

Ghana's Cocoa Farmers Suffer Falling Incomes as Chocolate Makers Reap Profits, Says Oxfam

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- [Henry Ridgwell](#)



FILE - Workers at Moments Chocolate workplace remove husks from cocoa beans on June 18, 2019 in Accra.

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The world's biggest chocolate producers are enjoying large profits while failing to pass on the benefits to cocoa farmers, many of whom are suffering falling incomes and worsening poverty, according to a [report from the charity Oxfam](#).

The report was published ahead of World Fair Trade Day on May 13.

Falling incomes

The analysis focuses on Ghana, the world's second-largest producer of cocoa. The charity says farmer's incomes in the country have fallen since the start of the coronavirus pandemic in 2020.

“An Oxfam survey of more than 400 cocoa farmers supplying chocolate corporations across Ghana found that their net incomes have fallen on average by 16 percent since 2020, with women's incomes falling by nearly 22 percent. Nine out of ten farmers said they are worse off since the pandemic,” the report says.

The authors add that up to “90 percent of Ghanaian cocoa farmers do not earn a living income, meaning they cannot afford enough food or other basics such as clothing, housing and medical care. Many of the 800,000 farmers in the country survive on just \$2 a day.”

Several local and global factors have driven down farmers' wages, said Uwe Gneiting, a co-author of the Oxfam report.



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Oxfam: Chocolate Makers Reap Profits, But Not Cocoa Farmers

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“COVID, of course, was a big disruption. But then also the war in Ukraine and the resulting economic crisis, coupled with some more longer-term challenges, like the impacts of climate change and aging farms, which is a big issue in Ghana,” Gneiting told VOA, adding that there are widespread social and environmental consequences.

“Lower incomes really have shown to facilitate the use of children on farms, so child labor, which is a big problem of course in Ghana and other cocoa producing countries. But also deforestation - that farmers are more likely to go out and cut down more trees and or to expand their farms and to make a living.”

Bumper profits

At the same time, Oxfam says profits for the world's biggest chocolate firms have increased.

“The world's four largest public chocolate corporations, Hershey, Lindt & Sprüngli, Mondelez and Nestlé, have together made nearly \$15 billion in profits from their confectionary divisions alone since the onset of the pandemic, up by an average 16 percent since 2020. They paid out on average more than their total net profits (113 percent) to shareholders between 2020 and 2022,” the report said.

Oxfam also analyzed the wealth of the two biggest private chocolate corporations, Mars and Ferrero, which has risen by \$39 billion since 2020, giving them a combined net worth of around \$157 billion.

Ghana and Ivory Coast – the world's two biggest cocoa producers - signed a deal in 2021 to try to get a bigger share of the chocolate industry's profit. The two governments set a minimum market price or living income differential for cocoa and also insist on a premium payment - an extra sum of money paid directly to farmers per ton of cocoa.

But Oxfam says the payments have failed to meaningfully increase farmers' incomes.



FILE - View of some cocoa pots in a cocoa tree at Tetteh Quarshie cocoa farm in Mampong on June 14, 2019 in Eastern Region of Ghana.

Declining yields

“Oxfam analyzed the sustainability programs of ten of the top chocolate manufacturers and traders operating in Ghana... None of the programs achieved their stated goal of increasing cocoa production and, consequently, boosting farmer income. In fact, the crop yields of farmers in the corporations’ supply chains declined by 25 percent between 2020 and 2022,” the report said.

“Cocoa farmers surveyed by Oxfam said they are being paid a premium of \$35 to \$40 per ton of cocoa. The average cocoa farmer in Ghana produces about one ton of cocoa annually. They need to earn \$2,600 more per year to get a living income,” according to the Oxfam report.

The entire supply chain is unbalanced, argues author Uwe Gneiting.

“If you as a company are profitable, at the same time as the producers of your most critical raw material are falling deeper into poverty and there's something wrong with your business model,” he told VOA.

Response

In an email, Lindt & Sprüngli told VOA it pays Ghanaian farmers a \$60 per ton premium and has invested over \$20 million in cocoa sustainability programs in 2021.

“The Lindt & Sprüngli Farming Program aims to contribute to building resilient livelihoods for farmers, their families, and farming communities by taking a holistic approach to increasing farming household incomes. We are addressing this through a combination of measures,” the email said.

Hershey told VOA in an email that the company “has had a long-term commitment to supporting increased incomes for cocoa farming households. We are investing in proven approaches such as cash transfers and village savings and loan associations, implementation of sustainable and regenerative farm management practices and creating greater access to education in cocoa growing communities.”

Mondelēz and Nestlé did not respond to VOA requests for comment.