The importance of cocoa

Cocoa farming is frequently associated with low incomes, low productivity and a high incidence of poverty.\textsuperscript{1,2,3,4,5,6,7} Many reasons have been offered for why these problems persist, including a lack of knowledge, lack of financial resources to invest in good agricultural practices, poor access to credit, poor access to markets, relative land scarcity and limited property rights. Consequently, low and seasonal returns from cocoa are said to constrain household’s ability to improve their cocoa yields, diversify their incomes and improve their livelihoods.\textsuperscript{8,9}

Yet, as presented in Chapter 5, a large proportion of respondents in our study considered cocoa to be one of their most important crops. In Ghana, 84% of households cited cocoa as their most important or second most important crop, with 61% of Ivorian households reporting likewise. Whilst there is no doubt that cocoa households face real livelihood challenges, why do so many prioritise cocoa? How do farmers themselves perceive cocoa in their communities?

Previous research has identified various reasons why farmers produce cocoa. For example, some have argued that cocoa provides a means for meeting household subsistence needs, generating capital to invest elsewhere, securing inheritable property, and providing financial security at an older age.\textsuperscript{10,11} Other studies have pointed to better marketing conditions for cocoa compared with other crops. Despite all its challenges, Ghanaian and Ivorian farmers retain a confidence in cocoa because it has a ‘guaranteed’ market (supported by the marketing boards of both countries) and has offered comparatively stable prices over time.\textsuperscript{12,13,14}

In the first part of this chapter, we share the perceptions of farmers that participated in our study and explain why so many of our respondents stated that cocoa was one of their most important sources of income.

\textsuperscript{1} The Lindt & Sprüngli Farming Program. Available at www.farming-program.com.
\textsuperscript{3} Nestlé’s Cocoa Plan. Available at http://www.nestlecocoaplan.com/better-farming/
\textsuperscript{4} Cargill Cocoa Promise. Available at https://www.cargill.com/sustainability/cargill-cocoa-promise
\textsuperscript{9} Ibid.
### 7.1 Reasons for growing cocoa

In Ghana and Côte d’Ivoire, 37 focus group discussions were each held in which we sought to understand why households give cocoa such high importance. To complement our household survey, male and female participants were asked separately to identify and rank the most important income sources in the community. Men and women sat on opposite sides of the same room from each other. Female participants were asked questions before the male participants in order to mitigate the risk of male participant’s responses influencing female participants. The first exercise was a discussion on the ‘most important income sources’ in the community. In practice, participants almost always discussed their most important income source derived from crops, rather than from rearing animals or non-agricultural business. This confirmed that agriculture was indeed the dominant sector in the research areas.

#### 7.1.1 Main reasons for growing cocoa in Ghana

In Ghana, focus group discussion data was found to be consistent with our household survey data, which confirmed that cocoa is indeed perceived to be more important than any other crop. The participants gave three main reasons: good income, traditional and national importance, and land rights.

In the Ghana sample, 79% of respondents said that it was their household’s most important crop; 84% of respondents identified cocoa as the ‘most important’ or ‘second most important’. In Ghana, there was found to be little relatively little difference between male and female headed households in the importance of cocoa or any other crop.

#### 7.1.1.1 Income

The most frequently cited reason why households grow cocoa is that it generates relatively higher income than any other crop option. Participants frequently described income from cocoa as ‘good’, ‘high’, or ‘higher than other crops’, and noted that prices had been increasing in recent years. Participants often mentioned how cocoa income allows them to ‘take care of the household’, including meeting costs such as food and healthcare for household members. Many participants specifically discussed how income from cocoa enables them to pay school fees, which were often cited as one of the household’s highest expenditure items (Chapter 4).

*“The price of cocoa is better than other crops, such as food crops.” (Male FGD participants, Ashanti Region)*

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15 Due to resource and space constraints we could not hold separate focus group discussions with male and female participants.
“Cocoa provides farmers with an income to pay for their children’s school fees. Besides, cocoa has a guaranteed price set by the government. Farmers always have a safe income when growing cocoa.” (Male FGD participants, Western Region)

“Revenue from cocoa can take care of the whole family, pay for food, and pay school fees.” (Male FGD participants, Ashanti Region)

“You can use cocoa money to build a house, you can use cocoa money to take care of your children, you can use cocoa money to buy a vehicle.” (Female FGD participants, Western Region)

“Cocoa provides money to take care of the children, hire labourers for our farms, send children to school, and build houses.” (Male FGD participants, Brong Ahafo Region)

“With cocoa you can move forward in life, it gives more revenue than other crops. With cocoa, when you get money you can do many things, you can build houses, buy vehicles, and take care of your whole household.” (Male FGD participants, Central Region)

“We get bulk cash from the sale of cocoa and we can settle our debt for paying school fees, you can build your own house, and take care of your health.” (Female FGD participants, Eastern Region)

Apart from the amount of income cocoa brings into a household, participants discussed how they like the way cocoa income is received ‘in bulk’. On receiving payment in the main cocoa season (from October to December), every cocoa farmer has significantly more money than usual. The large influx of cash is used to buy building supplies and, if necessary, masons to build or renovate houses. Participants said that cocoa was one of the few crops that enabled them to undertake house construction or renovation. This is also the time when debts are settled, inputs and equipment is bought, and money is spent on Christmas gifts and meals.

Male participants in particular mentioned the ‘guaranteed price’ structure in Ghana. Participants also appreciate that there is always good demand for their cocoa crops, comparing the market for cocoa with other crops.

“The price of cocoa is fixed and increases over time, unlike other crops where the price falls in the main season.” (Male FGD participants, Central Region)

“Cocoa brings money to your household. When you plant cocoa, you can always get money from it. It is hard to find buyers for food crops in the main season.” (Male FGD participants, Western Region)

“Cassava has no ready market, but every year the government buys cocoa so you know you will sell. There will always be a market. Whatever quantity of cocoa you produce, the government will buy it and there will always be a fixed price. Other crops have lower prices during certain seasons, cocoa does not.” (Female FGD participants, Western Region)
7.1.1.2 Tradition and national importance

The second most frequently mentioned reason for growing cocoa in Ghana is ‘tradition and national importance’. Quite a number of participants described cocoa as the backbone of the Ghanaian economy, the biggest source of foreign exchange and a big contributor to the country’s development. Cocoa is also perceived by focus group participants as a ‘national tree’ (or ‘national product’), as it was planted by their ancestors and is tied in with their culture and traditions. Male respondents tended to attach more weight to tradition than female respondents.

“Cocoa is a major source of foreign exchange for Ghana and foreign exchange is good for the country. Also, cocoa money is used for hospitals and roads for the benefit of the country. Cocoa is the backbone of the Ghanaian economy.” (Male FGD participants, Western Region).

“Cocoa is the national tree of Ghana. Everybody depends on cocoa, including outside of Ghana.” (Male FGD participants, Western Region)

“We know cocoa since time immemorial, our great grandparents started it. It is the national product of Ghana.” (Male FGD participants, Brong Ahafo)

7.1.1.3 Land rights

In Ghana, growing cocoa is actually perceived as a way for households to secure land rights. Participants discussed how once a household plants cocoa trees, the land becomes their long-term property as long as the trees remain on the land. Both male and female participants perceive this to be a major benefit compared with other crops. Secure land rights provide a certain stability and security for the future, and allows households to bequeath land to their children.

“A cocoa farm is a guarantee for the future and you can leave it to your children. We can still depend on cocoa when we are old.” (Male FGD participants, Eastern Region)

“Cocoa is a long-term property investment, you can grow cocoa from generation to generation and leave it as a legacy for your children.” (Male FGD participants, Western Region)

“When you plant cocoa, it can last many years, so it is a long-term property investment when you grow it.” (Male FGD participants, Ashanti Region)

“Cocoa is a long-term security, you can even do it when you don’t have the strength. You can also make an abunu or abusa arrangement and still have income (see Chapter 6).” (Female FGD participants, Central Region)

Male participants sometimes mentioned that the cocoa farm can be used as collateral to access credit. The relatively reliable income from cocoa makes it easier for borrowers to repay their loans, and moneylenders have more faith that the loan will be repaid compared to non-cocoa households.
“If you have a cocoa farm you can use it as collateral for loans from the bank or purchasing clerk.” (Male FGD participants, Western Region)

“Outside the main and light seasons, when cocoa money is not there, you can secure a loan with cocoa as collateral and pay it back in the main season.” (Female FGD participants, Western Region)

### 7.1.2 Other reasons for growing cocoa in Ghana

Other, less frequently mentioned reasons for growing cocoa were also given by participants. Cocoa households were said to receive more support from the government than households producing other crops. The government institute, Ghana Cocoa Board (COCOBOD), provides support to farmers through trainings (by Cocoa Health and Extension Division - CHED), provision of fertiliser (Hi-Tech), the spraying of pesticide and fungicide (by Cocoa Disease and Pest Control - CODAPEC), and the provision of improved planting material (hybrid seedlings) developed by the Cocoa Research Institute Ghana (CRIG).

“The government supplied us with hybrid cocoa seedlings, which take a maximum of two years to start producing. So we can now get money earlier to take care of our children. COCOBOD also gives scholarships to children who do well in school, so you might not have to pay for school fees.” (Male FGD participants, Western Region)

“The government helps cocoa farmers more than other farmers.” (Male FGD participants, Western Region)

“Some farmers receive scholarships and the roads to the communities are fixed.” (Male FGD participants, Western Region)

Some focus group participants stated that cocoa has lower labour demands than other crops. However, not all participants agreed with this statement, and the researchers suggest this depends on whether a household actively invests in their cocoa farm or are ‘harvesters’ who give a minimum of attention to their cocoa farm and are satisfied with whatever they yield. ‘Harvesters’ may be older farmers in retirement or those who focus more on other income generating activities (though not always). Participants did agree that cocoa is advantageous because you do not have to replant it every time you harvest.

“Once you plant cocoa you can harvest it every year, there is no need to replant every year.” (Female FGD participants, Brong Ahafo)

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16 Usually it takes around 3 years until the hybrid seedling starts producing cocoa. Perhaps the seedlings were already of a certain age when received by the farmers.

17 The term ‘harvesters’ has been used by some companies that the researchers have done prior work with.
“Food crops have a shorter life span than cocoa. It takes a lot of time replanting food crops.”
(Female FGD participants, Central Region)

“Cocoa is a good source of income, but it requires a lot of work.” (Male FGD participants, Ashanti Region)

In a few communities, participants compared cocoa with rubber, noting that cocoa usually takes around three years to start yielding from the time of planting (depending on the variety). Rubber, on the other hand, takes at least five to seven years to mature. This means that farmers who plant cocoa on a new plot face a shorter period without income than if they plant rubber.

“If you compare cocoa with rubber and coconut, the harvest period of cocoa starts earlier.” (Male FGD participants, Western Region)

“Cocoa money comes quicker than rubber: three years after planting for cocoa versus seven years for rubber.” (Female FGD participants, Western Region)

Very few focus group participants mentioned soil or climate as reasons to grow cocoa, perhaps taking this fact for granted.

“The soil favours cocoa planting.” (Male FGD participants, Ashanti Region)

“We have predominantly forest area, which is suitable for cocoa.” (Male FGD participants, Central Region)

Finally, a small number of groups mentioned that cocoa is used for certain locally produced and consumed products. For example, some farmers mentioned that they consume locally-made chocolate milk (which they refer to as ‘Milo’) and produce soap and cocoa butter from the cocoa husk. The soaps and skin products (pomade) are used for household consumption and for local sales. Soap making is an activity that typically involves women.

“You can process cocoa into milo, you can process it into cocoa butter for the skin, you can use the husk of the cocoa pod to dry it and make soap out of it, and it is used to make chocolate.” (Male FGD participants, Western Region)

“Cocoa is used to prepare cocoa powder, cocoa drinks (milo), and is used to prepare chocolate. Chocolate gives us strength.” (Male participants FGD, Ashanti Region)
7.1.3 Main reasons for growing cocoa in Côte d’Ivoire

In Côte d’Ivoire, 53% of survey respondents reported that cocoa is their household’s most important crop, with a further 8% of survey respondents designating it as their household’s second most important crop. 61% of survey respondents in Côte d’Ivoire therefore consider cocoa to be their first or second most important crop.

Whilst this is a lower proportion of respondents than in Ghana, this still confirms that cocoa is the most important crop cultivated in the research areas in Côte d’Ivoire. However, in Côte d’Ivoire, gender differences were found to be much more pronounced than in Ghana; only 36% of female-headed households in Côte d’Ivoire actually produce cocoa (Chapter 5). The focus group discussion data confirms the household survey data, which reveals that men play the dominant role in cocoa production and marketing, whilst women more typically play a supporting role or engage more intensively in other crops. This is why male participants mostly engaged in this particular discussion.

The male participants gave three main reasons for growing cocoa: income, traditional and national importance, and social security.

7.1.3.1 Income

As in Ghana, Ivorian participants most often identified cocoa as the crop that earns their household the highest income. Some participants discussed how coffee used to be seen as the traditional crop of their area, but that they switched to cocoa as it generated more income.

“It is the best paying crop in Côte d’Ivoire and you can still harvest a little outside of the seasons. If you do cocoa, you have an easier life.” (Male FGD participants, Nawa)

“We get good money from cocoa and that enables us to do a lot of things. The price is good. We can use cocoa money for school, to buy food, to buy clothes, pay for healthcare, build houses, start small shops, and buy bikes/motorbikes.” (Male FGD participants, Guémon)

“The price of cocoa is good and we can produce good quantities, leading to a good income.” (Male FGD participants, Gontougo)

“We first did coffee, but the price for cocoa became better so we started doing that. The price for cocoa is the highest of all the crops. Producing cocoa is also easier than coffee. Cocoa gives us a lot of money that we use to pay for school, buy food and build houses.” (Male FGD participants, Gôh)

“Cocoa does not give enough anymore because of the rains. So we started doing other crops more. However, cocoa is still our most important crop and the harvest of cocoa is stable now. It gives more money than other crops: 1 hectare of cocoa brings a lot more than 1 hectare of rice.” (Male FGD participants, Marahoué)
As in Ghana, the Côte d’Ivoire government has, via the Conseil du Café-Cacao, implemented a guaranteed price system since 2012-2013 season. The fixed farm-gate price was appreciated by farmers because it theoretically guarantees a minimum price to farmers, thereby avoiding the price volatility associated with other crops. However, in the period when we conducted the study the world-mark price significantly dropped, and some farmers let us know that they were not receiving the agreed price (Chapter 11). Participants also appreciate that local cocoa buyers are present in, or near, every community, and the money comes in bulk. However, unlike in Ghana, these reasons for prioritising cocoa were mentioned less frequently.

“Cocoa is very sought after, it is always easy to sell.” (Male FGD participants, Guémon)

“We get bulk money for the cocoa during the main season, it comes at the holiday season right in time for Christmas.” (Male FGD participants, Haut-Sassandra)

“The fixed price for cocoa is supposed to be 1,100 CFA/kg at the moment, but it is not respected by the pisteurs. It is 600-800 CFA/kg at the moment.” (Male FGD participants, Gôh)

Ivorian farmers see cocoa as a good crop because it provides an opportunity to finance large expenses, such as building projects or purchasing means of transportation (e.g. bikes and motorbikes). Cocoa income also provides a reliable means to cover fixed expenses, such as food costs and educational costs. Other costs covered by cocoa income mentioned by participants are healthcare and farm inputs costs (Chapter 4). Cocoa income is perceived to cover household expenses better than any other crop.

“Cocoa brings large sums of money, enough to save, to cover educational costs, build homes and cover other necessary costs.” (Male FGD participants, N’Zi)

“We can use cocoa money for school fees, buy food, buy clothes, pay for healthcare, build houses, start small shops, and buy bikes or motorbikes. We get good money from cocoa that enables us to do a lot of things as the price is good.” (Male FGD participants, Gôh)

“We can cover school fees, healthcare costs, the construction of houses, we provide food, clothing, and soap for the household, we pay electricity, cover funeral costs, it allows us to save money, and it makes it easier to marry women as you need money to attract a wife.” (Male FGD participants, Cavally)

7.1.3.2 Tradition and the importance for the country
As in Ghana, Ivorian farmers also mentioned the importance of tradition and the importance of cocoa for the country. However, these motives were given less prominence in Côte d’Ivoire. Coffee, not cocoa, was considered to be the ‘traditional crop’ in a number of communities in the research areas, even though cocoa was said to have overtaken coffee as the most important crop due to its profitability and lower labour demands.
“Cocoa is the backbone of the Ivorian economy and it’s the crop that was started by our ancestors. It a tradition in the village and tradition is important.” (Male FGD participants, Gôh)

“Cocoa is the biggest export product for Côte d’Ivoire and therefore important for the country.” (Male FGD participants, Guémon)

“In recent years, cocoa overtook coffee. We switched to cocoa as we can harvest it twice a year instead of once a year, the price of cocoa is also better than that of coffee.” (Male FGD participants, Cavally)

### 7.1.3.3 Social security

In Côte d’Ivoire, focus group participants emphasised that cocoa provides a kind of ‘social security’ because, after planting, households can harvest the cocoa for many years, providing a long-term, secure income.

“You can harvest for 30 years. That is a long time and it gives security of income.”
(Male FGD participants, Belier, Yamasoukro)

### 7.1.4 Other reasons for growing cocoa in Côte d’Ivoire

In Côte d’Ivoire, some farmers said that cocoa was less labour intensive compared to other crops. Not everyone agreed with this statement, as some argued that certain activities, such as weeding, require physical strength. Participants often made the comparison to coffee, which requires more weeding and maintenance than cocoa. Some Ivorian farmers stated that cocoa does not require weeding once it has entered into production. (We note that this may reflect some farmers’ actual practice, but should not be considered a recommended practice.)

“The production of cocoa is easy to do as you do not need to weed once it is fully grown.”
(Male FGD participants, Haut-Sassandra)

“Cocoa is favourable for the soil and it is sought after. The work of cocoa is easy as you need to weed fewer times than coffee and you can harvest it faster.”
(Male FGD participants, Guémon)

“There is no need to weed once cocoa has started producing. It is the least work compared to other cash crops.”
(Male FGD participants, Guémon)

Farmers often stated that one of the reasons to grow cocoa is the relative short maturation period (36 months for the hybrid variety), which is shorter than for rubber or coffee. Participants also explained that cocoa was advantageous because it can be harvested most months of the year, with surges during the main and light seasons. This was compared to coffee which can only be harvested once a year.
Some farmers also mentioned that the timing of the cocoa harvest is convenient as the main season coincides with Christmas and New Year, so that there is more money to spend at this time.

“Cocoa is good as we can harvest it three years after planting. There is a main and a light season, and we can also harvest small amounts between the seasons as well.” (Male FGD participants, Cavally)

“We get bulk money during the cocoa season, and the money comes in time for Christmas.” (Male FGD participants, Haut-Sassandra)

In villages located to the north-east of Côte d’Ivoire, the occurrence of cocoa swollen shoot virus disease (CSSVD), soil conditions and climate were often seen as limiting factors for growing cocoa. A minority of respondents in these areas said they had switched from cocoa to rubber, cashew or palm oil, as these cash crops were more resistant to a changing climatic situation (e.g. prolonged dry season, increasing temperatures and changes in rainfall pattern and quantity). In contrast, farmers in villages further to the south and west of Côte d’Ivoire were relatively satisfied with the climatic conditions and soil quality and perceived the environment as an enabling factor for cocoa production.

“Cocoa gives the most revenue. However, we do not produce it only because it’s the most lucrative, but also because the soil and climate is really good.” (Male FGD participants, Agnéby-Tiassa)

“Cocoa is the primary crop of the region, the earth can produce a lot of cocoa and it lasts for a long time.” (Male FGD participants, Région de la Mé)

A small number of respondents mentioned that intercropping of young cocoa with food crops provides shade for the young cocoa trees while simultaneously providing the household with an additional supply of food or income. One group of farmers explained that cocoa offers the possibility to intercrop, while rubber does not. Farmers emphasised that intercropping was only possible during the early stages of cocoa, and not when it is fully matured.

“You can intercrop with cocoa, but not with rubber. You need money to be able to do rubber as you cannot have an income from intercropped food crops in the meantime. You can intercrop yam in cocoa even when it is big.” (Male FGD participants, San Pédro)

“Intercropping can only be done at the beginning. It is no longer possible once the cocoa is mature.” (Male FGD participants, Haut-Sassandra)
7.2 Summary

In the research areas in Ghana and Côte d’Ivoire, cocoa is perceived to be the most important crop. In Ghana, both female and male household heads prioritised cocoa, while in Côte d’Ivoire male-headed households prioritised cocoa much more frequently than female-headed households. Only 36% of female-headed households in Côte d’Ivoire reported producing cocoa.

In Ghana, the most frequently cited reason why households grow cocoa is that it generates relatively higher income than any other crop option. Many participants specifically discussed how income from cocoa enables them to pay school fees, which were often cited as one of the biggest expenditure items for a household. Generally, participants like the way cocoa income is received ‘in bulk’. Cocoa was said to be one of the few crops that allowed households to invest in house construction or renovations. The cocoa season is also the time when debts are settled, inputs and equipment is bought, and money is spent on Christmas gifts and meals.

Likewise, in Côte d’Ivoire, farmers also frequently identified cocoa as the crop that generates the highest income. Cocoa income is perceived to cover household expenses better than any other crop and provides the opportunity to finance large and fixed expenses.

In Ghana and in Côte d’Ivoire, households appreciate the ‘guaranteed price’ structure of cocoa and emphasised that there is always good demand for cocoa. However, shortly after fieldwork was completed, the world market price dropped significantly, and Ivorian farmers did not receive the price set by their government’s marketing board.

In Ghana, tradition and the importance for the national economy were frequently mentioned reasons for producing cocoa. In Côte d’Ivoire, coffee was considered to be the ‘traditional crop’ in a number of communities in the research areas, even though cocoa was said to have overtaken coffee as the most important crop due to its higher profitability and lower labour demands.

In Ghana, planting cocoa trees is a way for households to secure land rights. Participants explained how once a household plants cocoa trees, the land becomes their long-term property as long as the trees remain on the land. Both male and female participants perceive this to be a major benefit compared with non-tree crops.

In Côte d’Ivoire, participants emphasised that cocoa provides a kind of ‘social security’. After planting, households can harvest the cocoa for many years, providing a long-term, secure income.
In Ghana, participants mentioned that the cocoa farm can be used as collateral to access credit. The relatively reliable income from cocoa also makes it easier for borrowers to repay their loans, and moneylenders therefore have more faith that the loan will be repaid compared to non-cocoa households.

In both Ghana and Côte d’Ivoire, some other reasons for producing cocoa include relatively lower labour demands than many crops and faster maturity than other tree crops. Hybrid cocoa takes only around three years to begin yielding compared with rubber, which takes five to seven years.

In Ghana, households receive more support for cocoa farming than for other crops, and this is a recognised benefit. In Côte d’Ivoire, this benefit was not mentioned by participants.

In villages located to the north-east of Côte d’Ivoire, limiting conditions for growing cocoa are the cocoa swollen shoot virus disease (CSSVD), soil conditions and climate. In these areas some respondents said they had switched from cocoa to rubber, cashew or palm oil, as these cash crops were more resistant to a changing climatic situation. In contrast, farmers in villages further to the south and west of Côte d’Ivoire were relatively satisfied with the climatic conditions and soil quality and perceived the environment as an enabling factor for cocoa production.

We suggest that the importance of cocoa, for both economic and non-economic reasons, means that it is unlikely a substantial proportion of farmers will move out of cocoa and into other crops in the short to medium term. Indeed, these reasons explain why more households perceive cocoa to be one of their most important crops than five years ago (Chapter 5).