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## Financial Analysis of Small Scale Artisanal Chocolate Processing in Ghana

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### Abstract

Ghana produces up to 950,000 tonnes of cocoa beans per year, accounting for around a quarter of global production, but produces very little chocolate (Huellen & Abubakar, 2021). The government has long sought to close this gap, mainly through Ghana's National Export Development Strategy, which aims to export at least 40% of processed Cocoa in the next five years(2021–2025) (Mabe et al.,2020). With this policy, the government also seeks to address unemployment among cocoa-growing communities in Ghana. As a result, the government has encouraged young people to start businesses, especially in the cocoa sector, by providing financial support or training (Ichikowitz Family Foundation, 2020). However, the country's investment in cocoa processing is still low. This can be due to the high initial capital costs of establishing such businesses (Hütz-Adams et al., 2016). This study, therefore, seeks to analyse the costs and returns of artisanal small-scale chocolate processing in Ghana. The study will be conducted in the Ga East District of the Greater Accra Region of Ghana using a case study approach. Data will be obtained from administering structured questionnaires through face-to-face interviews in May 2021. Information to be captured includes capital expenditure to establish an artisanal small-scale chocolate processing venture, annual operating costs and the returns from sales of the final product. Discounting measures of investment worth, including Net Present Value (NPV), the Internal Rate of Return (IRR), and the Benefit-Cost Ratio (BCR), will be used to analyse the economic viability of establishing Artisanal Small-Scale Chocolate processing in Ghana. The findings will have implications for the cocoa policy as it aims to understand the need for interventions to support the development of small-scale chocolate processing.

**Keywords:** Artisanal Small-Scale Chocolate, Cocoa, Entrepreneurship, Ghana, Value Addition