

Seminar
German Initiative on Sustainable Cocoa
Living Income in practice: Initiatives to increase the
incomes of smallholder farmers

The Ghana Civil Society perspective

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About SEND/GCCP

Why a Living Income

- The average income of most cocoa farmers and workers especially in West Africa is far below the level of absolute poverty which means living on 1.25 USD and less per day.
- The revenue from cocoa does not provide a living income, even with income diversification/additional income sources.
- Unfair trading practices at the international market leads to low cocoa prices.
- Poverty is the root cause of many sector related problems and hinders sustainable cocoa production.

How fair is the cocoa industry

- Shares in retail price of a chocolate bar
- Global price fluctuations
- Introduction of programs designed to develop and expand production (Hi-Tech program and the CODAPEC programs)

What the farmer earns and what must be earned

Still a huge gap



- Higher prices are needed to close the Living Income gap
- LI is a human right

Some interventions by government and others

- Productivity Enhancement Programs
- Living Income Differential (LID)
- Support for alternative livelihood

The challenge of closing the living income gap

- Industries are shying away from LID payment

The importance of a living income for the sector

- The direct bearing of living income on other sector issues
 - Child labor : (why blame the farmer). Cost of production is high
It is only the price of cocoa that can support cost of production
 - Deforestation

Expectations

- Companies must support the LID implementation
- Governments of consuming countries must enforce measures that ensures companies pay the LID
- Governments of producing countries are transparent and ensures LID translates into the pocket of the farmer
- The role of farmers in decision making processes must be acknowledged by policy makers nationally and internationally



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