

# A fair deal?

## Teachers notes

### **Kuapa Kokoo – good cocoa farmers**

The farmers featured on this site are members of the Kuapa Kokoo co-operative, an association of cocoa farmers in Ghana set up to develop fairer trading practices and represent the interests of cocoa farmers. Kuapa Kokoo means 'good cocoa farmer' in the Twi language. Their motto is 'Pa Pa Paa', which means 'best of the best' in Twi.

This is what Victor has to say about Kuapa Kokoo; you could read it to your class:

*"Our lives have been different and much better since we joined the Kuapa Kokoo co-operative – especially for Dad, who is now the proud President of the Mim Kuapa Kokoo Village Society! Kuapa Kokoo is really good cocoa – it's the best! We say our cocoa is 'Pa Pa Paa', which means 'the best of the best'. Kuapa give us the best price for it and at the end of the season we get a bonus. But we still don't earn much money – in fact hardly anything compared to you in the 'rich' countries."*

### **What is a co-operative?**

A co-operative is a business owned and governed democratically and directly by farmers themselves. Decisions are based on how the co-operative's resources can best be used to improve the lives of each family and the community as a whole.

Co-ops help farmers to work together, giving them the strength to compete in the market. They also offer community services like healthcare, education, public transport and, most importantly, they give farmers the pride and dignity to create a better life.

Farmers are members of village societies who sell their cocoa through the trading arm of Kuapa Kokoo to the government cocoa board. Kuapa Kokoo is able to get their members a better deal on all of their cocoa, but they particularly benefit when their cocoa is sold on Fairtrade terms.

## What is Fairtrade?

It is not about charity, but about buying tropical commodities and products from farmers in the developing world on fairer terms. What does it mean to the farmer?

- guaranteed better prices
- decent working conditions
- fairer terms of trade
- extra money for community projects
- health and safety standards
- the security of long-term contracts
- democratic organisations
- environmental protection
- education and training
- the chance to make links with chocolate lovers in the UK.

## The Fairtrade Mark

The first 'Fairtrade' mark was introduced in 1992. The Fairtrade mark is issued by the Fairtrade Foundation. The Foundation guarantees that the product carrying its special Fairtrade Mark has been sourced and supplied from the developing world in a way that guarantees the producer a better deal.

## Fairtrade and Kuapa Kokoo

Although all their cocoa meets the required Fairtrade standard, Kuapa Kokoo is not able to sell all of it to the Fairtrade market. This is because there is not yet enough demand from consumers, although demand is growing year by year. More shops will stock Fairtrade chocolate and more chocolate companies will make it, if people show that they will buy it. The farmers split the money earned through fairtrade terms between their 45,000 farmer members and their families.

*Comic Relief aims to create more demand for fairly traded chocolate, so that Kuapa Kokoo and other small-scale producer organisations can sell more of their produce into the market on fairer terms of trade.*

## **Fair trade chocolate and Comic Relief**

Comic Relief's Dubble bar and Divine Chocolate are produced by Divine Chocolate, which is jointly owned by Kuapa Kokoo and Twin Trading (a British Fairtrade company), and is supported by Christian Aid.

Divine Chocolate buys cocoa for Divine and Dubble bars for a price which gives the farmers a fair return for their high quality beans and a premium to be invested in activities and projects which benefit farmers and their communities. Kuapa Kokoo owns 45% of the shares in the company and has a direct say in how the company is run and a share of the profits.

Ethical shopping is a growing trend in the UK. Consumers are learning more and more about how the farmers at the beginning of the trading chain don't always get a fair deal, and that they can make a difference by choosing carefully. Companies like Cafédirect, The Co-op, Divine Chocolate, Equal Exchange, Oxfam Trading, Liberation and Traidcraft, who all produce and sell fairly traded products, want to give people a chance to make a difference – so Fairtrade Marked products are competitively priced and widely available in the shops.

Since 1985 Comic Relief has raised £750 million with every penny donated by the public going to projects in UK and in some of the poorest countries in the world. School students have played a vital role, with 65% of UK schools taking part in Red Nose Day. Comic Relief has also produced many TV programmes and educational materials to help explain the issues that lie 'behind the nose'.

As well as raising money, Comic Relief is constantly looking for long-term answers to the bigger problems that keep poor people poor. Ideas that may one day end the need for aid or charity altogether. Fairtrade is one of these.

Comic Relief supports projects across Africa that look at ways of getting farmers and workers a better deal from trade. In Ghana we have worked with Kuapa Kokoo, to help them organise themselves so they get a better price for what they grow and can become self-reliant. In October 2000, as part of our commitment to fairer trade, Comic Relief launched its very own Fairtrade chocolate snack bar, Dubble, with Kuapa Kokoo and Divine Chocolate.

Comic Relief wants to show people throughout the UK that they have a part to play in this too and that through their shopping choices they have the power to help create a brighter, fairer future for everyone.

## **A brief history of cocoa**

The cocoa bean was first consumed in the Mayan Empire (modern Guatemala and Southern Mexico) around 600AD: it was used to make a spicy chocolate drink. The Spanish brought the cocoa plant to Europe in the 16th century, and by the 18th century, plantations had been established in many European colonies, such as the West Indies, Brazil and the Congo. It was first grown in Ghana, a British colony, in the 1850s. Joseph Fry made the first bar of chocolate in Britain in 1847. Since then, chocolate has become increasingly popular in economically developed countries, but not in developing countries, even those where cocoa beans are grown, because their inhabitants cannot afford it.

## **An even briefer history of international trade**

Trading links are important global ties, and they connect us with people in other countries. But international trade doesn't benefit everyone equally. It is structured to favour those countries that are already powerful and rich. How did this happen?

## **Colonial carry-on**

During colonial times, the rich European powers used their colonies to produce the cheap raw materials they needed for their own growing industries. As they had almost complete control of these colonies they were able to keep the price they paid for these raw materials very low, allowing their own manufacturing industries to keep most of the profit. They also prevented the colonies from developing any real manufacturing industries themselves. This was accepted because colonies were seen as part of a nation's possessions.

## **Independence day**

By the middle of the twentieth century, most former colonies had gained independence, but the rich nations cleverly still kept control – in reality little had changed. The poor former colonies still relied on the few raw materials they had always produced and were now competing for the attention of the same powerful buyers. Unsurprisingly, prices remained low. Their dependence on only one or two exports also meant poor nations were increasingly vulnerable to changes in prices – and prices continued to fall. Added to this, mismanagement and corruption among some of the newly independent governments saw profits being misused or misspent, often on large and inappropriate projects planned with the help of their former colonial rulers!

## **Modern times**

In the last 50 years, rich nations have developed other means to keep control. Restrictions such as tariff barriers have sprung up. These are taxes charged by countries on imports. By charging higher tariffs for processed goods than for raw materials, rich countries have continued to prevent poor countries from developing their own manufacturing industries. For instance, importing cocoa beans into Europe is cheaper than importing cocoa butter, and much cheaper than importing chocolate.

## **Back to the future**

With the growth of the new global economy some massive multinational companies have now moved their factories to poorer countries, but this has not always brought the expected benefits. Whilst many have taken advantage of the supply of cheap labour, the ownership of the technology, knowledge and resources has remained firmly in the companies' hands, as have profits.

The prospects for many African countries now look bleaker than ever. Outside investment has remained low, Third World debt has continued to take valuable resources, new technological advances have not arrived and the demand for traditional raw material exports has fallen as science finds synthetic replacements.

New institutions, policies and practices such as Fairtrade are urgently needed to create an international trading system that will improve human welfare and tackle poverty, inequality and environmental damage.