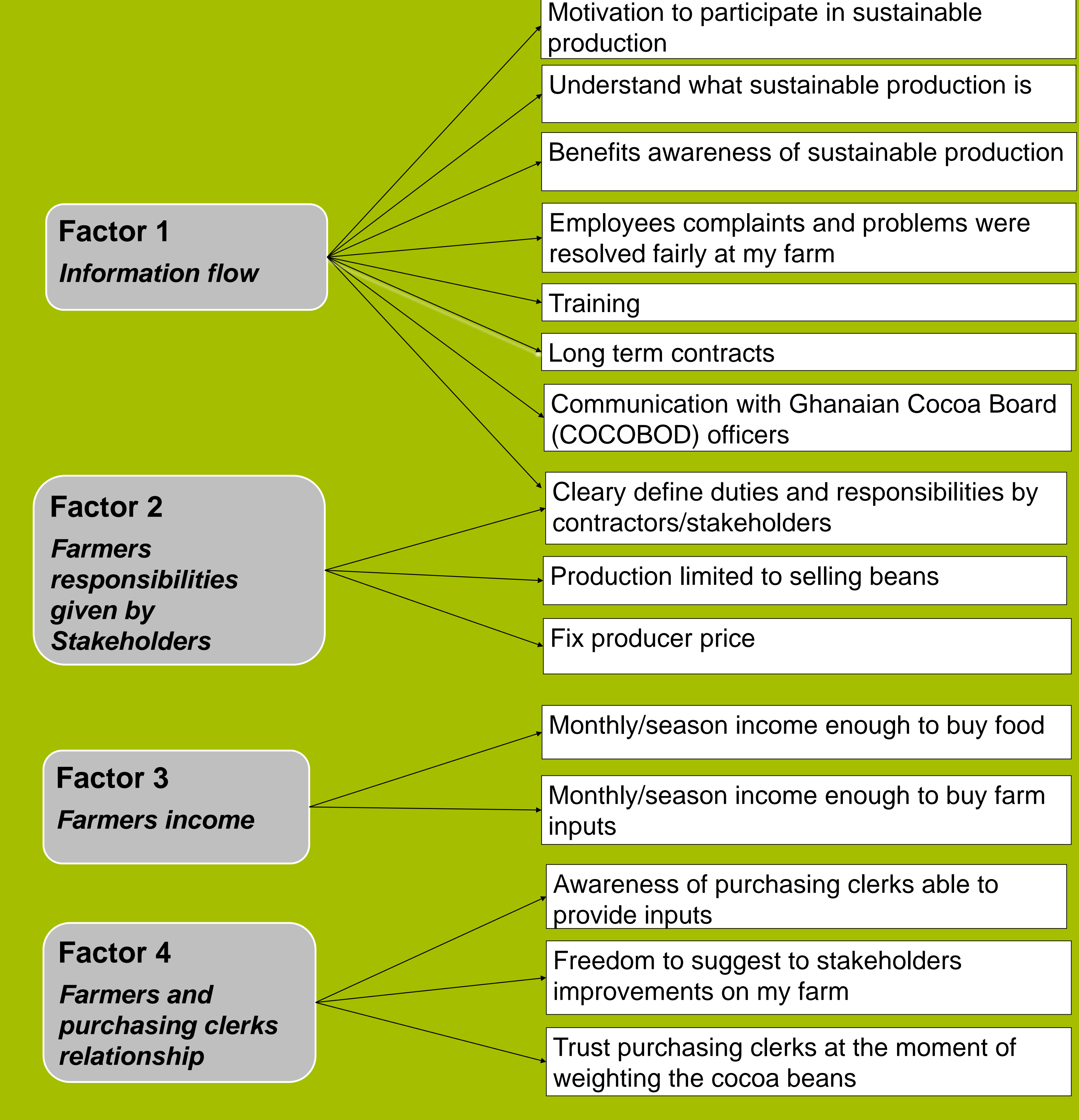


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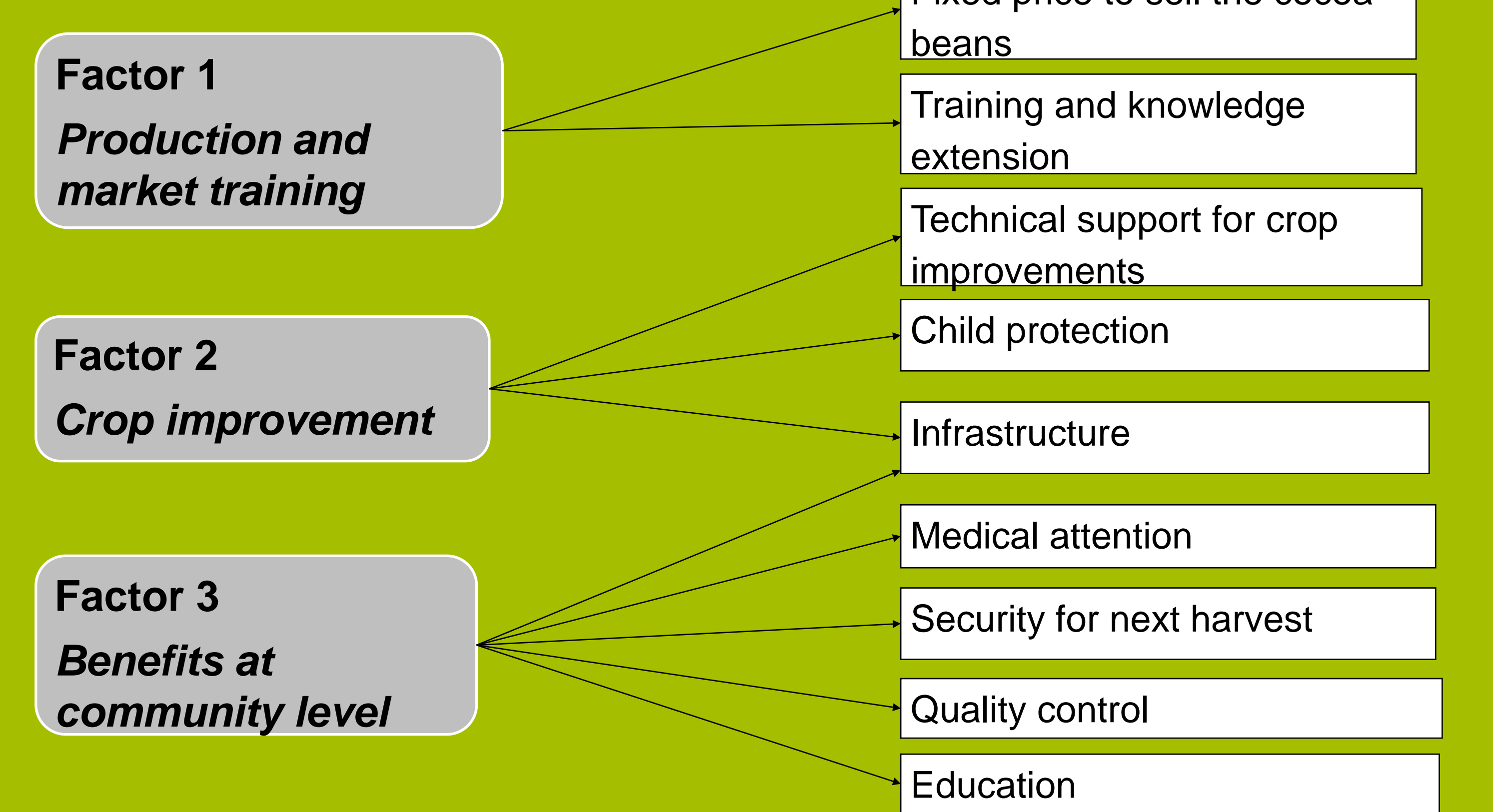


**Results:** Four principal factors that group the advantages between farmers and stakeholders relationships were identified (Figure 1). To improve this relationship Chocolate manufactures, NGOs and COCOBOD are providing training and know-how about alternative production methods (sustainability), alternative 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 farmers and stakeholders**



**Figure 2. Benefits from stakeholders to cocoa communities**



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

