

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)

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| 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)