

What do farmers earn and what do things cost?

What do farmers earn in Ghana?

If the farmers could sell all their cocoa to a Fairtrade company in another country, they would earn £52 per sack rather than the non-Fairtrade rate of about £22 per sack. An average farmer produces 5 bags per year.

What do things cost in Ghana?

Ghana's currency is called the Cedi (c/).

£1 = c/ 17,130

\$1 = c/ 9065

An ordinary cocoa farmer earns on average around c/ 2,700,000 a year (£160) or c/ 7,500 a day (£0.43)

Secondary school fees	c/ 800,000 a year for a child	£46.70
Primary school fees	c/ 20,000 a year for a child	£1.16
Boy's school uniform, books and pens	c/ 35,000	£2.00
Girl's school uniform, books and pens	c/ 35,000	£2.00
New Wellington boots	c/ 70,000	£4.00
A loaf of bread	c/ 5,000 -10,000	£0.29 - £0.58
A bottle of cooking oil	c/ 24,000	£1.40
A sack of maize which will help feed a family for a month	c/ 370,000	£21.60
A bus to the city	c/ 120,000	£7.00
A large bar of Ghanaian chocolate	c/ 15,000	£0.87
A big bar of soap	c/ 9,000	£0.52
A trip to the government hospital for treating malaria	c/ 70,000	£4.08
A cutlass to cut cocoa	c/ 33,000	£1.92
A new pair of children's trousers	c/ 30,000	£1.75
A little radio	c/ 50,000	£2.91
A new battery (for a radio, for example)	c/ 5,000	£0.29

For this activity, we are using the following figures:

- Fairtrade price: \$1600 per tonne / 16 sacks = \$100 per sack = £52
- Conventional price: \$672 per tonne (2000 figure taken from icco.org) / 16 sacks = £22
- Exchange rate throughout: £1: \$1.89 (figures from April and May 2005)