

Written by Allie Brudney and Reynolds Taylor. Designed by Reynolds Taylor.

Many thanks to the nine communities we spoke with, as well as to our wonderful interpreters and partners, including Komenan Kouasi, Jean-Claude Anzi, Elvis Opong-Mensah, and Obed Erzuah. We are grateful to our partners for all the time, effort, and energy they took to work with us. It is only due to their assistance that we had the chance to visit, speak with, and learn from cocoa-growing communities.

Suggested citation: A.Brudney and R. Taylor, "There will be no more cocoa here": How Companies Are Extracting the West African Cocoa Sector to Death, Corporate Accountability Lab (September 2023).

Cover photo: Women cocoa farmers in a cocoa-growing village in Ghana, answering questions posed by CAL staff (September 2022)

©2023 Corporate Accountability Lab. All rights reserved. All content contained herein is subject to the terms and conditions of Corporate Accountability Lab's copyright license. Read more at corpaccountabilitylab.org/cal-copyright-license.

## TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
RECOMMENDATIONS	4
TLEGOIVIIVIEIVD/TTIGIVO	
INTRODUCTION	6
METHODOLOGY	8
THE COCOA SUPPLY CHAIN IN CÔTE D'IVOIRE AND GHANA:	
AN EXTRACTIVE MODEL	
a. Côte d'Ivoire	
b. Ghana	13
FARMER POVERTY:	
HOW COMPANIES EXPLOIT IMPOVERISHED FARMERS FOR PROFIT	16
a. The Price of Cocoa	
b. The Living Income Differential	21
INVISIBLE STAKEHOLDERS:	
WOMEN, CHILDREN, AND HIRED WORKERS	23
a. Women in Cocoa-Growing Communities	23
b. Children and Child Labor in Cocoa-Growing Communities	26
c. Hired Workers on Cocoa Farms	28
THREATS TO THE SURVIVAL OF COCOA FARMS:	
TREE DISEASE AND GOLD MINING	30
a. Tree Disease: Swollen Shoot	30
b. Gold Mining ( <i>Galamsey</i> )	33
CONCLUSION	35

### **EXECUTIVE SUMMARY**

For decades, cocoa and chocolate companies have plundered the wealth of Côte d'Ivoire and Ghana. These companies extract as much value as possible from the approximately 3 million metric tons of cocoa beans painstakingly harvested each year by small-holder farmers across these two countries. In 2022, chocolate companies brought in \$206 billion in revenue, and the industry is projected to generate as much as \$263 billion in revenue by 2030. And yet, cocoa farmers often earn far less than the World Bank's poverty threshold: \$2.15 per day in 2022.

The prices companies pay for cocoa are so low that farmers often cannot hire adult workers and instead must rely on their children or, in some cases, trafficked children, for help doing the work that cocoa cultivation requires. This failure by companies to pay a fair price for cocoa contributes directly to the human rights and environmental harms that characterize the West African cocoa sector – and despite promises by many of the largest chocolate companies over two decades ago to clean up the sector, little has changed. Cocoa farmers still earn far below a living income, hazardous child labor remains common, and child trafficking still exists despite efforts by West African governments to combat it.

Cocoa farming communities in Côte d'Ivoire and Ghana face threats from all directions: companies pay exceedingly low prices for cocoa and navigate around price regulations; diseases decimate cocoa trees, making it even harder to live off cocoa farming alone; and illegal gold mining continues to take over and seep toxic chemicals into the land that cocoa farmers depend on.

In September 2022, Corporate Accountability Lab (CAL) visited nine cocoa-growing villages across Côte d'Ivoire and Ghana – the two West African nations that collectively produce two-thirds of the world's cocoa. CAL staff spoke with tribal leaders, cocoa farmers and their families, hired workers, and village members who were either directly or indirectly dependent on the cocoa sector for survival. In each village visited, farmers and workers spoke about the unsustainably low prices companies pay for cocoa and companies' failure to pay the Living Income Differential (LID), a government-mandated price increase designed to ensure farmers received a higher price for the cocoa they sold. Details about the challenges and hazards of relying on cocoa for a living varied between countries and villages, but there was remarkable consensus – among more than 300 farmers – that **a fair price for cocoa is at least triple the current price**.



Cocoa farmers and their families requested that their stories about the reality of cocoa farming be brought to the broader public: the poverty, the hard work, the difficulty paying for children's schooling and hiring workers, the corruption within the supply chain, and the dire impact of tree-decimating diseases. In many villages, CAL staff also spoke with smaller groups of women who were eager to talk about their lives – especially details that were missing from the broader conversations in which men typically dominated. This report tells these stories, which centered on the following topics:



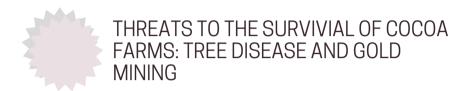
The farmgate price, set by the governments of Côte d'Ivoire and Ghana, is the lowest legal price companies can pay for cocoa. This price floor remains far too low. Despite decades of discussion and handwringing about the issues facing the cocoa sector, little has changed. Farmers continue to earn poverty income, often below the World Bank's poverty line. As a result, farmers struggle to pay hired workers and often rely on their own children – and in some cases, on trafficked children – to harvest the cocoa needed to survive. In 2022, farmers across Côte d'Ivoire and Ghana reported that they required about a three-fold increase in price to earn a living income.



Although cocoa farmers are generally portrayed as men, women and girls work on cocoa farms and do much of the same work as men – planting, weeding, cutting pods from the trees and opening them with machetes, and drying and fermenting beans. But as one woman we spoke with explained, "as a woman," she not only does the same hard work as the men during the day but then comes home to do more work while the men rest. As is true across the globe, women engage in income-producing activities and are also primarily responsible for unpaid care work including child rearing, cooking, and cleaning, which make the income-producing activities possible.

Children also carry out significant work on cocoa farms in Côte d'Ivoire and Ghana. Child labor, including hazardous child labor, is a direct result of the poverty prices companies pay cocoa farmers for their cocoa. One farmer CAL staff spoke with said this explicitly, explaining that their children would be at school if they had more money. The prevalence of hazardous child labor is visible, with young children – including eleven- and twelve-year-olds – walking on the roads in the mornings, swinging machetes. These children are conspicuous, as they are not dressed in their school uniforms (common in both countries), as many of their peers are, despite an impressive increase in school attendance over the past decade.

Hired workers are some of the most invisible members of the cocoa supply chain. Most analysis of human rights abuses in the West African cocoa sector focuses on adult farmers and child laborers. Little research has been done on hired workers, including who they are, from where they travel, and how much they earn. What is clear, however, is that these individuals are often among the most vulnerable workers – relying on payments from farmers who themselves earn very little. From conversations with farmers in both Ivorian and Ghanaian villages, hired workers seem to earn just over \$1 a day.



Farmers and communities reported that both swollen shoot disease and gold mining presented existential threats to cocoa-growing. Swollen shoot disease – spread by invisible mealybugs – has been harming cocoa trees for decades but has hit western parts of Côte d'Ivoire harder in the past decade. Across both Côte d'Ivoire and Ghana, farmers see their cocoa trees decimated.

Illegal gold mining, known as *galamsey* in Ghana, is also harming and destroying cocoa farms. Gold minis a growing threat to cocoa farms in Ghana, although less so – for now – in Côte d'Ivoire. Both the Ghana Cocoa Board, known as COCOBOD, and the General Agricultural Workers' Union (GAWU) have stated that *galamsey* is the largest threat to cocoa farming. Farmers, especially in Ghana, said that they are worried they will lose their land to *galamsey*.

Cocoa farmers face a litany of challenges and threats to their livelihoods. While they are paying the price – literally, by being underpaid – and bearing the risk of a bad harvest or impacts from swollen shoot disease or nearby gold mines, cocoa and chocolate companies continue to earn record profits. It is time – far past time – for this to change. Companies must pay farmers a fair living income, compensating them for the hard work that they do. As it is, cocoa and chocolate companies rake in profits that do not represent the industry's true costs of production. Farmers perform the labor that *makes* the main ingredient in chocolate and are owed a proportionate share of the billions of dollars in revenue companies earn from this labor.



Cocoa farmers during a meeting with CAL in Ghana (September 2022)

## RECOMMENDATIONS

#### FOR COMPANIES:

Companies must pay a living income to cocoa farmers. Companies must immediately pay the full Living Income Differential (LID) and the Ivorian and Ghanaian country premiums. Companies must also go beyond the governmentmandated price floor to ensure farmers are paid an actual living income - suggested by farmers in September 2022 to be triple the current rate - and that this full amount reaches farmers. At a minimum, farmers must be paid \$3,166 per metric ton in Côte d'Ivoire and \$3,116 per metric ton in Ghana. These prices are aligned with recent calculations of a living income in each country and come close to triple the rate farmers reported receiving in 2022.

Companies must provide full and public transparency and traceability down to the farm level in every country from which they source. Companies must publicly release information about cooperatives, pisteurs, and farms from which they source, including in their indirect supply chains. If companies do not currently have this information, they must take immediate steps to trace their supply chains down to the farm level and make this information publicly available. This is especially important to ensure that companies are not buying cocoa produced in deforested regions of Côte d'Ivoire and Ghana.

Companies must establish long-term contracts at fixed prices with cocoa farmers. Farmers bear the burden of market volatility, whether driven by commodity prices or by changes in demand. This generates economic precarity and indebtedness, which both contribute to creating conditions of forced labor. Long-term contracts distribute risk to supply chain actors who are better situated to absorb it, resulting in greater stability across the supply



#### FOR THE IVORIAN AND GHANAIAN GOVERNMENTS:

The Ivorian and Ghanaian governments must require companies to pay the Living Income Differential (LID) and the country premiums. As producers of two-thirds of the world's cocoa, Côte d'Ivoire and Ghana must continue to leverage their market power in the cocoa industry to push companies to pay the LID, the country premium, and to move towards paying a living income. The Ivorian and Ghanaian governments must also work with the Nigerian and Cameroonian governments to ensure that companies pay a fair price to all cocoa producers in West Africa.

The Ivorian and Ghanaian governments must better regulate companies sourcing cocoa from their countries.

This includes ensuring that the cocoa that companies buy is not from deforested areas and that farmers are paid the farmgate price – as a bare minimum – for their cocoa. Because rates of deforestation and the price of cocoa are closely linked, improvement in the lives of farmers and the health of Ivorian and Ghanaian forests will require simultaneous regulation of both the price companies pay for cocoa and the land from which the cocoa is sourced.



## INTRODUCTION

Soon, "there will be no more cocoa here." Throughout Côte d'Ivoire and Ghana, village after village expressed this sentiment. Cocoa farmers claimed to be teetering on the edge for a host of reasons: the low prices paid by companies, the disease destroying their trees, the infringement of illegal gold mining on or near their land, and the flight of young people away from villages and into urban areas. In Côte d'Ivoire, farmers were alarmed by the devastation wrought by swollen shoot disease, with at least one farmer reporting that he lost his entire farm to the disease in a single season – and several others claiming to have lost a third of their farmland over the last ten years. In Ghana, farmers also reported losing up to 60 percent of their land to the disease, but more urgently expressed anxiety about illegal gold mining (known as *galamsey*) – even in villages where it had not yet appeared – and bemoaned the fact that their children had begun to seek opportunities in the cities rather than become farmers. Whatever the cause, farmers in Côte d'Ivoire and Ghana feared that cocoa farms would soon disappear.

For decades, cocoa and chocolate companies have plundered the wealth of Côte d'Ivoire and Ghana, extracting as much value as possible from the cocoa painstakingly harvested on small farms across West Africa. The price paid for cocoa has remained low, even as cocoa and chocolate companies earn larger and larger profits. The global chocolate industry is expected to reach an annual value of \$263 billion by the end of the decade,¹ yet cocoa farmers often earn under the World Bank's poverty threshold of just \$2.15 per day.² Companies' failure to pay a fair price for cocoa – a price that is both a living wage and a more accurate reflection of the true cost of production – is a primary cause of the poverty and human rights issues that characterize the sector, including hazardous child labor, child trafficking, and deforestation. While an increased price paid for cocoa will not immediately eliminate these issues, it is an essential step toward creating a truly sustainable – for farmers and the planet – chocolate industry. Companies are fond of issuing platitudes about improving supply chain conditions, but little progress can be made without first ensuring a fair price for farmers.

According to the more than 300 cocoa farmers CAL staff spoke with in September 2022, the 2022/23 farmgate price for cocoa must triple or nearly triple for it to become a living wage,<sup>3</sup> to 2,000 CFA per kilogram (\$3.60 per kilogram)<sup>4</sup> in Côte d'Ivoire and to 31.25 cedi per kilogram (\$2.99 per kilogram), or 2,000 cedi per 64 kilogram bag (\$191.39 per 64 kilogram bag) in Ghana.<sup>5</sup> But even this increased price does not take into account higher payment needed to compensate hired workers, who are often some of the most vulnerable – and invisible – stakeholders in the sector. According to interviews, hired workers in Côte d'Ivoire typically earn between 200,000 and 300,000 CFA per year (\$298-\$448 per year<sup>6</sup>), or between \$0.89 and \$1.34 per day (which is between 41 and 62 percent of the World bank's poverty threshold of \$2.15 per day).<sup>7</sup> For farmers to be able to hire workers and pay them a living income, the price of cocoa would have to increase even more.

This report discusses CAL's findings from interviews carried out in nine villages across Côte d'Ivoire and Ghana in September 2022. It begins with a brief explanation of the methodology, and then describes the cocoa supply chains in each country. It next describes the reality of farmer poverty in both countries and the nexus between the low prices companies pay for cocoa and the multitude of human rights abuses in the sector. This is followed by a discussion of the role of "invisible" stakeholders: namely, women, children, and hired workers. The report ends by highlighting various existential threats to cocoa farmers (beyond low prices), including tree disease and illegal gold mining.

#### SOUBRÉ, CÔTE D'IVOIRE

CAL STAFF INTERVIEWED: MORE THAN **70 FARMERS** IN **FOUR COCOA-GROWING VILLAGES** 





CAL STAFF INTERVIEWED: MORE THAN **230 FARMERS** IN **FIVE COCOA-GROWING VILLAGES** 

SEFWI WIAWSO, GHANA

## **METHODOLOGY**

This report is primarily based on information collected during CAL visits to cocoa-growing communities in Côte d'Ivoire and Ghana in 2022. It is supplemented by desk research.

In September 2022, CAL staff visited nine cocoa-growing villages in Côte d'Ivoire and Ghana and spoke with more than 70 farmers across four villages in the Soubré region of Côte d'Ivoire, and with more than 230 farmers across five villages near Sefwi Wiawso in Ghana. These men and women, who were often accompanied by their children, collectively represent the nearly 10,000 cocoa farmers and their family members living in these villages. Both the Soubré region and the area near Sefwi Wiawso are major cocoa-growing regions, emblematic of the cocoa sector in these two countries. CAL was introduced to these villages by partner organizations and individuals with long-standing relationships with the villages. CAL had also previously visited a number of these villages.

In many villages, CAL staff also spoke with smaller groups of women who discussed details about life left out of the broader conversations in which men dominated. Again and again, cocoa farmers and their families requested that CAL relay the reality of cocoa farming: the poverty, the hard work, the difficulty paying for children's schooling and hiring workers, the corruption within the supply chain, and the dire impact of cocoa tree-decimating diseases. The findings in this report are not statistically representative, but instead rely on the stories that cocoa farmers relayed to CAL.



Cocoa farmers during a meeting in the village school with CAL in Côte d'Ivoire (September 2022)



Cocoa farmers during a meeting with CAL in Côte d'Ivoire (September 2022)

Opposite: Cocoa farm (September 2022)



# THE COCOA SUPPLY CHAIN IN CÔTE D'IVOIRE AND GHANA: AN EXTRACTIVE MODEL

Côte d'Ivoire and Ghana are the two largest cocoa-growing countries in the world, together producing almost two-thirds of the world's cocoa. <sup>10</sup> Côte d'Ivoire is by far the largest producer, producing about 40 percent of the world's cocoa alone; Ghana, in contrast, produces roughly 20 percent. <sup>11</sup> These two countries dominate the market for cocoa used to produce bulk chocolate, which is the chocolate used in most chocolate products, including chocolate bars, chocolate chips, cookies, and ice cream.

Much of the cocoa supply chain process is similar in Côte d'Ivoire and Ghana. Both countries have government oversight "boards" responsible for regulating the industry – Le Conseil du Café Cacao (CCC) in Côte d'Ivoire and the Ghana Cocoa Board, known as COCOBOD, in Ghana. These cocoa boards set the farmgate price each year, meaning the lowest legal price any buyer can pay for cocoa from a farmer, and they license both cooperatives and export companies. While companies often claim that the farmgate is the price they "must" pay, this is untrue – the farmgate price is a floor, not a cap; companies can pay higher prices if they choose. A few companies do pay a higher price, often through premiums or other mechanisms such as certification schemes. However, even these higher prices mostly fail to provide farmers with a living income.

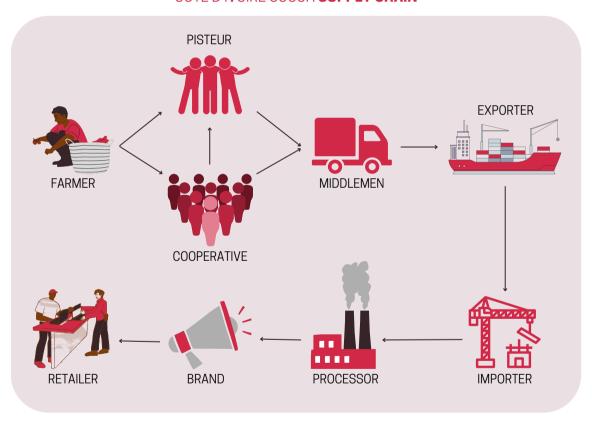
The harvest process is the same in both countries: farmers and workers cut cocoa pods from trees and cut the pods open with machetes; they then remove the beans from the pods and dry and ferment them. It is at this point, when farmers begin to sell their beans, that the supply chain models diverge.

WHILE COMPANIES OFTEN CLAIM THAT THE FARMGATE IS THE PRICE THEY "MUST" PAY, THIS IS UNTRUE – THE FARMGATE PRICE IS A **FLOOR**, NOT A CAP; COMPANIES CAN PAY HIGHER PRICES IF THEY CHOOSE.



In Côte d'Ivoire, there are two main ways for a farmer to sell cocoa: to cooperatives or to *pisteurs*. The term "cooperative" connotes a form of democratic farmer organization, but in reality, many cooperatives are merely buying agents established by companies. <sup>15</sup> Each selling season, cooperatives typically enter into contracts with exporter companies – such as Cargill, Inc. ("Cargill"), Olam Group ("Olam"), Sucden Cocoa ("Sucden"), Ecom Cocoa ("Ecom"), or Barry Callebaut Group ("Barry Callebaut") – for a specific amount of cocoa. Then throughout the season, cooperatives generally send trucks to villages to buy and collect cocoa from farmers, which is then sold to the exporter companies. Cooperatives often pay farmers a month or so after they sold their beans to the cooperative.

#### CÔTE D'IVOIRE COCOA SUPPLY CHAIN



Additionally, farmers reported to CAL that cooperatives sometimes run out of money part way through a selling season and begin offering to pay a lower amount than the farmgate price; this likely happens after cooperatives have purchased from farmers and sold to exporters the specified amount of cocoa, and thus have little cash on hand, but are hoping that demand is higher than the previously contracted

amount. When this happens, farmers – who generally lack the ability to reach other buyers – are often forced to sell at this lower price point.

Farmers' other option is to sell to middlemen, called *pisteurs*, who traverse the bad roads that often lead to villages and offer an alternative to cooperatives, but who also generally pay below the farmgate price. Farmers choose to sell to *pisteurs* for a variety of reasons: they live in remote villages too far from cooperatives, they do not trust the local cooperatives, or the cooperative has run out of money to buy cocoa. While buying cocoa priced below the farmgate price is illegal, it happens regularly. Farmers who buy from *pisteurs* reported receiving around 700 CFA (\$1.15) per kilogram, although some earned only 500 CFA (\$0.75) per kilogram. Farmers reported that between 60 and 100 percent of their income comes from cocoa, and they thus rely on selling their cocoa beans to earn what they can even when the earnings are far below what they are legally entitled to.

Cocoa, whether bought by cooperatives or by *pisteurs*, makes its way to the ports of San Pedro and Abidjan and is exported from there to be manufactured into chocolate and chocolate products, often in Europe or the United States.



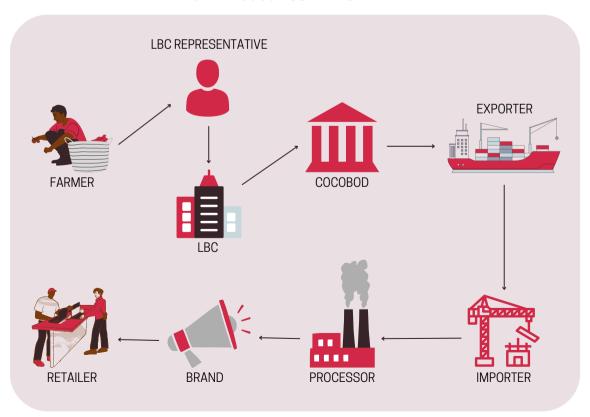
Cocoa farmers in Ghana with the beans they are drying (September 2022)



In Ghana, COCOBOD regulates the cocoa industry and dictates which companies can buy cocoa. COCOBOD "licenses" Licensed Buying Companies (LBCs) each year to buy cocoa directly from farmers, so farmers sell directly to LBCs instead of to *pisteurs* or cooperatives. These LBCs usually hire representatives in villages – referred to as LBC representatives – who compete to buy cocoa from farmers in their villages. Companies incentivize farmers to sell cocoa to their LBC representatives by promising them additional income (typically referred to as "premiums") or other gifts, including t-shirts, pesticide sprayers, or flashlights.

In Ghana, farmers generally reported being paid the farmgate price and being paid by the LBC representatives quickly, either at the time of sale or, in a few cases, within about a week. However, farmers in some villages also alleged that LBC representatives cheat farmers out of money by adjusting scales used to weigh bags of cocoa so that the scales register – and the farmers are paid for – a lower weight than they should be. This has long been an allegation leveled at companies and at COCOBOD.<sup>19</sup> In fact, in 2021, COCOBOD bought 40,000 electronic scales in an attempt to address this problem.<sup>20</sup> Nevertheless, it appears that the problem persists in at least some villages.

#### **GHANA COCOA SUPPLY CHAIN**



LBC representatives also often provide loans to farmers in the community, in exchange for a promise by the farmers receiving the loan to sell their cocoa to the LBC representative once it has been harvested, dried, and fermented. These loans – which generally are repaid without interest and are often used by farmers to purchase inputs necessary for a successful harvest, like fertilizer – act as a strong motivator to sell cocoa to a specific LBC representative, even when that representative is known to adjust scales or when the premium is lower than that paid by others. <sup>21</sup>

LBCs reward LBC representatives for buying large amounts of cocoa with bonuses or commissions – usually 10 or 15 cedis per bag of cocoa (\$0.96-\$1.44)<sup>22</sup> – based on the amount of cocoa purchased. In contrast to most companies, Cargill eschews LBC representatives and instead travels to each village with a truck to buy cocoa once per season directly from individual cocoa farms. Cargill seems to pay the highest premium to farmers (although the price is still far below a fair or living wage) – perhaps a result of skipping the intermediary. This model appears to work well for Cargill – at least two LBC representatives said that Cargill buys the most cocoa in their village or that Cargill has recently "become more powerful."

Once an LBC has bought the cocoa from a farmer, it still must be transported to the port and shipped. The cocoa sector in Ghana is only partially liberalized and remains tightly controlled by COCOBOD. Through its subsidiary, the Cocoa Marketing Company, COCOBOD is the sole buyer and seller of cocoa for export in Ghana. LBCs must sell their cocoa to the Cocoa Marketing Company, which then sells the cocoa to exporters, the are primarily large cocoa traders like Olam, Cargill, and Barry Callebaut. These companies export the raw cocoa, primarily to Europe and the United States.

LBC representatives are generally cocoa farmers themselves and members of the village where they work. Several representatives said that this dynamic sometimes caused tension between village members, with one representative explaining that there was "massive competition" between representatives living in the same village to convince farmers to sell cocoa to them. <sup>27</sup> In Ahokwa, a relatively large cocoa-growing village near the town of Sefwi Wiawso, we witnessed a heated argument between a company representative and other farmers about scale adjustment.

LBC representatives often try to gain sellers by offering no-interest loans, paying premiums, providing gifts, or by capitalizing on close social ties. In Sohenso, a small cocoa-growing village of about 900 people in the Sefwi Wiawso region of Ghana, an LBC representative described to CAL the social fallout he had experienced after the Produce Buying Company (PBC), the government-owned corporation for which he works, failed to provide him with the money to pay premiums he had promised to fellow farmers and neighbors.

COCOBOD's tight control of the Ghanaian cocoa sector means that it is more regulated than the Ivorian cocoa sector. This is perhaps why cocoa farmers in Ghana are almost always paid the farmgate price and paid on time – in contrast to Ivorian farmers. COCOBOD is a much more active player in cocoa farmers' lives than the CCC in Côte d'Ivoire. Yet COCOBOD is also known to be a corrupt institution that often fails to provide farmers with promised inputs and assistance, and instead uses cocoa revenue to "reward political support, mobilize political power, and fund political parties." This means that, while COCOBOD's regulation of the sector might in theory introduce consistency into cocoa farmers' lives, in practice it is unclear the extent to which this extra stability is achieved.

Côte d'Ivoire and Ghana have different processes for buying and selling cocoa at the farm level, but by the time the cocoa is exported it is under the control of the same companies: Cargill, Olam, Barry Callebaut, Sucden, Ecom, and others. <sup>29</sup> These exporting companies hold tremendous market power. By paying exceedingly low prices to middlemen, including cooperatives, the exporters – often multinational companies – cause the impoverished conditions under which farmers and their families live. The cocoa purchased by these companies is, in turn, transformed into chocolate and sold by Nestlé S.A. (Nestlé), Mars, Inc. (Mars), Mondelez International, Inc. (Mondelez), Ferrero Group (Ferrero), Lindt & Sprüngli Group (Lindt), Godiva Chocolatier (Godiva), Ritter Sport, and many other household brands; these brands also wield considerable market power and profit from the low prices paid to farmers.



Cocoa pods on a cocoa tree (September 2022)

## FARMER POVERTY: HOW COMPANIES EXPLOIT IMPOVERISHED FARMERS FOR PROFIT



Cocoa farmers rely on the cocoa sector for the majority of their income, yet the farmgate price for cocoa is far too low for farmers to earn even close to a living income. In 2020 the farmgate price rose to historic or near-historic highs in both Côte d'Ivoire, where it reached 1,000 CFA per kilogram (\$1.80 per kilogram), 30 and in Ghana, where it reached 10.56 cedis per kilogram (\$1.01 per kilogram) $^{31}$  –but soon decreased and has since hovered around 800-900 CFA per kilogram (\$1.20-1.34) $^{32}$  and 12.8 cedis per kilogram (12,800 cedis, or \$1,224.88, per metric ton or \$1.23 per kilogram),  $^{33}$  respectively. Despite the absolute price increasing in Ghana,  $^{34}$  rampant inflation over the last several years caused a decrease in buying power for farmers. Due to inflation in Ghana – which reached 54.1 percent in December 2022, the highest rate in more than two decades  $^{35}$  – the value given farmers per metric ton actually dropped substantially from the end of 2021 to the end of 2022.  $^{36}$ 

As of September 2022, farmers in Côte d'Ivoire were earning between 38 and 42 percent of a living income and in Ghana roughly 40 percent of a living income, calculated as \$3.17 and \$3.12 per kilogram (or \$3,166 and \$3,116 per metric ton) respectively.<sup>37</sup> Farmers know that they are being paid an

AS OF SEPTEMBER 2022, FARMERS IN CÔTE D'IVOIRE WERE EARNING BETWEEN 38 AND 42 PERCENT OF A LIVING INCOME, AND IN GHANA ROUGHLY 40 PERCENT OF A LIVING INCOME.

unfairly low price for cocoa. Across nine villages, farmers said that the price of cocoa needed to triple or nearly triple from the 2022 farmgate price – to 2,000 CFA per kilogram (\$3.60 per kilogram) in Côte d'Ivoire and to 31.25 cedi per kilogram (\$2.99 per kilogram), or 2,000 cedi per 64 kilogram bag (\$191.39 per 64 kilogram bag) in Ghana<sup>38</sup> – for them to be able to pay for food, school and school supplies for their children, clothing, repairs to homes, necessary inputs for cocoa farming, and medical emergencies. But even with this increased price, farmers would still face numerous challenges to continue producing cocoa: the dirt roads that become impassable during the rainy season; the lack of access to medical care; the long distances children must travel to reach schools; the difficulty accessing clean water; and the lack of electricity, to name a few.

Multinational cocoa and chocolate companies – processors and brands – make an extraordinary amount of money, and they regularly choose to spend far more than the cost of paying a living income to farmers on expenses with far less human significance. In 2023, Mars purchased a 30-second Super Bowl ad for \$7 million. <sup>39</sup> In 2022, Ferrero spent \$214 million on a new Kinder Bueno production facility in Illinois. <sup>40</sup> In 2022, Cargill's revenue grew by 23 percent and its profit of \$6.68 billion – which belongs to just 150 members of two billionaire families – broke records. <sup>41</sup> Rather than re-invest this windfall in farmers, Cargill completed a \$21 million "House of Chocolate" in Belgium. <sup>42</sup>

In 2022, Nestlé spent \$19.2 billion on marketing and administration, over \$1.3 billion on new facilities and factories, and more than \$12 billion repurchasing 92 million of its shares to increase shareholder dividends in the first half of 2023 by five percent.  $^{43}$  During this same period, Nestlé's revenue increased by 8.4 percent to more than \$108 billion.  $^{44}$  Yet, the approximately \$787 million – 0.72 percent of earnings – it would have cost Nestlé to pay a living income for the 430,000 metric tons of cocoa it purchased from Ivorian and Ghanaian farmers proved too much for the company to spend.  $^{45}$ 

It would have cost companies roughly \$4.96 billion to pay all cocoa farmers in Côte d'Ivoire and Ghana a living income in 2022.<sup>46</sup> This is hardly an insurmountable amount of money, representing less than 1.5 percent of Nestlé, Mars, Ferrero, and Cargill revenues from 2022.<sup>47</sup>

Long-term contracts, combined with a living income – adjusted for inflation – could help farmers to weather the many changes and risks they face. The COVID-19 pandemic presented a stark reminder of how much – and how disproportionately – farmers suffer when they bear the risk of a bad market. Unlike multinational cocoa and chocolate companies, which typically have some buffer and the market power to withstand and distribute the impact of negative shocks, cocoa farmers are often barely scraping by. This was clear during the COVID-19 pandemic, when chocolate companies made record profits, but cocoa farmers struggled to make ends meet.<sup>48</sup> To farmers, a bad market can be catastrophic – a

threat to survival. Fixed contracts, while insufficient on their own to combat poverty, would provide farmers with important security. With the knowledge that a buyer exists for their cocoa even in tough times, farmers could plan for their and their families' futures – making the sector more sustainable in the long run.

"Triple the current rate" should be understood in relation to a living income. CAL staff were told by farmers that **triple the current price would allow them to save and to purchase the necessities required to live and thrive**, in accordance with the leading definitions of a living income. In September 2022, triple the current price was approximately \$3,600 per metric ton in Côte d'Ivoire and \$2,990 per metric ton in Ghana. The prices in the two countries were especially far apart in fall 2022 due to rapid inflation in Ghana.

These prices are slightly more and slightly less, respectively, than recent calculations of a living income, at least in part due to recent periods of rapid inflation. In its 2020 *Cocoa Barometer*, the Voice Network pegged a living income at \$3,166 per metric ton in Côte d'Ivoire and \$3,116 per metric ton in Ghana. <sup>49</sup> At these prices, farmers would receive just over \$3.00 per kilogram of cocoa, which would bring cocoa-growing households substantially closer, or all the way, to earning a living income. <sup>50</sup>



A road, rendered impassable by rain and erosion, leading out of a village in Côte d'Ivoire (September 2022)

Cocoa farmers have always been impoverished, but inflation, especially in Ghana, has made a bad situation worse. <sup>51</sup> In October 2022 the inflation rate in Ghana hit 40 percent <sup>52</sup> and by December 2022 it had risen to just over 54 percent, the highest in 21 years. <sup>53</sup> The price of cocoa has not kept pace, making it especially difficult for cocoa farmers to buy inputs like fertilizers or pay for the gas necessary for operating some pesticide sprayers, let alone motorbikes and other vital forms of transportation. By late 2022, gas prices were up 79 percent, while fuel prices were up 63 percent and food prices had increased nearly 48 percent year over year. <sup>54</sup> The cedi lost about 40 percent of its value against the US dollar in November 2022, just a month into the main cocoa-growing season. <sup>55</sup> Such inflation has hit all Ghanaians hard, but cocoa farmers have no buffer or safety net to fall back on.

At the same time, the cost of household items has also increased with inflation, meaning that cocoa farmers' incomes provide them with less buying power. According to a 2023 report by Oxfam, key household expenditures increased by at least 50 percent between the growing season in 2019/20 and  $2021/22.^{56}$  The increase in the costs of education and transportation were especially drastic, with cocoa farmers reporting a 60 percent increase in costs for education and a 103.6 percent increase in costs for transportation.<sup>57</sup>



An Ivorian cocoa-growing village (September 2022)



A rubber farm in Côte d'Ivoire (September 2022)

Although cocoa is the primary income-earning crop for most farmers, families often supplement their low income from cocoa by growing food such as cassava, maize, and plantains for their own consumption. Some women sell cassava for extra income, especially if they can process it into atticke (a traditional side dish made of cassava) or another finished product.

Farmers also supplement their income by harvesting and selling rubber or other commodities.<sup>58</sup> However, none pay as much as cocoa - even at cocoa's current low price. One cocoa farmer in Côte d'Ivoire explained that, while rubber provides a more regular income - it can be harvested most of the year, unlike cocoa, which is seasonal - earnings are low; cocoa sales can net 70,000 CFA (about \$100 in 2022) from 100 kilograms, but rubber sales require selling 300 kilograms to earn that much. 59 Still, the increasing need to supplement cocoa income with rubber income was visibly evident in both countries. 60 Large swaths of land - stretched out in neat lines along the roads - were filled with rubber trees. In Serigbangan, farmers predicted that, unless the price of cocoa increased, rubber would replace cocoa within five years.

### WHAT IS A LIVING INCOME?

Living Income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include: food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events."61

While a higher price for cocoa is necessary for farmers and their families to reliably procure food, water, clothes, safe housing, and school for their children, it is also necessary that farmers be able to withstand micro and macro shocks – such as the Covid-19 pandemic, which impacted the global chocolate industry. This type of security cannot be accomplished without a living income.

Living income is a baseline – the minimum sufficient amount, not the ultimate goal for a just supply chain in which workers and communities thrive. Living income calculations do not account for things like money for savings or retirement, time away from work for illness, parental leave, or bereavement, or investment in personal, family, or community development.



Over the past seventy years, the price companies paid for cocoa has steadily decreased, 62 while inputs like pesticides have remained expensive. The result is that farmers are unable to earn their way out of poverty. That cocoa farmers are impoverished is an old phenomenon, but it is made more stark by the profits that cocoa and chocolate companies earn. For years, Côte d'Ivoire and Ghana competed for market share. But in 2020, the countries together implemented the Living Income Differential (LID), a \$400 per metric ton increase over the price of cocoa in both countries. The stated purpose of the LID was to ensure farmers received a higher farmgate price for cocoa.63

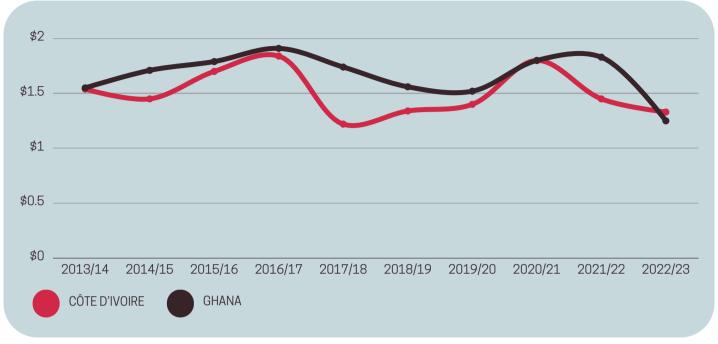
However, by early 2022 – when the LID had been in effect for two years – farmers still had not heard about it and the farmgate price had dropped from the high in 2020 back down. That is in large part because companies found ways to avoid paying the LID, such as opting to buy cocoa on the futures exchange (Hershey's and others did this),<sup>64</sup> or, more commonly, waiting until Côte d'Ivoire and Ghana were desperate to sell their stockpiles of cocoa and willing to negotiate a lower country premium. The devil here is in the details: companies often technically paid the LID, but often did not pay a long-standing premium, known as the country premium. They therefore negated much, if not all, of the increased price differential.

Because companies leveraged all available loopholes – managing not to increase their cost basis by any meaningful degree – it is perhaps unsurprising that nearly all the farmers we spoke with were unaware of the LID's existence. In Côte d'Ivoire, not a single person had heard of the LID, or that its intended effect was to increase their income. In Ghana, two men explained that they learned on the radio that the Ghanaian and Ivorian governments had set a price together, but after this they heard nothing further about it and experienced no benefit.

As companies have continued to refuse to pay the LID, the governments of Côte d'Ivoire and Ghana have become more assertive against cocoa and chocolate companies that circumvent price regulations. In fall 2022, both countries boycotted the World Cocoa Foundation annual meeting in Brussels, protesting the low prices companies have been willing to pay for cocoa at export. Together, Côte d'Ivoire and Ghana control almost two-thirds of the global cocoa supply. They should continue to use this market control to push companies to pay a fair price.

THE DEVIL HERE IS IN THE DETAILS: COMPANIES OFTEN TECHNICALLY PAID THE LID, BUT DID NOT PAY THE COUNTRY PREMIUM. THEY THEREFORE NEGATED MUCH, IF NOT ALL, OF THE INCREASED PRICE DIFFERENTIAL.

#### **10-YEAR TRENDS**: FARMGATE PRICE OF COCOA<sup>67</sup>



\* A table with exact values in Ivorian CFA and Ghanian cedi can be found on page 42 of the report

While the price of cocoa must increase for the sector to be sustainable, an increased price further threatens the forests in both Côte d'Ivoire and Ghana.<sup>68</sup> When the price increases, cocoa farmers are incentivized to grow more cocoa, and thus plant new cocoa trees in whatever open land they can find – often in recently-deforested regions. When the price decreases, cocoa farmers cannot earn enough on their farms, and so look to expand their farmlands, often into recently deforested areas.

Deforestation in the cocoa sector is a massive challenge. Ghana has lost 65 percent of its forest cover over the past 30 years, while Côte d'Ivoire has lost as much as 90 percent. A 2018 report found that Ghana is losing its rainforests faster than any other country in the world, and that cocoa is a leading driver of that forest loss. On the cocoa is a leading driver of that forest loss.

While the price of cocoa must increase significantly to ensure cocoa farmers can earn a living income, increased prices may drive further deforestation, as cocoa farmers seek to expand their farms and capitalize on higher prices. It is essential that higher prices for cocoa are accompanied by strong enforcement of Ivorian and Ghanaian laws. Companies must also ensure that they are not buying cocoa produced in deforested areas, which requires that they have full traceability of their supply chains down to the farm level.

## INVISIBLE STAKEHOLDERS: WOMEN, CHILDREN, AND HIRED WORKERS



Women are often overlooked in discussions on cocoa farmers, despite the fact that they work on cocoa farms and do much of the same work as men. Women make less money from cocoa than they should based on their participation in the cocoa production process, due to a combination of factors including patriarchal land ownership structures, performance of unpaid care work supporting cocoa farming, and social norms that prevent many women from controlling family financial resources. Because women often do not own the land where cocoa is cultivated or interface with buyers, their contributions to the cocoa sector – both on farms and in households – is undervalued and overlooked.<sup>71</sup>

Officially, women own and run about 25 percent of cocoa farms in both Côte d'Ivoire and Ghana, 72 but provide nearly half of the labor required for cocoa production. 73 This imbalance between land ownership and labor performed is a result of patriarchal inheritance traditions in some regions in which land often passes to a son or other male relative rather than to a surviving spouse. 74 Additionally, women in cocoa growing communities in Côte d'Ivoire and Ghana – as in so many cultures – engage in income-producing activities and the unpaid care work that makes income-generating activities possible. This includes child rearing, cooking, cleaning, and subsistence farming. As one woman in Anglo explained, "as a woman," she does the same hard work as the men during the day and then comes home to do more work while the men rest.

Furthermore, even as women are typically involved in the work to produce cocoa beans ready for sale, as soon as it is time for a financial transaction, men often take over, interfacing with buyers and

subsequently maintaining control over money received for beans sold. This is, at least in part, because "[t]he one role that men farmers play almost exclusively is in the transport of cocoa beans to marketing centers and the negotiation of sales, according to producer and industry experts in Ghana and Côte d'Ivoire. Adding to this dynamic is the myth that cocoa farming is "men's work," and women's contributions are downplayed, often seen as incidental rather than essential. As a result, while women are integral to income generation from cocoa sales, they often lose control over that income. Women are also excluded from cooperatives and leadership positions where they could advocate for changes in practices. This inhibits women's ability to assert their rights as cocoa farmers.

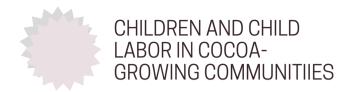
Unpaid work performed by women includes fetching water. Yet access to water is a problem in many cocoa-growing villages, one that falls most heavily on women. In Bobokro, women explained that water is becoming increasingly hard to access, as the place they usually get water from is drying up and is almost empty. One village in Côte d'Ivoire had only a single well – that was sometimes broken – from which women would pump water and then carry it home.

Women CAL spoke to engaged in other work in addition to cocoa farming and care work to supplement their incomes. Many women have their own plots of land for gardens where they grow food – cassava, okra, yams, plantains, and maize – for consumption or sale. In Serigbangan, a small group of women reported that one hectare of cassava, if turned into attieke and sold, could bring in 200,000 CFA per year (\$299)80 – roughly the amount hired cocoa farmers currently earn. However, women in Serigbangan and elsewhere emphasized that they lack access to buyers because the markets were often far away. In Memhasem, where women had formed an association to jointly produce and sell goods, the closest market required all inventory to be carried across hilly terrain on foot – unless, as men in the village explained, the women could procure bicycles. Women in two villages, one in Côte d'Ivoire and one in Ghana, asked for assistance starting their own businesses. These women had clear ideas for how to earn additional income but lacked the resources to do so.

The role of women in the cocoa industry remains under-researched, despite the clear role they play in producing cocoa. Just as hazardous child labor, trafficking, forced labor, and deforestation are all rooted in poverty – which is inexorably linked to low prices paid by companies – so are the rights and dignity of women and girls.

Opposite: A group of women speaking with CAL in Ghana (September 2022); A woman talking to CAL staff during a meeting in a Ghanaian village (September 2022)





The West African cocoa sector has long been known to rely on child labor, including hazardous child labor and forced child labor. Child labor is a direct result of the poverty prices companies pay cocoa farmers for their cocoa. Because they are not paid a living income, farmers often do not have the means to hire adult workers and instead rely on their children to work on their farms – resulting in children doing hazardous labor including using machetes to cut down and open cocoa pods, being exposed to pesticides, and carrying heavy loads. One parent said as much explicitly, explaining that their children would be at school if they had more money.

According to an October 2020 report by the US Department of Labor, published by NORC at the University of Chicago, there are currently 1.56 million children engaged in child labor in the cocoa sector across Côte d'Ivoire and Ghana.<sup>81</sup> About 95 percent of these children had engaged in at least one form of hazardous child labor in the previous year, including 770,000 children in Côte d'Ivoire and 710,000 in Ghana.<sup>82</sup> Despite over twenty years of cocoa and chocolate companies promising to end child labor in the sector, the prevalence of child labor in agricultural households in both the Ivorian and Ghanaian cocoa sectors rose by 14 percentage points over ten years, from 31 percent in 2008/09 to 45 percent in 2018/19.<sup>83</sup> Moreover, some forms of child labor appear to be getting worse. Children were exposed to pesticides at higher rates than they had been just a few years earlier.<sup>84</sup>

The prevalence of child labor is visible, with young children – including eleven- and twelve-year-olds – walking on the roads in the mornings, swinging machetes. These children are conspicuous, as they are not dressed in their school uniforms (common in both countries), as many of their peers are, despite the impressive increase in school attendance over the past decade, especially for elementary school children. In Ghana, between 2008/09 and 2018/19, school attendance for children in agricultural households in cocoa growing areas increased from 89 percent to 96 percent. In Côte d'Ivoire, there was also a significant increase, from 58 percent in 2008/09 to 80 percent in 2018/19. However, many children continue to engage in hazardous labor after school or during school vacations, including work that is detrimental to their health.

Despite this impressive increase in school attendance, significant barriers to children attending school remain. Although governments are responsible for running public schools, schools can be expensive for families, with parents often required to pay fees and buy uniforms for their children. While primary schools are often located in villages where cocoa farmers live or in a nearby village, there are fewer

secondary schools. Secondary schools are even more expensive, often requiring children to travel to another town or nearby city, where they must live during the week. As a result, secondary school attendance remains low for children from agricultural households. 88 In one village in Ghana, parents admitted that – although their children attend primary school – the majority drop out after and either begin to work on cocoa farms or move to the cities to look for jobs.

#### WHAT ARE THE WORST FORMS OF CHILD LABOR?89

**Child labor** is "work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development." Such work includes work that "is mentally, physically, socially or morally dangerous and harmful to children; and/or interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work." 90

**Hazardous child labor** is defined as "work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children." According to both Ivorian and Ghanaian law, such work includes using a machete or other sharp object, carrying heavy loads, spraying or being exposed to pesticides, night work, and working for long hours. 92

**Forced child labor** includes "all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict."<sup>93</sup>



Hired workers in the West African cocoa sector are some of the most essential and the least visible stakeholders in the industry. Cocoa farming is labor-intensive work, requiring weeding, spraying, cutting cocoa pods from trees, collecting the pods, opening them with a machete, removing the beans, and drying and fermenting them. Yet there is little available information on hired workers, despite the key role they play in this labor-intensive industry. In addition to hired workers – paid by day, week, season, or year – tenant farmers, or caretakers, are common in both Côte d'Ivoire and Ghana.

Although they are essential stakeholders, hired workers in Côte d'Ivoire earn very little. Farmers reported that a hired worker generally earns between 200,000 and 300,000 CFA per year, or \$298-\$448 per year<sup>94</sup> – either just under or just over \$1 per day. Even at the higher end, such pay remains under the World Bank's extreme poverty threshold of \$2.15 per day. 95 Yet despite this low pay, many farmers still cannot afford to hire workers. In Keitadougou, the largest village we visited in Côte d'Ivoire, farmers reported that hiring workers is simply too expensive, so they "only work with their families."

A caretaker or tenant system is common in both Côte d'Ivoire and Ghana (also called *abunu* and *abusa* in Ghana). 98 Under tenant arrangements, the farm owner is often responsible for providing all inputs and then takes two-thirds of the harvested cocoa beans, while the tenant receives one-third. If the farm owner is not responsible for providing inputs, then the harvest may be split in half. 99

The pay for hired workers is higher in Ghana, and many more farmers reported hiring workers. The average pay reported to CAL was about 50 cedi (\$4.78) per day, although it varied by village. In some cases, farmers explained that they pay workers different rates for different work: 96 50 cedis (\$4.78) during harvest season but only 35-40 cedis (\$3.35-\$3.83) per day prior to the harvest. 97 Members of another village explained that on average they pay workers 30 cedis (\$2.87) per day to weed, 40 cedis (\$3.83) per day to gather pods, and 50 cedis (\$4.78) per day to harvest. The significant difference in hired worker pay reported by farmers in Côte d'Ivoire and Ghana requires further research, but may be due to larger farms, higher productivity, more regular payment, or other factors.

Across villages, it varied whether farmers and their families viewed hired workers as members of the community. In Serigbangan, a village in Soubré region of Côte d'Ivoire, the "youth" often hired out their time. In Sohenso, a village in the Sefwi Wiawso region of Ghana, farmers hired both villagers and migrant workers from Togo. In other villages across Côte d'Ivoire and Ghana, there were long standing community members who were hired to work on farms.

Hired workers, whether they are paid daily, weekly, or yearly are an essential part of the cocoa supply chain. Yet without more data on the number of workers, their pay, and their backgrounds, they will continue to be invisible actors. These workers are often overlooked in conversations about the price of cocoa or about who suffers because of the low price companies pay. More information on who these workers are and how much they earn is essential to calculating a fair price for cocoa, advocating on behalf of hired workers, and fighting for a fair cocoa industry for all workers.



Youth who work as hired workers in Serigbangan in Côte d'Ivoire (September 2022).

# THREATS TO THE SURVIVAL OF COCOA FARMS: TREE DISEASE AND GOLD MINING



Tree disease has long been part and parcel of cocoa farming, a threat that farmers have learned to live with. Numerous diseases and pests, such as black pod and witches broom, can attack and destroy cocoa trees. Yet there is one disease that farmers mentioned to CAL staff over and over again: the Cacao Swollen Shoot Virus Disease (CSSVD), or swollen shoot disease, a devastating disease that blackens cocoa pods and destroys cocoa trees.

Swollen shoot spreads from cocoa tree to cocoa tree, carried by miniscule mealybugs<sup>101</sup> that "feed on the sap of cocoa plants" and spread the disease by "crawling across interlocking branches."<sup>102</sup> The mealybugs puncture the tree with their stylet, and the virus enters the tree through that lesion.<sup>103</sup> Mealybugs do not move quickly, which likely accounts for why swollen shoot spreads slowly from the infected origin tree outwards.<sup>104</sup> Occasionally, mealybugs will be blown by the wind to trees some distance away – up to 340 feet – potentially causing a new infection far from the origin tree.<sup>105</sup> Once a cocoa tree is infected, it can take as long as two years for the tree to show signs of the disease,<sup>106</sup> which can make it difficult for farmers to keep up with the spread. Yet when it does show signs of disease, swollen shoot can be devastating, causing a steep decrease in cocoa production, although the rate and amount varies by strain. At least one study observed yields decreasing by 25 percent in the first year of infestation, 50 percent in the second year, and 100 percent – resulting in no yield – during the three to five years after infestation begins.<sup>107</sup>

In Ghana, symptoms of swollen shoot were observed at least as early as 1922, and by the 1930s, swollen shoot disease was a major problem in parts of the country. There is still no cure for the

disease, $^{110}$  nor can it be contained by pesticides and chemicals, despite aggressive government intervention. $^{111}$ 

In Côte d'Ivoire, swollen shoot disease was not identified until  $1943.^{112}$  In the 1950s, the country successfully managed to contain outbreaks of the disease by cutting down over 150,000 cocoa trees and managed to keep it largely under wraps until 2003, when there was an outbreak in Bouaflé and Sinfra. The number of affected farms increased substantially between 2008 and  $2016.^{114}$ 



Black cocoa pods on a cocoa tree infected by swollen shoot disease (September 2022)

Again and again, cocoa farmers in Côte d'Ivoire spoke about losing hectares of land to the disease. In one instance, a farmer in Koda Tchad explained that he had lost his entire farm to the disease and, as a result, had switched to farming rubber. Another farmer said he had lost eight out of fourteen hectares of his cocoa farm. In Serigbangan, several farmers pointed to a large, cleared field nearby, explaining that the whole area had been infected and cut down in an attempt to contain the disease. Several farmers in Serigbangan also reported having lost a third of their farmland over the last decade, and in Koda Tchad, farmers reported that their yields had decreased by 50 percent in the past ten years. These stories were repeated in other Ivorian villages, and across Ghana as well - where one village reported that the disease had affected about 60 percent of their farmland.

These levels of loss can be devastating, as it cuts farmers' yields significantly and makes an already low income even lower. Several farmers described the situation as an existential threat. In Keitadougou, we were told that "in five years, there will be no more cocoa farms."

Farmers' fear that swollen shoot disease will decimate their cocoa farms is not unfounded. Even though this disease has been known to cocoa farmers for a century, there are no adequate solutions. The best – and only – way to control it is to cut down all infected trees. Yet this often means cutting down uninfected trees or trees that are not currently showing infection, something cocoa farmers are understandably loath to do. Block clearing requires that the entire block of land where some cocoa trees are infected with swollen shoot disease be completely cut down. The cleared areas can then be replanted with tree varieties that are more resistant to the disease. A ten meter cordon between older trees that survived the clearing – but, given the two-year incubation period, may be infected – and newer trees is recommended, but farmers are frequently unwilling to leave a large portion of their land unplanted, as this impairs their ability to harvest, sell, and make a living off cocoa.

Swollen shoot disease has caused a significant decrease in yields at a time when cocoa farmers need all the income they can possibly earn. However, swollen shoot disease is not what looms largest in the minds of cocoa farmers. As one community in Côte d'Ivoire told us: swollen shoot disease is the biggest threat to cocoa farmers... other than the low price companies pay for cocoa.

IN KEITADOUGOU,
WE WERE TOLD
THAT "IN FIVE
YEARS, THERE
WILL BE NO
MORE COCOA
FARMS."



Cocoa farmers in a village in Ghana (September 2022)



Gold mining is also threatening cocoa-growing regions, especially in Ghana. <sup>119</sup> As the largest gold producer in Africa, <sup>120</sup> Ghana has legal large-scale mines – including two owned by AngloGold Ashanti <sup>121</sup> – as well as small-scale artisanal mining, often illegal, that has been increasing and threatening cocoa farms. A small-scale mining "gold rush" began when gold prices skyrocketed in 2008 and small-scale mining rose from only two percent of gold production in Ghana in 1989 to about 40 percent in 2023. <sup>122</sup> Small-scale gold mining now accounts for over sixty percent of the mining labor force and provides direct and indirect employment to more than five million people. <sup>123</sup> Yet it is estimated that only 15 percent of small-scale miners act legally – meaning with permits. <sup>124</sup> The other 85 percent, who work illegally, are called *galamsey*, meaning "gather them and sell."

Gold mining is a threat to the cocoa industry, in large part because 90 percent of cocoa production takes place in the Ashanti and Eastern and Western regions of Ghana, which is also where mining is most prevalent. Both COCOBOD and the General Agricultural Workers' Union (GAWU) have stated that galamsey is "the single biggest threat to cocoa farming in the country. According to satellite images taken in 2013, 27,839 hectares of cocoa farms had been "taken over completely" by gold mining. A survey conducted by COCOBOD found that in 2019 and 2020, about 19,000 additional hectares of cocoa farms – about 2 percent of the country's cocoa farms – had been "taken over or damaged by illegal gold mining." COCOBOD also estimates that about 23 percent of "the cultivated area is affected by mining-related pollution" meaning that, even where cocoa farms remain, there is some chance the land, and the harvest, is negatively affected. Another study, focused on an area where mining is prevalent, found that 80 percent of the cocoa farms destroyed between 2019 and 2020 were due to galamsey. Another study reported that in one region, 64 percent of cocoa farmers in mining areas lost some farmlands due to gold mining, while 83 percent of the farmers in the mining areas were affected by land disputes, relocation of farm/residence, high cost of labor, small-scale mining, and dust settlement on crops resulting from gold mining.

Additionally, the pollution and environmental disturbances mining causes makes growing cocoa on the remaining land much harder. Mining has caused extensive hydrologic changes: 134 rivers and streams have had to be rerouted 135 and water pollution from toxic products like mercury wash downstream and make the water available to farmers "muddy and toxic." Such changes make it more difficult for communities to access the water they need. Water disturbances also impact human health, even leading to mosquitoes breeding in stagnant water and increased incidences of malaria around mining sites. 137

Despite the government's push for stronger laws, cocoa farmers remain worried about the impact of gold mining. In Sefwi Wiawso, one man said that there were no longer any cocoa farms nearby due to gold mining. This is an overstatement – CAL staff visited many farms nearby – but his statement is emblematic of the level of fear felt by farmers and their communities, who imagine gold mines replacing their cocoa farms and who already see their children turning away from tradition by opting for jobs outside the cocoa sector, including with gold mines.

In Anglo, farmers were particularly concerned about the encroaching threat of *galamsey*. While gold mining had not yet impacted the village, there appeared already to be divisions between those farmers who – if approached by gold miners – would consider selling their cocoa farmland and those who would not. The farmers in favor of selling blamed the low price of cocoa: after decades of cocoa farming, and still no savings, why would they not take the opportunity to turn their land into cash? Those opposed to selling cited the land destruction wrought by gold mining, in particular by the spread of toxic chemicals; but mostly, they talked of cocoa farming as a "generational trade," one they would like to pass on to their children – if their children wanted it. An older farmer in Anglo explained to CAL staff that he was frustrated by and angry with *galamsey*'s impact on the youth in his village – who were increasingly reluctant to become cocoa farmers and were "happy to sell to mining companies."

Gold mining threatens cocoa farmers because it is so profitable, at least in the short run. Farmers who are barely scraping by view *galamsey* as both a threat and an opportunity. Allowing their cocoa farms to be stripped for gold is a way to quickly access cash, something that cocoa farming cannot achieve. Yet in the long term, such mining has the potential to destroy much of the cocoa sector – and the long-term sustainability of cocoa-growing communities along with it.

In Ghana, the Parliament passed the Small-Scale Gold Mining Act of 1989 to regulate small-scale gold mining, known as *galamsey*, defined in the statute as "groups of nine or less artisanal miners working by hand to dig, pan, and wash gold." An updated 2006 law mandated that licenses were only available to Ghanaian citizens and that gold mining required permits from both the Environmental Protection Agency and the Forestry Commission. Despite these regulations, a large percentage of small-scale mining continues to be done illegally.

Since 2017, the Ghanaian government has been actively fighting illegal miners, including by implementing a temporary ban on all small-scale mining – even legal small-scale mining – in 2017. $^{140}$  Around the same time, the government launched military operations against illegal small-scale miners and arrested individuals involved in the industry, including Chinese nationals. $^{141}$  In 2019, the government amended the mining law so that anyone engaged in illegal mining would receive a minimum prison sentence of fifteen years. $^{142}$ 

## CONCLUSION

For far too long, cocoa farmers and cocoa-growing villages have suffered while multinational companies have made their fortunes. The cocoa industry is facing numerous challenges, from the low price paid to cocoa farmers, to farmers' inability to pay hired workers a fair wage, to hazardous and forced child labor, swollen shoot disease, and the threat that gold mining will overrun cocoa-growing regions. The global chocolate industry – which relies heavily on cocoa production in Côte d'Ivoire and Ghana – must find a way to treat cocoa farmers with dignity and respect, allow them to support their families, send their children to school, repair their homes, pay their workers a fair – and living – wage, and also save money for the future. Cocoa farming communities have made no mystery of what it is they need: a higher price for cocoa. Chocolate, and the cocoa beans it comes from, is a multi-billion-dollar industry – and growing. The least that companies like Nestlé, Mars, Ferrero, and Cargill can do is to pay a fair price for the cocoa they buy, ensuring that cocoa farmers earn what they deserve: a living income.

West Africa's cocoa sector, and the farmers and communities that rely on it, face a litary of threats – from tree diseases and illegal gold mining to the community impacts of restrictive gender and labor norms. The unsustainably low prices companies pay for cocoa – prices companies *choose* to pay – create a culture of pervasive insecurity, where the slightest vulnerability becomes catastrophic. Just as poverty prices create and perpetuate the conditions for forced labor, hazardous child labor, and trafficking, they also make it so farmers cannot withstand shocks – big or small – to the system. Poverty has no margin; low prices for cocoa is the underlying reason for the abuse, harm, and insecurity that characterizes the Ivorian and Ghanaian cocoa sectors.

The blame lies with the cocoa and chocolate companies that set the prices they pay for cocoa and the buck should stop with them too. Unless and until this happens, cocoa and chocolate companies will continue teaching a masterclass in how to extract a sector to death.

## **ENDNOTES**

<sup>1</sup> IndexBox, World Chocolate Market is Expected to Grow at a Moderate Pace to \$263B by 2030, Globe NewsWire (Dec. 16, 2022), <a href="https://www.globenewswire.com/en/news-release/2022/12/16/2575678/0/en/World-Chocolate-Market-is-Expected-to-Grow-at-a-Moderate-Pace-to-263B-by-2030-IndexBox.html">https://www.globenewswire.com/en/news-release/2022/12/16/2575678/0/en/World-Chocolate-Market-is-Expected-to-Grow-at-a-Moderate-Pace-to-263B-by-2030-IndexBox.html</a>.

<sup>2</sup> Understanding Poverty, The World Bank (last visited Aug. 7, 2023),

https://www.worldbank.org/en/understanding-poverty.

<sup>3</sup> "Triple the current rate" should be understood in relation to a living income. In September 2022, CAL staff were told by farmers that triple the current price would allow them to save and to purchase the necessities required to live and thrive, in accordance with the leading definitions of a living income (such as that used by the Voice Network in its 2020 Cocoa Barometer). See Antonie C. Fountain & Friedel Huetz-Adams, 2020 Cocoa Barometer, Voice Network (2020), <a href="https://voicenetwork.cc/wp-content/uploads/2020/12/2020-Cocoa-Barometer.pdf">https://voicenetwork.cc/wp-content/uploads/2020/12/2020-Cocoa-Barometer.pdf</a> [hereinafter 2020 Cocoa Barometer].

<sup>4</sup> Throughout this report, we used exchange rates from September 30, 2022, the month CAL staff spoke with farmers. On September 30, 22, 1 USD = 10.45 cedi, while 1 USD = 669.21 CFA. See US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, Exchangerates.org, (last visited Aug. 7, 2023), <a href="https://www.exchange-rates.org/exchange-rate-history/usd-ghs-2022-09-30">https://www.exchange-rates.org/exchange-rate-history/usd-ghs-2022-09-30</a> [hereinafter US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022]; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, Exchangerates.org (last visited Aug. 7, 2023), <a href="https://www.exchange-rates.org/exchange-rate-history/usd-xaf-2022-09-30">https://www.exchange-rates.org/exchange-rate-history/usd-xaf-2022-09-30</a> [hereinafter US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022]. Ange Aboa, Ivory Coast raises 2020/21 cocoa farmgate price by 21%, Reuters, Oct. 1, 2020, <a href="https://www.reuters.com/article/us-cocoa-ivorycoast/ivory-coast-raises-2020-21-cocoa-farmgate-price-by-21-idUSKBN26M79F">https://www.reuters.com/article/us-cocoa-ivorycoast/ivory-coast-raises-2020-21-cocoa-farmgate-price-by-21-idUSKBN26M79F</a> [hereinafter Ivory Coast raises 2020/21 cocoa farmgate price by 21%].

<sup>5</sup> US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.

<sup>6</sup> US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.

<sup>7</sup> See US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.

The aim of this report is to share and contextualize what CAL staff were told by cocoa farmers and impacted community members in September 2022. Deforestation is rampant in the cocoa sectors in Côte d'Ivoire and Ghana – and like hazardous child labor and trafficking – is rooted in the poverty prices paid by multinational cocoa and chocolate companies. However, this report does not focus on deforestation, as this was not a core concern identified by the farmers interviewed by CAL in 2022 and the scope of the report is primarily limited to findings from those interviews. Environmental harms, which have been and will continue to be worsened by climate change, are no doubt a threat facing cocoa farmers – and a harm that cocoa farmers contribute to. It is not surprising that farmers did not mention deforestation, as it does not immediately threaten their livelihoods. In interviews, this threat seemed to be overshadowed by concerns about price, tree disease, and gold mining. As is noted later in the report, the price of cocoa is closely linked to deforestation.

- <sup>9</sup>These conversations were held in a combination of French, English, and local languages. In Côte d'Ivoire, the conversations were held in a combination of French and local languages (including Bete, Baoule, and Burkinabe). In Ghana, many of the conversations were held in Twi and interpreted into English. Some smaller discussions in Ghana and one-on-one conversations were held in English.
- <sup>10</sup>Nikolai Kalischek et al., *Cocoa plantations are associated with deforestation in Côte d'Ivoire and Ghana*, 4 Nature Food (2023), p. 384, <a href="https://www.nature.com/articles/s43016-023-00751-8">https://www.nature.com/articles/s43016-023-00751-8</a>.
- <sup>11</sup> See, e.g., Marisa Schwartz Taylor & Kevin Taylor, *Illegal Gold Mining Boom Threatens Cocoa Farmers* (And Your Chocolate), National Geographic, March 6, 2018, <a href="https://www.nationalgeographic.com/science/article/ghana-gold-mining-cocoa-environment?loggedin=true&rnd=1670539550613">https://www.nationalgeographic.com/science/article/ghana-gold-mining-cocoa-environment?loggedin=true&rnd=1670539550613</a> [hereinafter *Illegal Gold Mining Boom Threatens Cocoa Farmers*] (showing the percentage of global cocoa produced in Ghana); *Sustainable cocoa farming in Côte d'Ivoire: UN deputy chief notes significant progress and calls for greater international support*, United Nations Sustainable Development Group, May 17, 2022, <a href="https://unsdg.un.org/latest/stories/sustainable-cocoa-farming-cote-divoire-un-deputy-chief-notes-significant-progress">https://unsdg.un.org/latest/stories/sustainable-cocoa-farming-cote-divoire-un-deputy-chief-notes-significant-progress</a> (noting that Côte d'Ivoire accounts for 40 percent of the world's cocoa production by volume).
- <sup>12</sup>Both boards also regulate the coffee industry.
- <sup>13</sup> See, e.g., Ange Aboa, *UPDATE 2-Ivory Coast authorises 102 companies to export cocoa and coffee in 2022/23*, Reuters, Sept. 13, 2022, <a href="https://www.reuters.com/article/cocoa-ivorycoast/update-2-ivory-coast-authorises-102-companies-to-export-cocoa-and-coffee-in-2022-23-idUKL8N30K2XE#:~:text=ABIDJAN%2C%20Sept%2013%20(Reuters),seen%20by%20Reuters%20on%20Tue sday.
- 14 See, e.g., Putting Our Money Where Our Cocoa Is, Tony's Chocolonely, Oct. 20, 2022, https://tonyschocolonely.com/us/en/our-mission/news/putting-our-money-where-our-cocoa-is; Cocoa Price Differential announcement from Fairtrade International, Fairtrade International, April 3, 2023, https://files.fairtrade.net/standards/2023-04-03 Cocoa FMPdifferential Announcement EN.pdf. These are examples of ways that companies could pay above the farmgate price. However, neither model pays farmers a living income. Fairtrade International's Living Income Reference Price (LIRP) is quite a bit less than triple the current price. In Côte d'Ivoire, the LIRP is \$2.20 per kilogram and in Ghana it is \$2.10 per kilogram. In 2020, the Voice Network calculated a living income in Côte d'Ivoire and Ghana to be just over \$3.00 per kilogram. See Fairtrade Living Income Reference Prices for Cocoa, update October 2022, Fairtrade International (2022), https://files.fairtrade.net/Fairtrade-Living-Income-Reference-Price-for-Cocoa-adjustment-update-1-Oct-2022.pdf; Slip of the LIRP, Tony's Chocolonely, Oct. 29, 2020, https://tonyschocolonely.com/nl/en/ourmission/news/slip-of-the-lirp; 2020 Cocoa Barometer, supra note 3, p. 52.
- <sup>15</sup> Oliver Nieburg, 'Fake cooperatives': Farmer groups warn of sham fair trade co-ops in cocoa, Confectionary News, Nov. 28, 2017, <a href="https://www.confectionerynews.com/Article/2017/11/28/Fake-cooperatives-Cocoa-farmer-groups-warn-of-sham-fair-trade-co-ops">https://www.confectionerynews.com/Article/2017/11/28/Fake-cooperatives-Cocoa-farmer-groups-warn-of-sham-fair-trade-co-ops</a> (Sako Warren, who in 2017 was executive secretary of the World Cocoa Farmers Organization, stated: "They are not actually cooperative-oriented by members and farmers. They are buying agents established by one of the chocolate companies.").
- <sup>16</sup>US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4. The farmgate price in the 2022 growing season, which was set by the Ivorian government as the minimum price to be paid per kilogram of cocoa, was 825 CFA. Ivory Coast raises 2020/21 cocoa farmgate price by 21%, supra note 4. <sup>17</sup>Recent studies have similar findings. According to a Fairtrade International study from 2021, "Cocoa is the main source of income: almost 58% of farmer income stems from the profit on cocoa." This is a decrease from a 2018 study, in which Fairtrade International found "the average farmer is more diversified in the current study than in the previous results. Where in the previous study, the average farmer earned 74% of his/her household

income from cocoa, the average farmer currently earns 58% of his/her household income from cocoa." Andrea Rustman et al., Cocoa farmer income: The household income of cocoa farmers in Côte d'Ivoire and strategies for improvement, Impact Institute, Fairtrade International & EMC (2021), p. 14,

https://files.fairtrade.net/publications/Fairtrade-CDI-cocoa-household-income-study-July-2021.pdf.

- <sup>18</sup> Villagers in at least one village also described scenarios in which payment is often delayed.
- <sup>19</sup> See, e.g., Assessing Farm Gate Pricing and Income of Cocoa Farmers: A Case Study of Cocoa Farmers in the Agona East District, SEND Ghana (2019), p. 53, <a href="https://webshop.inkota.de/sites/default/files/pdf/inkota-study-assessing-farm-gate-pricing.pdf">https://webshop.inkota.de/sites/default/files/pdf/inkota-study-assessing-farm-gate-pricing.pdf</a>.
- <sup>20</sup> COCOBOD Takes Delivery of 40,000 Electronic Weighing Scales to End Scale Adjustment Menace, Ghana Cocoa Board, Aug. 19, 2021, <a href="https://cocobod.gh/news/cocobod-takes-delivery-of-40000-electronic-weighing-scales-to-end-scale-adjustments-menace">https://cocobod.gh/news/cocobod-takes-delivery-of-40000-electronic-weighing-scales-to-end-scale-adjustments-menace</a>.
- <sup>21</sup> See Supply Chain Risk Assessment: Cocoa in Ghana, World Bank, Jan. 2013, p. 13, <a href="https://documents1.worldbank.org/curated/en/151931468151162220/pdf/775890WP0Ghana0Box0342041B">https://documents1.worldbank.org/curated/en/151931468151162220/pdf/775890WP0Ghana0Box0342041B</a> <a href="https://documents1.worldbank.org/curated/en/151931468151162220/pdf/775890WP0Ghana0Box0342041B">https://documents1.worldbank.org/curated/en/151931468151162220/pdf/775890WP0Ghana0Box0342041B</a> <a href="https://documents1.worldbank.org/curated/en/151931468151162220/pdf/775890WP0Ghana0Box0342041B</a> <a href="https://documents1.worldbank.org/curated/en/151941468151162220/pdf/775890WP0Ghana0Box0342041B</a> <a href="https://documents1.worldbank.org/curated/en/151941468151162220/pdf/775890WP0Ghana0Box0342041B</a> <a href="https://documents1.worldbank.org/curated/en/151941
- <sup>22</sup> See US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4. <sup>23</sup> Cargill only started to buy directly from farmers in 2016, when it established a Licensed Buying Company. See Douglas Yu, Our own cocoa buying company in Ghana cuts out middlemen to benefit farmers, says Cargill, Confectionary News, April 19, 2017, <a href="https://www.confectionerynews.com/Article/2017/04/20/Cargill-sets-up-licensed-buying-company-for-cocoa-in-Ghana#">https://www.confectionerynews.com/Article/2017/04/20/Cargill-sets-up-licensed-buying-company-for-cocoa-in-Ghana#</a>.
- <sup>24</sup> See Ghana Cocoa Board (Amendment) Act, 1991 (PNDCL 265), § 4; Supply Chain Risk Assessment, supra note 21.
- <sup>25</sup> Ghana Cocoa Board Law, 1984 (PNDCL 81) as amended by Ghana Cocoa Board (Amendment) Law, 1991 (PNDCL 265), § 4; Supply Chain Risk Assessment, supra note 21.
- <sup>26</sup> Mapping cocoa exports from Côte d'Ivoire and Ghana, Trase Insights, March 9, 2021,
- https://insights.trase.earth/insights/mapping-cocoa-exports-cote-divoire-ghana/ [hereinafter Mapping cocoa exports from Côte d'Ivoire and Ghana].
- <sup>27</sup> In one meeting, the LBC representative explained that he sells his own cocoa to the company for which he is a representative, despite the possibility of getting a higher price elsewhere, because otherwise it would be difficult to convince other farmers to sell to him.
- <sup>28</sup> Barima Akwasi Amankwaah, et al., *COCOBOD's Unrealised Potential: Promoting Human Rights, Welfare, and the Environment in Ghana's Cocoa-Growing Communities*, Northwestern Pritzker School of Law Center for International Human Rights, University of Ghana School of Law, Corporate Accountability Lab & SEND Ghana (June 2021), p. 27,

 $\underline{\text{https://static1.squarespace.com/static/5810dda3e3df28ce37b58357/t/60cb58bba936fc53960e4aff/16239}}\\ 39288558/C0C0B0D\%27s+Unrealised+Potential+-$ 

- +Northwestern+Law%2C+Ghana+School+of+Law%2C+CAL+%26+SEND+%28June+2021%29.pdf.
- <sup>29</sup> See Mapping cocoa exports from Côte d'Ivoire and Ghana, supra note 26.

- <sup>30</sup> Ivory Coast raises 2020/21 cocoa farmgate price by 21%, supra note 4.
- <sup>31</sup>UPDATE 1-Ghana raises 2020/21 cocoa farmgate price by 28%, Reuters, Sept. 24, 2020, <a href="https://www.reuters.com/article/cocoa-ghana/update-1-ghana-raises-2020-21-cocoa-farmgate-price-by-28-idUSL5N2GL5J1">https://www.reuters.com/article/cocoa-ghana/update-1-ghana-raises-2020-21-cocoa-farmgate-price-by-28-idUSL5N2GL5J1</a>.
- <sup>32</sup> Ivory Coast raises cocoa farmgate price by 9% for 2022/2023 harvest, Reuters, Sept. 30, 2022, <a href="https://www.reuters.com/world/africa/ivory-coast-raises-cocoa-farmgate-price-by-9-20222023-harvest-2022-09-30/">https://www.reuters.com/world/africa/ivory-coast-raises-cocoa-farmgate-price-by-9-20222023-harvest-2022-09-30/</a> [hereinafter Ivory Coast raises cocoa farmgate price by 9% for 2022/2023 harvest]; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.
- <sup>33</sup> Reuters Staff, *UPDATE 2-Ghana raises cocoa farmgate price by 21% for 2022/23 season*, Reuters, Oct. 5, 2022, https://www.reuters.com/article/cocoa-ghana-farmgate/update-2-ghana-raises-cocoa-farmgate-price-by-21-for-2022-23-season-idUSL8N3164VP [hereinafter *UPDATE 2-Ghana raises cocoa farmgate price by 21% for 2022/23 season*].
- <sup>34</sup> Id.
- <sup>35</sup> Ghana Inflation Rate, Trading Economics (last visited Aug. 7, 2023),

https://tradingeconomics.com/ghana/inflation-cpi [hereinafter Ghana Inflation Rate].

<sup>36</sup> Ghanaian Cedi to US Dollar Exchange Rate Chart, XE (last visited Aug. 7, 2023),

https://www.xe.com/currencycharts/?from=GHS&to=USD&view=1Y. In late December 2021, one Ghanaian cedi could be exchanged for approximately \$0.16 (0.162629). In late December 2022, this exchange value had plunged by nearly 40 percent to \$0.10 (0.100037). Thus, while the absolute farmgate value increased from 2021 to 2022, Ghanaian cocoa farmers had less purchasing power than before.

- <sup>37</sup> 2020 Cocoa Barometer, supra note 3, p. 52; see US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.
- <sup>38</sup> Ghana has experienced crushing inflation in recent years, including between September 2022 and the publishing of this report in August 2023. The price stated here would need to be adjusted accordingly to meet the needs articulated by the farmers in September 2022.
- <sup>39</sup> Gerry Smith, Fox Sets Record for Super Bowl Commercials With Over \$7 Million for 30-Second Ad, Bloomberg, Sept. 7, 2022, <a href="https://www.bloomberg.com/news/articles/2022-09-07/fox-sets-record-with-super-bowl-commercials-exceeding-7-million">https://www.bloomberg.com/news/articles/2022-09-07/fox-sets-record-with-super-bowl-commercials-exceeding-7-million</a>; Eric Deggans, Super Bowl Commercials, from Adam Driver(s) to M&M Candies; the Hits and the Misses, Texas Public Radio, Feb. 13, 2023, <a href="https://www.tpr.org/business/2023-02-13/super-bowl-commercials-from-adam-drivers-to-m-m-candies-the-hits-and-the-misses">https://www.tpr.org/business/2023-02-13/super-bowl-commercials-from-adam-drivers-to-m-m-candies-the-hits-and-the-misses</a>.
- <sup>40</sup> Ferrero Breaks Ground on New \$214 Million Kinder Bueno Production Facility in Bloomington, II., Ferrero, Nov. 2, 2022.

https://www.ferreronorthamerica.com/news/ferrero-breaks-ground-on-new-214-million-kinder-bueno-production-facility-in-bloomington-il.

- <sup>41</sup> Javier Blas, Look At All The Money Cargill Made, The Washington Post, Oct. 7, 2022, https://www.washingtonpost.com/business/look-at-all-themoney-cargill-made/2022/10/07/9d6bdca4-4627-11ed-be17-89cbe6b8c0a5 story.html [hereinafter Look At All The Money Cargill Made].
- <sup>42</sup> Cargill builds \$21 million House of Chocolate complex to facilitate customer innovation in dynamic chocolate market, Cargill, Sept. 21, 2020, <a href="https://www.cargill.com/2020/cargill-builds-21million-house-of-chocolate-complex">https://www.cargill.com/2020/cargill-builds-21million-house-of-chocolate-complex</a>.

- <sup>43</sup> Annual Review 2022, Nestlé (2023), pp. 2-9, <a href="https://www.nestle.com/sites/default/files/2023-03/2022-annual-review-">https://www.nestle.com/sites/default/files/2023-03/2022-annual-review-</a>
- en.pdf#%5B%7B%22num%22%3A1075%2C%22gen%22%3A0%7D%2C%7B%22name%22%3A%22Fit%2 2%7D%5D [hereinafter Annual Review 2022]; Press Release: Nestlé reports full-year results for 2022, Nestlé, Feb. 16, 2023, <a href="https://www.nestle.com/sites/default/files/2023-02/2022-full-year-results-press-release-en.pdf">https://www.nestle.com/sites/default/files/2023-02/2022-full-year-results-press-release-en.pdf</a> [hereinafter Press Release: Nestlé reports full-year results for 2022].
- <sup>44</sup> Annual Review 2022, supra note 43, pp. 2-9; Press Release: Nestlé reports full-year results for 2022, supra note 43.
- <sup>45</sup> Introducing the Nestle Cocoa Plan, Nestle Cocoa Plan (last visited Aug. 8, 2023), <a href="https://www.nestlecocoaplan.com/read-more">https://www.nestlecocoaplan.com/read-more</a>.
- <sup>46</sup> Cocoa: Highest production in history attained with over 1 million tonnes achieved, GhanaWeb, July 23, 2021, <a href="https://www.ghanaweb.com/GhanaHomePage/business/Cocoa-Highest-production-in-history-attained-with-over-1-million-tonnes-achieved-">https://www.ghanaweb.com/GhanaHomePage/business/Cocoa-Highest-production-in-history-attained-with-over-1-million-tonnes-achieved-</a>
- $\underline{1315927\#:} \text{-:} text = \underline{\text{Cocoa}\%3A\%20 \text{Highest}\%20 \text{production}\%20 \text{in}\%20 \text{history}\%20 \text{attained}\%20 \text{with}\%20 \text{over}\%20 \text{ol}\%20 \text{million}\%20 \text{tonnes}\%20 \text{achieved}.}$
- Even%20though%20the&text=Information%20available%20to%20The%20Finder,the%20end%20of%20the %20season; Cocoa beans exports from Côte d'Ivoire from 2010 to 2021, Statista (last visited Aug. 8, 2023), https://www.statista.com/statistics/1299225/annual-cocoa-beans-export-volume-in-cote-d-ivoire/#:~:text=Volume%20of%20cocoa%20beans%20exported%20from%20Côte%20d%27Ivoire%202010%2020%20%201&text=In%202021%2C%20Côte%20d%27Ivoire,and%20exporter%20of%20cocoa%20worldwide.
- <sup>47</sup> See Press Release: Nestlé reports full-year results for 2022, supra note 43; Look At All The Money Cargill Made, supra note 41; Mars Company Stats, Forbes (last visited Aug. 8, 2023),
- https://www.forbes.com/companies/mars/?sh=49a633103bb7; # 36 Giovanni Ferrero & family,
- BloombergBillionaires Index (last visited Aug. 8, 2023), <a href="https://www.bloomberg.com/billionaires/profiles/giovanni-ferrero/#xj4y7vzkg">https://www.bloomberg.com/billionaires/profiles/giovanni-ferrero/#xj4y7vzkg</a>.
- <sup>48</sup> Henry Ridgewell, Oxfam: Chocolate Makers Reap Profits, But Not Cocoa Farmers, Voice of America, May 13, 2023, <a href="https://www.voanews.com/a/oxfam-chocolate-makers-reap-profits-but-not-cocoa-farmers/7090878.html">https://www.voanews.com/a/oxfam-chocolate-makers-reap-profits-but-not-cocoa-farmers/7090878.html</a>; see also Megan Poinski, Consumers spent a record \$36.9B on candy in 2021, Food Dive, March 17, 2022, <a href="https://www.fooddive.com/news/consumers-spent-a-record-369b-on-candy-in-2021/620372/">https://www.fooddive.com/news/consumers-spent-a-record-369b-on-candy-in-2021/620372/</a>. <a href="https://www.fooddive.com/news/consumers-spent-a-record-369b-on-candy-in-2021/620372/">https://www.fooddive.com/news/consumers-spent-
- <sup>50</sup> Antonie C. Fountain & Friedel Huetz-Adams, 2022 Cocoa Barometer, Voice Network (2022), p. 23, <a href="https://cocoabarometer.org/wp-content/uploads/2022/12/Cocoa-Barometer-2022.pdf">https://cocoabarometer.org/wp-content/uploads/2022/12/Cocoa-Barometer-2022.pdf</a> [hereinafter 2022 Cocoa Barometer].
- <sup>51</sup> Uwe Gneiting & Albert Arhin, Towards a Living Income for Cocoa Farmers in Ghana: Assessing companies' efforts to date, Oxfam (2023), p. 12,
- https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621485/rr-ghana-cocoa-farmers-living-income-140223-en.pdf?sequence=1 [hereinafter Towards a Living Income for Cocoa Farmers in Ghana] ("High rates of inflation and the depreciation of the Ghanaian currency are hurting cocoa farmers' ability to attain a decent standard of living.").
- <sup>52</sup> Ekow Dontoh & Moses Mozart Dzawu, *Surging Inflation in Ghana Sets Stage for Even Higher Rates*, Bloomberg, Nov. 9, 2022, <a href="https://www.bloomberg.com/news/articles/2022-11-09/inflation-blowout-in-ghana-sets-stage-for-even-higher-rates">https://www.bloomberg.com/news/articles/2022-11-09/inflation-blowout-in-ghana-sets-stage-for-even-higher-rates</a>.
- <sup>53</sup> Cooper Inveen & Christian Akorlie, *Ghana inflation hits* 21-year high above 50% in November, Reuters, Dec. 14, 2022, <a href="https://www.reuters.com/world/africa/ghana-inflation-rises-503-yy-november-stats-office-2022-12-14/">https://www.reuters.com/world/africa/ghana-inflation-rises-503-yy-november-stats-office-2022-12-14/</a>; Ghana Inflation Rate, supra note 35.

<sup>54</sup> Id.

<sup>55</sup> Id.

- <sup>56</sup> Towards a Living Income for Cocoa Farmers in Ghana, supra note 51, p. 33 ("About 94% of farmers reported that they are spending more on expenses related to their households' upkeep than they did three years ago. When respondents were asked to estimate their spending on their households' upkeep in the month prior to the survey, compared with the same period three years ago, the results show at least a 50% increase in key household expenditure, such as food, education, and transport. Average monthly expenditure on education for household members increased by 60%, from GHC 343.40 in 2019/20 to 549.69 in 2021/22. In the same period, the amount farmers spent on transportation has more than doubled (by 103.6%, from GHC 89.35 in 2019/20 to GHC 181.93 in 2021/22). These findings align with broader macro-economic trends in Ghana, including a 50% inflation rate in 2022.").
- <sup>57</sup> Towards a Living Income for Cocoa Farmers in Ghana, supra note 51, p. 33.
- <sup>58</sup> Ivory Coast has become a major rubber producer, the fourth largest in the world. See Ivory Coast ranks fourth globally in rubber production, africanews, March 24, 2021, <a href="https://www.africanews.com/2021/03/24/ivory-coast-ranks-seventh-globally-in-rubber-production">https://www.africanews.com/2021/03/24/ivory-coast-ranks-seventh-globally-in-rubber-production</a>.
- <sup>59</sup> Rubber prices vary over time, so this may change in the future.
- <sup>60</sup> See, e.g., Chloe Taylor, 'It's difficult to feed our families': Volatile cocoa prices are pushing West African farmers further into poverty, CNBC, Nov. 2, 2021, <a href="https://www.cnbc.com/2021/11/02/volatile-cocoa-prices-are-pushing-african-farmers-further-into-poverty.html">https://www.cnbc.com/2021/11/02/volatile-cocoa-prices-are-pushing-african-farmers-further-into-poverty.html</a> [hereinafter 'It's difficult to feed our families'] (One cocoa farmer said: "People are abandoning cocoa for rubber. With such painful work and such a low price for cocoa, you're going to see that more and more for sure.").
- 61 2020 Cocoa Barometer, supra note 3, p. 39 (citing a definition from the Living Income Community). The Global Living Wage Coalition uses a definition that is nearly identical: "the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events." What Is A Living Wage?, Global Living Wage Coalition (last visited Aug. 7, 2023), <a href="https://www.globallivingwage.org/about/what-is-a-living-wage/">https://www.globallivingwage.org/about/what-is-a-living-wage/</a>.
- 62 2020 Cocoa Barometer, supra note 3, p. 50 (citing a definition from the Living Income Community).
- <sup>63</sup> See, e.g., Ghana, Côte D'Ivoire Agree on Measures to Tackle Country Origin Differential Erosion, Ghana Cocoa Board, May 18, 2022, <a href="https://cocobod.gh/news/ghana-côte-divoire-agree-on-measures-to-tackle-country-origin-differential-erosion">https://cocobod.gh/news/ghana-côte-divoire-agree-on-measures-to-tackle-country-origin-differential-erosion</a> (with the Honorable Joseph Boahen Aidoo stating that "We all know that we introduced the Living Income Differential with the hope to improve the remuneration of our farmers.").
- <sup>64</sup> See, e.g., Ben Wink, Hershey drove a record spike in cocoa prices after reportedly sourcing beans from the futures market instead of physical sellers, Market Insider, Nov, 23, 2020,
- https://markets.businessinsider.com/news/stocks/hershey-cocoa-futures-record-spike-commodity-futures-market-ice-exchange-2020-11-1029831388?miRedirects=1; U.S. company Hershey grabs cocoa stocks from exchange, avoids African price premium, Reuters, Nov. 20, 2020, https://www.reuters.com/article/us-cocoa-hershey-delivery/u-s-company-hershey-grabs-cocoa-stocks-from-exchange-avoids-african-price-premium-idUSKBN2802X5.
- <sup>65</sup> Ange Aboa, *UPDATE 2-Ivory Coast, Ghana cocoa regulators to boycott industry meetings over price dispute*, Reuters, Oct. 21, 2022, https://www.reuters.com/article/cocoa-ivorycoast-ghana/update-2-ivory-coast-ghana-cocoa-regulators-to-boycott-industry-meetings-over-price-dispute-idUSL8N31M2DF.
- <sup>66</sup> Over the past couple of years, two other cocoa-producing countries, Cameroon and Nigeria, have also begun to work with Côte d'Ivoire and Ghana to push companies to pay a higher price. See, e.g., Cameroon, Nigeria request to join Ivory-Ghana cocoa initiative, Al Jazeera, Oct. 12, 2022,
- https://www.aljazeera.com/news/2022/10/12/update-1-cameroon-nigeria-request-to-join-ivory-ghana-cocoa-initiative.

<sup>67</sup> Loucoumane Coulibaly, *Ivory Coast cocoa prices up on competition, supply concerns*, Reuters, Oct. 16, 2013, <a href="https://www.reuters.com/article/cocoa-ivorycoast-prices/ivory-coast-cocoa-prices-up-on-competition-supply-concerns-idUSL6N0I62BT20131016">https://www.graphic.com/article/cocoa-ivorycoast-prices/ivory-coast-cocoa-prices-up-on-competition-supply-concerns-idUSL6N0I62BT20131016</a>; Victor Kwawukume, *Cocoa price up by 62.74%*; *Bag sells at GH¢345*, Graphic Business, Oct. 3, 2014, <a href="https://www.graphic.com.gh/business/business-news/cocoa-price-up-by-62-74-bag-sells-at-qh-">https://www.graphic.com.gh/business/business-news/cocoa-price-up-by-62-74-bag-sells-at-qh-</a>

345.html#:~:text=The%20producer%20price%20of%20cocoa,a%2062.74%20per%20cent%20rise; US dollar to Ghana cedi exchange rate history (2013), Money Rates Today (last visited Aug. 7, 2023), <a href="https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html?date=2013">https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html?date=2013</a> (using the October 2013 conversion rate of 2.188060); UPDATE 1-lvory Coast raises cocoa farmgate price to 850 CFA francs/kg, Reuters, Oct. 1, 2014, <a href="https://www.reuters.com/article/cocoa-ivorycoast-prices/update-1-ivory-coast-raises-cocoa-farmgate-price-to-850-cfa-francs-kg-idUSL6NORW2SX20141001">https://www.reuters.com/article/cocoa-ivorycoast-prices/update-1-ivory-coast-raises-cocoa-farmgate-price-to-850-cfa-francs-kg-idUSL6NORW2SX20141001</a>; US dollar to Ghana cedi exchange rate history (2014), Money Rates Today (last visited Aug. 7, 2023), <a href="https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html">https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html</a>?date=2014; Ange Aboa.

https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html?date=2014; Ange Aboa, UPDATE 3-Ivory Coast sets 2015/16 cocoa farmer price of 1,000 CFA francs/kg, Reuters, Oct. 1, 2015, https://www.reuters.com/article/cocoa-ivorycoast-idAFL5N1211LX20151001; Cocoa price up by GH¢800 per tonne, BusinessGhana, Oct. 3, 2016, https://www.businessghana.com/site/news/business/136257/Cocoa-price-up-by-GH-800-per-tonne; US dollar to Ghana cedi exchange rate history (2015), Money Rates Today (last visited Aug. 7, 2023), https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html? date=2015 (using the October 2015 conversion rate of 3.800867); Cocoa Price Turns Bitter in Ivory Coast, Gro Intelligence, April 4, 2017, https://www.gro-intelligence.com/insights/ivory-coast-cocoa-prices; US Dollar to West African CFA franc Spot Exchange Rates for 2016, ExchangeRates.org.uk (last visited Aug. 7, 2023), https://www.exchangerates.org.uk/USD-XOF-spot-exchange-rates-history-2016.html (using the average

## 10-YEAR TRENDS: FARMGATE PRICE OF COCOA

YEAR (GROWING		
SEASON)	CÔTE D'IVOIRE	GHANA
2013/14	750 CFA francs (\$1.54 per	3,392 cedis (\$1,550 per metric ton,
	kilogram)	\$1.55 per kilogram)
2014/15	850 CFA francs (\$1.45 per	5,520 cedis (\$1,713 per metric ton,
	kilogram)	\$1.71 per kilogram)
2015/16	1,000 CFA francs (\$1.70 per	6,800 cedis (\$1,789 per metric ton,
	kilogram)	\$1.79 per kilogram)
2016/17	1,100 CFA francs (\$1.84 per	7,600 cedis (\$1,914 per metric ton,
	kilogram)	\$1.91 per kilogram)
2017/18	700 CFA francs (\$1.22 per	7,600 cedis (\$1,741.51 per metric
	kilogram)	ton, \$1.74 per kilogram)
2018/19	750 CFA francs (\$1.34 per	7,600 cedis (\$1,578 per metric ton,
	kilogram)	\$1.56 per kilogram)
2019/20	825 CFA francs (\$1.40 per	8,240 cedis (\$1,518 per metric ton,
	kilogram)	\$1.52 per kilogram)
2020/21	1,000 CFA francs (\$1.80 per	10,560 cedis (\$1,798 per metric ton,
	kilogram)	\$1.80 per kilogram)
2021/22	825 CFA francs (\$1.45 per	10,560 cedis (\$1,837) per metric ton,
	kilogram)	(\$1.83 per kilogram)
2022/23	900 CFA francs (\$1.33 per	12,800 cedis (\$1,248.78) per metric
	kilogram)	ton, (\$1.25 per kilogram)

October 2016 exchange rate of 596.5194 CFA francs to 1 USD); Ghana sets 2016-17 season farmgate cocoa price at \$1,914/T, Reuters, Oct. 1, 2016, <a href="https://www.reuters.com/article/ozabs-us-ghana-cocoa-idAFKCN1213DP">https://www.reuters.com/article/ozabs-us-ghana-cocoa-idAFKCN1213DP</a>; Anthony Myers, Côte d'Ivoire raises cocoa farmers' price for first time in two years, while Ghana refrains, Confectionary News, Oct. 5, 2018, <a href="https://www.confectionerynews.com/Article/2018/10/05/Cote-d-voire-raises-cocoa-farmers-price-for-first-time-in-two-years">https://www.confectionerynews.com/Article/2018/10/05/Cote-d-voire-raises-cocoa-farmers-price-for-first-time-in-two-years</a>; Government to maintain cocoa producer prices for 2017/2018 season, GhanaWeb, Oct. 9, 2017,

https://www.ghanaweb.com/GhanaHomePage/business/Government-to-maintain-cocoa-producer-prices-for-2017-2018-season-588915; 50th Annual Reports and Consolidated Financial Statements XII (2019), Ghana Cocoa Board, https://cocobod.gh/resource\_files/50th-annual-report-and-financial-statements-2018-2019.pdf; US dollar to Ghana cedi exchange rate history (2018), Money Rates Today (last visited Aug. 7, 2023), https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html?date=2018 (using the October 2018 conversion rate of 4.815177); Ivory Coast holds cocoa mid-crop farmgate price at 825 CFA francs/kg, Reuters, March 31, 2020, https://www.reuters.com/article/ozabs-us-cocoa-ivorycoast-estimateidAFKBN21I1V8-OZABS; Cocoa Producer Price Goes Up 28% from GHC515 to GHC660 per Bag, Ghana Cocoa Board, Sept. 24, 2020, https://cocobod.gh/news/cocoa-producer-price-goes-up-28-from-gh515-to-gh660-perbag; US dollar to Ghana cedi exchange rate history (2019), Money Rates Today (last visited Aug. 7, 2023), https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html?date=2019 (using the October 2019 conversion rate of 5.427195); Ivory Coast raises 2020/21 cocoa farmgate price by 21%, supra note 4; Government Maintains Cocoa Producer Price for the 2021/2022 Crop Year, Ghana Cocoa Board, Oct. 1, 2021, https://cocobod.gh/news/government-maintains-cocoa-producer-price-for-the-20212022-crop-year; US dollar to Ghana cedi exchange rate history (2020), Money Rates Today (last visited Aug. 7, 2023), https://www.moneyratestoday.com/exchange-rate-history-us-dollar-to-ghana-cedi.html?date=2020 (using the October 2020 conversion rate of 5.872050); 'It's difficult to feed our families', supra note 53; Kwame Kwateng, Is it time for Farmers to get paid in US Dollars?, Bar Talks (last visited Aug. 7, 2023), https://bartalks.net/ghanacocoa-board-allegedly-lied-about-ghanaian-cocoa-farmers-income/; Ivory Coast raises cocoa farmgate price by 9% for 2022/2023 harvest, supra note 32; UPDATE 2-Ghana raises cocoa farmgate price by 21% for 2022/23 season, supra note 33.

<sup>68</sup> See, e.g., Sweet Nothings: How the Chocolate Industry has Failed to Honor Promises to End Deforestation for Cocoa in Cote d'Ivoire and Ghana, Mighty Earth (Feb. 2022), <a href="https://www.mightyearth.org/wp-content/uploads/MightyEarthSweetNothingsReportFINAL.pdf">https://www.mightyearth.org/wp-content/uploads/MightyEarthSweetNothingsReportFINAL.pdf</a>.

<sup>69</sup> Id., p. 4.

<sup>&</sup>lt;sup>70</sup> Kwasi Gyamfi Asiedu, *Ghana is losing its rainforest faster than any other country in the world*, World Economic Forum, May 10, 2019, <a href="https://www.weforum.org/agenda/2019/05/ghana-is-losing-its-rainforest-faster-than-any-other-country-in-the-world">https://www.weforum.org/agenda/2019/05/ghana-is-losing-its-rainforest-faster-than-any-other-country-in-the-world</a>.

<sup>71</sup> Oliver Nieburg, 'A long way to go' to equality for women cocoa farmers, Confectionary news, Nov. 2, 2017, <a href="https://www.confectionerynews.com/Article/2017/11/02/Women-cocoa-farmers-A-long-way-to-go-to-equality">https://www.confectionerynews.com/Article/2017/11/02/Women-cocoa-farmers-A-long-way-to-go-to-equality</a> [hereinafter 'A long way to go' to equality for women cocoa farmers]. "In many cases, women are excluded from land ownership, and partly due to a high rate of female illiteracy and innumeracy, often do not share in the rewards of the family's farms. Additionally, women are often confronted with sociocultural systems which prevent them from running their cocoa farm as a viable business. They also have a harder time accessing extension services, credits, and certification than their male counterparts, and are often underrepresented in farmers' organisations, public meetings, and leadership roles in communities." See also 2022 Cocoa Barometer, supra note 49, p. 64.

<sup>72</sup> Ama Marston, Women's Rights in the Cocoa Sector: Examples of Emerging Good Practice, Oxfam Discussion Papers (March 2016), p. 7, <a href="https://oxfamilibrary.openrepository.com/bitstream/handle/10546/600528/dp-womens-rights-cocoa-sector-good-practice-100316-en.pdf?sequence=4">https://oxfamilibrary.openrepository.com/bitstream/handle/10546/600528/dp-womens-rights-cocoa-sector-good-practice-100316-en.pdf?sequence=4</a> [hereinafter Women's Rights in the Cocoa Sector]; 'A long way to go' to equality for women cocoa farmers, supra note 71.

73 Isaac Dery & Alfred Dongzagla, *Gender Analysis Within the Cocoa Supply Chain in Ghana*, Oxfam Research Reports (Nov. 2020), p. vii,

https://www.cocoainitiative.org/sites/default/files/resources/0xfam%20Gender%20analysis%20Ghana%20Nov20%20(1).pdf; Empowering Women and Fighting Poverty: Cocoa and Land Rights in West Africa, International Food Policy Research Institute (Feb. 2002), https://landwise-production.s3.us-west-

2.amazonaws.com/2022/03/IFPRI Empowering Women and Fighting Poverty Women Cocoa and Land 2002.pdf.

- <sup>74</sup> 'A long way to go' to equality for women cocoa farmers, supra note 71. Inheritance traditions vary. In two villages, Anglo and Ahokwa, women explained that they owned their own farms.
- <sup>76</sup> Women's Rights in the Cocoa Sector, supra note 72, p. 7.
- $^{77}$  'A long way to go' to equality for women cocoa farmers, supra note 71.
- <sup>78</sup> Women's Rights in the Cocoa Sector, supra note 72, p. 11.
- <sup>79</sup> See, e.g., R. Bymolt, et al., *Demystifying the cocoa sector in Ghana and Côte d'Ivoire. Chapter 14, Gender and cocoa*, The Royal Tropical Institute (KIT) (2018), p. 290, <a href="https://kit2018.wpenginepowered.com/wp-content/uploads/2019/09/Demystifying-cocoa-sector-chapter14-gender-and-cocoa.pdf">https://kit2018.wpenginepowered.com/wp-content/uploads/2019/09/Demystifying-cocoa-sector-chapter14-gender-and-cocoa.pdf</a> ("In Ghana and Côte d'Ivoire, a fairly high proportion of respondents reported selling at least some of their staple food crops, including cassava (Ghana 72%, Côte d'Ivoire 52%), plantain (72%, 38%), maize (62%, 34%), yam (34%, 27%) and rice (80%, 46%).").
- $^{80}\,See\,US\,Dollar\,(USD)\,To\,CFA\,BEAC\,Franc\,(XAF)\,Exchange\,Rate\,History\,for\,September\,30,\,2022,\,supra\,note\,4.$
- 81 See Santadarshan Sadhu, et al., NORC Final Report: Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Cote d'Ivoire and Ghana, NORC at the University of Chicago (Oct. 2020), p. 10, <a href="https://www.norc.org/PDFs/Cocoa%20Report/NORC%202020%20Cocoa%20Report English.pdf">https://www.norc.org/PDFs/Cocoa%20Report/NORC%202020%20Cocoa%20Report English.pdf</a> [hereinafter NORC Report].
- 82 *Id.*, p. 10.
- 83 *Id.*, p. 12.
- 84 *Id.*, pp. 15-17.
- 85 See id., p. 13.
- <sup>86</sup> See id.
- <sup>87</sup> School attendance rates for children from agricultural households vary by age. In Côte d'Ivoire, 81 percent of children between the ages of five and eleven in agricultural households attend school, while 88 percent of children ages twelve to fourteen do. The number then decreases to 66 percent for children in agricultural households between the ages of fifteen and seventeen which is still a large increase over the 39 percent of children in this age group who attended school a decade earlier. The numbers in Ghana are slightly higher, with 97 percent of children from agricultural households between the ages of five and eleven attending school, 98 percent of children ages twelve to fourteen attending school, and 87 percent of children ages fifteen to seventeen attending school. See NORC Report, supra note 81, p. 13.
- <sup>89</sup> ILO Convention No. 182, <a href="https://www.ilo.org/dyn/normlex/en/f?">https://www.ilo.org/dyn/normlex/en/f?</a> p=NORMLEXPUB:12100:0::NO::P12100 ILO CODE:C182.

- <sup>90</sup> What is Child Labour, International Labour Organization, <a href="https://www.ilo.org/ipec/facts/lang--en/index.htm">https://www.ilo.org/ipec/facts/lang--en/index.htm</a>. 91 ILO Convention No. 182, Art. 3(d).
- <sup>92</sup> Tulane University developed a common definition of hazardous child labor based on overlapping definitions between Ivorian and Ghanaian law. See Final Report, 2013-14: Survey Research on Child Labor in West African Cocoa Growing Areas, Tulane University (July 30, 2015),

https://www.dol.gov/sites/dolgov/files/ilab/research file attachment/tulane%20university%20-%20survey%20research%20cocoa%20sector%20-%2030%20july%202015.pdf.

- 93 ILO Convention No. 182, Art. 3(a).
- <sup>94</sup> See US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.
- <sup>95</sup> Fact Sheet: An Adjustment to Global Poverty Lines, World Bank, Sept. 2022,
- https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines.
- <sup>96</sup> See US Dollar (USD) To Ghanaian Cedi (GHS) Exchange Rate History for September 30, 2022, supra note 4; US Dollar (USD) To CFA BEAC Franc (XAF) Exchange Rate History for September 30, 2022, supra note 4.
- <sup>97</sup> In Ahokwa, the village said hired workers are paid 50 cedi per day.
- ontracts, a tenant farmer works on the entire farm and the product is then divided in half between the tenant and the landlord. Traditionally, once a tenant farmer has worked the land under an abunu contract, the tenant farmer gains property rights (including the right to bequeath the land) over half of the land and the trees; the other half of the land reverts to the landlord. In abusa contracts, the landowner establishes the farm, while the sharecropper, often called a caretaker, farms and maintains the land. The product is split either in half or in thirds under an abusa contract: the landowner receives half or two-thirds of the harvested cocoa beans, and the caretaker farmer receives the remaining beans. The caretaker has no property rights in the land under an abusa contract, and his contract can be terminated at will by the landowner. See Mercy Asamoah & Frank Owusu-Ansah, Report on Land Tenure & Cocoa Production in Ghana: A CRIG/WCF Collaborative Survey, Cocoa Research Institute of Ghana & The World Cocoa Foundation (Feb. 2017), https://www.worldcocoafoundation.org/wp-content/uploads/files mf/1492612620CRIGLandTenureSurveyFinal41217.pdf [hereinafter Report on Land Tenure & Cocoa Production in Ghana]; 2020 Cocoa Barometer, supra note 3, p. 22.
- <sup>99</sup> See, e.g., Report on Land Tenure & Cocoa Production in Ghana, supra note 98.
- <sup>100</sup> See, e.g., Fact Sheet: Black Pod Disease of Cocoa, Ministry of Food Production: Extension Training and Information Services Division, <a href="https://agriculture.gov.tt/wp-content/uploads/2017/11/Black-Pod-Disease-of-Cocoa-pdf.pdf">https://agriculture.gov.tt/wp-content/uploads/2017/11/Black-Pod-Disease-of-Cocoa-pdf.pdf</a>; Andrews Yaw Akrofi, et al., Black pod disease on cacao (Theobroma cacao, L) in Ghana: Spread of Phytophthora megakarya and role of economic plants in the disease epidemiology, 72 Crop Protection (June 2015). See also Fact Sheet: Witches' Broom Disease of Cocoa, Ministry of Food Production: Extension Training and Information Services Division, <a href="https://agriculture.gov.tt/wp-content/uploads/2017/11/Witches-Broom-Disease-of-Cocoa-pdf.pdf">https://agriculture.gov.tt/wp-content/uploads/2017/11/Witches-Broom-Disease-of-Cocoa-pdf.pdf</a>; Hélio R. Sousa Filho, et al., History, dissemination, and field control strategies of cocoa witches' broom, Plant Pathogen Impacts Review (Dec. 2021).
- <sup>101</sup> G. A. Ameyaw, Management of the Cacao Swollen Shoot Virus (CSSV) Menace in Ghana: The Past. Present and the Future, in Snježana Topolovec-Pintaric (ed.), Plant Diseases Current Threats and Management Trends (July 20, 2019), <a href="https://www.intechopen.com/chapters/68225">https://www.intechopen.com/chapters/68225</a> [hereinafter Management of the Cacao Swollen Shoot Virus (CSSV) Menace in Ghana].
- <sup>102</sup> Minimizing the Risk of Spreading Cocoa Swollen Shoot Virus Disease, Cocoa cultivation series, Vision for Change: Sustainable Cocoa Communities, <a href="https://www.worldagroforestry.org/sites/default/files/Brochure-">https://www.worldagroforestry.org/sites/default/files/Brochure-</a>

<u>Cocoa-Swollen-Shoot-Virus-Disease.pdf</u> [hereinafter Minimizing the Risk of Spreading Cocoa Swollen Shoot Virus Disease]; J. M. Thresh & G. K. Owusu, The control of cocoa swollen shoot disease in Ghana: an evaluation of eradication procedures, 5 Crop Protection (1986), p. 4 [hereinafter The control of cocoa swollen shoot disease in Ghana]; see Pseudococcidae, Science Direct (2020), <a href="https://www.sciencedirect.com/topics/immunology-and-microbiology/pseudococcidae">https://www.sciencedirect.com/topics/immunology-and-microbiology/pseudococcidae</a>.

- <sup>103</sup> Ebenezer Antwi Gyamera, et al., *Cacao Swollen Shoot Viruses in Ghana* (Advance online publication) Plant disease (2022), 1261-1278, lines 529–535 [hereinafter Cacao Swollen Shoot Viruses in Ghana].
- <sup>104</sup> See The control of cocoa swollen shoot disease in Ghana, supra note 102, p. 43.
- <sup>105</sup> P.B. Cornwell, Movements of the vectors of virus diseases of cacao in Ghana. II.—Wind movements and aerial dispersal, 51 Bulletin Entomological Research (1960), p. 175, <a href="https://www.cambridge.org/core/journals/bulletin-of-entomological-research/article/abs/movements-of-the-vectors-of-virus-diseases-of-cacao-in-ghana-iiwind-movements-and-aerial-dispersal/2FFE02E1A3AA251BA26EFE8B8F665E1C; Management of the Cacao Swollen Shoot Virus (CSSV) Menace in Ghana, supra note 101.
- <sup>106</sup> Minimizing the Risk of Spreading Cocoa Swollen Shoot Virus Disease, supra note 102.
- <sup>107</sup> Wenceslas Affessi Adopo, et al., Impact of Swollen Shoot Disease on the Livelihoods of Smallholder Cocoa farmers in Côte d'Ivoire, 11 ESI Preprints (2022), p. 259 [hereinafter Impact of Swollen Shoot Disease on the Livelihoods of Smallholder Cocoa farmers in Côte d'Ivoire].
- <sup>108</sup> See E. Muller et al., Next generation sequencing elucidates cacao badnavirus diversity and reveals the existence of more than ten viral species, 244 Virus Research (2018), p. 235, <a href="https://pubmed.ncbi.nlm.nih.gov/29169831/">https://pubmed.ncbi.nlm.nih.gov/29169831/</a>.
- <sup>109</sup> See Cacao Swollen Shoot Viruses in Ghana, supra note 139, lines 151–168.
- <sup>110</sup> Management of the Cacao Swollen Shoot Virus (CSSV) Menace in Ghana, supra note 137; see Cacao Swollen Shoot Viruses in Ghana, supra note 139, lines 151–168.
- <sup>111</sup> Impact of Swollen Shoot Disease on the Livelihoods of Smallholder Cocoa farmers in Côte d'Ivoire, supra note 107, p. 259; Christian Andres et al., Combatting Cocoa Swollen Shoot Virus Disease: What do we know?, 98 Crop Protection (2017), p. 76.
- <sup>112</sup> K. Kouakou et al., Geographical Distribution of Cacao swollen shoot virus Molecular Variability in Côte d'Ivoire, 96 Plant Disease (2012), p. 1445, <a href="https://apsjournals.apsnet.org/doi/pdf/10.1094/PDIS-09-11-0749-RE">https://apsjournals.apsnet.org/doi/pdf/10.1094/PDIS-09-11-0749-RE</a> [hereinafter Geographical Distribution of Cacao swollen shoot virus Molecular Variability in Côte d'Ivoire].
  <sup>113</sup> Id.
- <sup>114</sup> Projet national de lutte contre le swollen shoot, Le Conseil du Café-Cacao,
- http://www.conseilcafecacao.ci/index.php?option=com\_content&view=article&id=123&Itemid=202; Aka Aka Romain et al., Cocoa Swollen Shoot Disease in Côte D'ivoire: History of Expansion from 2008 to 2016, 9 International Journal of Sciences (2020), p. 52, https://www.ijsciences.com/pub/article/2203.
- <sup>115</sup> Impact of Swollen Shoot Disease on the Livelihoods of Smallholder Cocoa farmers in Côte d'Ivoire, supra note 107, p. 259.
- <sup>116</sup> Geographical Distribution of Cacao swollen shoot virus Molecular Variability in Ghana, supra note 112.
- <sup>117</sup> See Ata Ofori et al., Field evaluation of the impact of cocoa swollen shoot virus disease infection on yield traits of different cocoa (Theobroma cacao L.) clones in Ghana, 17 PLoS One (2022), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8775274/.
- <sup>118</sup> See H. Dzahini-Obiatey et al. Control of cocoa swollen shoot disease by eradicating infected trees in Ghana: A survey of treated and replanted areas, 25 Crop Protection (2006), p. 650, https://www.worldcocoafoundation.org/wp-content/uploads/files mf/dzahiniobiatey2006.pdf.

- <sup>119</sup> Illegal Gold Mining Boom Threatens Cocoa Farmers, supra note 11.
- <sup>120</sup> Price K. Bansah, *Ghana's artisanal miners are a law unto themselves: involving communities can help fix the problem*, The Conversations, Oct. 13, 2022, <a href="https://theconversation.com/ghanas-artisanal-miners-are-a-law-unto-themselves-involving-communities-can-help-fix-the-problem-192256">https://theconversation.com/ghanas-artisanal-miners-are-a-law-unto-themselves-involving-communities-can-help-fix-the-problem-192256</a>.
- 121 Obuasi, Ghana, AngloGoldAshanti, AngloGoldAshanti,

https://www.anglogoldashanti.com/portfolio/africa/obuasi/; Iduapriem, Ghana, AngloGoldAshanti, https://www.anglogoldashanti.com/portfolio/africa/iduapriem/.

- <sup>122</sup> Paa Kwesi Schandorf, *Small scale mining contributes 40% of Ghana's gold produce; let's address it tactfully Abu Janapor*, My Joy Online, Sept. 17, 2022, <a href="https://www.myjoyonline.com/small-scale-mining-contributes-40-of-ghanas-gold-produce-lets-address-it-tactfully-abu-jinapor/">https://www.myjoyonline.com/small-scale-mining-contributes-40-of-ghanas-gold-produce-lets-address-it-tactfully-abu-jinapor/</a>.
- <sup>123</sup> Yolanda Borquaye, Co-Management of Ghana's Gold: Proposals for a Policy and Legislative Framework to Address the Issue of Galamsey, 28 N.Y.U. Environmental Law Journal (2020), p. 376, <a href="https://www.nyuelj.org/wp-content/uploads/2020/09/Borquaye-Co-Management-of-Ghanas-Gold.pdf">https://www.nyuelj.org/wp-content/uploads/2020/09/Borquaye-Co-Management-of-Ghanas-Gold.pdf</a>.
- <sup>124</sup> *Id.*, p. 377.
- <sup>125</sup> *Id*.
- 126 Elodie Toto, Mechanization of Illegal Gold Mining Threatens Ghana's Forests, Mongabay News, Feb. 8, 2023, https://news.mongabay.com/2023/02/mechanization-of-illegal-gold-mining-threatens-ghanas-forests/[hereinafter Mechanization of Illegal Gold Mining Threatens Ghana's Forests].
- <sup>127</sup> Illegal Gold Mining Boom Threatens Cocoa Farmers, supra note 11.
- <sup>128</sup> Anand Chandrasekhar & Delali Adogla-Bessa, *How gold mining in Ghana is threatening Swiss chocolate*, Swissinfo.ch, Sept. 10, 2022, <a href="https://www.swissinfo.ch/eng/business/how-gold-mining-in-ghana-is-threatening-swiss-chocolate/47870756">https://www.swissinfo.ch/eng/business/how-gold-mining-in-ghana-is-threatening-swiss-chocolate/47870756</a> [hereinafter How gold mining in Ghana is threatening Swiss chocolate].
- <sup>129</sup> Id.; Ekow Dontoh & Yinka Ibukun, *Gold Diggers Worsen Outlook for Cocoa Harvest in No. 2 Producer*, Reuters, May 6, 2022, <a href="https://www.bloomberg.com/news/articles/2022-05-06/gold-diggers-worsen-outlook-for-cocoa-harvest-in-no-2-producer">https://www.bloomberg.com/news/articles/2022-05-06/gold-diggers-worsen-outlook-for-cocoa-harvest-in-no-2-producer</a>.
- <sup>130</sup> How gold mining in Ghana is threatening Swiss chocolate, supra note 128.
- <sup>131</sup> How Illegal Mining, Climate Change Rob Cocoa Farmers of Arable Land in Ghana, EnviroNews Nigeria, Nov. 24, 2022, <a href="http://www.environewsnigeria.com/how-illegal-mining-climate-change-rob-cocoa-farmers-of-arable-land-in-ghana/">http://www.environewsnigeria.com/how-illegal-mining-climate-change-rob-cocoa-farmers-of-arable-land-in-ghana/</a>.
- <sup>132</sup> Michael Owusu Ansah & Yaw B. Osei-Asare, Effect of Gold Mining on Cocoa Production in the Brong Ahafo Region of Ghana (Feb. 2018), p. 1.
- <sup>133</sup> How gold mining in Ghana is threatening Swiss chocolate, supra note 128.
- <sup>134</sup> Heidi Hausermann et al., Land-grabbing, land-use transformation and social differentiation: Deconstructing "small-scale" in Ghana's recent gold rush, 108 World Development (2018), p. 107 [hereinafter Land-grabbing, land-use transformation and social differentiation].
- <sup>135</sup> *Id.*, p. 107.
- <sup>136</sup> Mechanization of Illegal Gold Mining Threatens Ghana's Forests, supra note 126; Kojo Hayford, Can Ghana's Cocoa Sector Survive the Illegal Gold Mining Invasion?, Cocoa Post, Sept. 27, 2022,

https://thecocoapost.com/can-ghanas-cocoa-sector-survive-the-illegal-gold-mining-invasion/.

- <sup>137</sup> Land-grabbing, land-use transformation and social differentiation, supra note 134, p. 107.
- 138 Illegal Gold Mining Boom Threatens Cocoa Farmers, supra note 11.
- <sup>139</sup> Id.
- <sup>140</sup> How gold mining in Ghana is threatening Swiss chocolate, supra note 128.
- 141 ld.
- 142 ld.

## CORPORATE ACCOUNTABILITY LAB

6214 N. Glenwood Ave. Chicago, IL 60660

info@corpaccountabilitylab.org Facebook: @corpaccountabilitylab

Twitter: @CorpAcctLab Instagram: @corpacctlab