

# Enough income for more cocoa farmers: importance and problems of current certified cocoa

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## Introduction

There are some programs to help cocoa farmers to get enough income by paying premium or giving farm training to them to improve productivity.

I have learned that there are still many difficulties;

- Such cocoa beans cost much (premium, to produce, to certify etc.)
- Only a small part of the farmers join
- Premium is not always paid

## Methods

I interviewed two specialists via Skype;

1. Dr Stelios Zyglidopoulos (Z)

professor of Corporate Social Responsibility at Kedge Business School and Associate Fellow of University of Cambridge

2. Mr David Taylor (T)

policy manager of Fairtrade Foundation

My research questions are

- Q1 Can companies keep paying enough if production of beans would increase very much as a result of farm skill training?  
Q2 Why don't they raise price of beans instead of training?



## Result

### Q1

- (T): • Cocoa farm in Ghana is very small so without farm training, they cannot be productive.  
• However, when supply of cocoa beans increase, the price will drop down.  
• To avoid price collapse, farmers should grow alternative crops.

Cocoa beans account for about 10% of the value of exports in Ghana in 2017.



- ② Farm training  
• productivity: up  
• price: down



- ① Now  
- small farm  
- productivity: small  
- price: low



- ③ Set floor price  
• productivity: →  
• price: up



- ④ Both  
- productivity: up  
- price: up

### Q2

- (Z): • Training program will not solve the price issue but farmers can get higher margin.  
• Certification is a kind of differentiation. It allows them to get higher income.  
(T): • We have to increase both price and productivity.  
• To raise market price of cocoa, unclear competition law is barrier for companies.  
• Government of Ghana has set the floor price of cocoa beans.

## Discussion

- They said both raising price and giving farm training are necessary.
- I think farm training may help farmers become more independent and to diversify agriculture in Ghana.
- However, it cost too much to extend both two programs into more farmers.
- It is necessary to reduce cost to produce and certify cocoa.

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## Reference

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## Conclusion

Before the interview, my aim was to examine the best plan. Specialists told that there are no ideal plan to cover all issues. I want to know why Ghana could set the floor price of cocoa beans next.