

A fair deal?

Comparing cocoa farmers in Ghana

1. Kuapa Kokoo is a co-operative, an association of cocoa farmers in Ghana set up to develop fairer trading practices and represent the interests of cocoa farmers. This means that the farmers own and have a democratic say in the running of the organisation, and receive a share of the profits. Kuapa Kokoo means 'good cocoa farmer' in the Twi language. **Their motto is 'Pa pa Paa which means 'best of the best'.** Kuapa has around 45,000 members.

2. Farmers who are not members of Kuapa Kokoo sell their cocoa beans to other local cocoa buying companies or Cocobod, the Ghanaian Government Cocoa Marketing Board. Cocobod set the price all farmers in Ghana currently get for their cocoa beans. Cocobod then negotiates the final export price with international companies.

3. Payments to farmers from the traditional cocoa buying companies can be less than the minimum set by the Government in practice: because payments are delayed, the sacks are weighed by local traders on "fixed" scales and because many farmers are illiterate and can easily be cheated, underpaid and subjected to unfair deductions.

4. Cocoa farmers generally have little say in how the companies that buy their cocoa are run or how these companies treat them. In the end these companies' main interest is buying and selling cocoa, not the welfare of the farmers.

5. All Kuapa Kokoo's cocoa qualifies to be sold on Fairtrade Foundation terms. Unlike the world market price, farmers know the terms they will get for every tonne of cocoa they can sell on Fairtrade terms. Kuapa Kokoo earns \$1600 per tonne for its members' beans when they're sold abroad to Fairtrade companies. This price is always fixed but when they sell to normal companies, they will be paid the market price, which goes up and down and has been as low as \$672 (2000 from icco.org).

Kuapa gets an extra \$150 per tonne from Fairtrade sales for community projects to help farmers, such as clean water wells and better toilets.

6. Although all their cocoa meets the required Fairtrade standard, Kuapa Kokoo are only able to sell a small proportion of their cocoa to Fairtrade companies, even as little as 2%. This is because there is not yet enough demand from consumers. More shops will only stock Fairtrade chocolate if people show that they will buy it.

7. Cocoa from Ghana has a worldwide reputation for good quality and so gets quite a good price on the normal world market. But the prices paid for cocoa have been falling for the last ten years. The normal market does not offer an extra 'premium' with every tonne purchased for community projects or the farmer's direct benefit.

8. With fewer middlemen, and no under-weighing, unofficial deductions or late paying, Kuapa Kokoo farmers earn more than farmers selling to other buyers.

9. Kuapa Kokoo pays all of its farmers in cash or guaranteed cheque and on time. Each village has its own set of scales, which they can maintain and check and where the sacks of cocoa beans are weighed by elected farmers' representatives. These sacks are then sealed so that they cannot be tampered with.

10. At the end of each year representatives from the Kuapa Kokoo villages meet together to divide up the previous year's profit, and the farmers receive their bonuses. With other companies, there are no such bonuses.

11. Kuapa Kokoo offers its farmers training and education, particularly women farmers, who are often the poorest.

12. Kuapa Kokoo will only buy the highest quality cocoa. This means Kuapa Kokoo farmers must work particularly hard to ensure standards.