

## What do farmers earn and what do things cost?

### What do farmers earn in Ghana?

If farmers could sell their cocoa to the Fairtrade market, they would earn £71 per sack rather than the non-Fairtrade price of £51. An average small-scale farmer produces 5 sacks of cocoa per year.

### What do things cost in Ghana?

Ghana's currency is called the Cedi (GH¢). The exchange rate is £1 = GH¢2.1.

Although Ghana is a poor country many everyday items are quite expensive so a small increase in what farmers earn can make a big difference.

Secondary school fees + uniform, books and pens	GH¢1,300 a year for a child	£607
Primary school uniform, books and pens (no fees for primary school)	GH¢40 a year for a child	£19
New wellington boots	GH¢15	£7
A loaf of bread	GH¢2	95p
A big bottle of cooking oil which will last three months	GH¢15	£7
A sack of maize which will help feed a family for a month	GH¢70	£33
A bus to the city	GH¢40	£19
A large bar of Ghanaian chocolate	GH¢5	£2.40
A big bar of soap	GH¢5	£2.40
A new pair of children's trousers	GH¢10	£4.75
A cutlass or machete for working on the cocoa farm	GH¢7	£3.30
A little radio	GH¢20	£9.50
A new battery, for a radio for example	GH¢5	£2.40
A mobile phone	GH¢45	£21
One hour of talk time on mobile phone	GH¢4	£2

For this activity we are using the following figures:

- Fairtrade Minimum Price: \$2,000 per tonne / 16 sacks = \$125 per sack = £71
- Conventional market price: \$1,434 per tonne (Nov 05 figure, from ICCO) / 16 sacks = \$90 per sack = £51
- Average \$-£ exchange rate 2005-2010 = 0.569776 (source: HMRC)
- Average £-GH¢ exchange rate 2008-2010 = 2.147467 (source: HMRC)