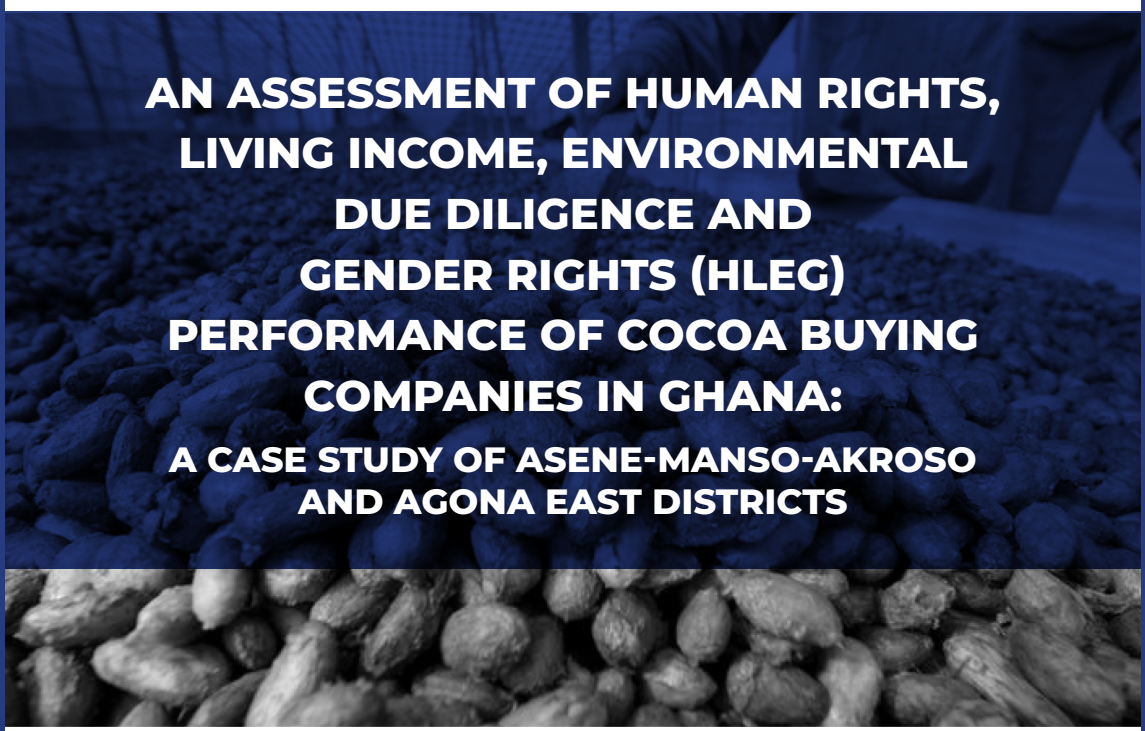
SEND GHANA

AN ASSESSMENT OF HUMAN RIGHTS, LIVING INCOME, ENVIRONMENTAL DUE DILIGENCE AND GENDER RIGHTS (HLEG) PERFORMANCE OF COCOA BUYING COMPANIES IN GHANA:

A CASE STUDY OF ASENE-MANSO-AKROSO AND AGONA EAST DISTRICTS



2024 POLICY BRIEF

Summary of Study

An evaluation of the performance of Human Rights, Living Income, Environmental Diligence And Gender Rights And Women Farmers' Support (HLEG) of cocoa purchasing companies was undertaken in the Asene-Manso-Akroso and Agona East districts of Ghana. The study had two components: (1) an assessment of HLEG performance based on a random sampling survey of 105 cocoa farmers and (2) a qualitative analysis involving in-depth interviews of 16 elite persons with considerable knowledge of the cocoa industry in the two districts. These elite persons included five purchasing clerks and a District Director of a cocoa purchasing company.

The four HLEG performance criteria were assessed based on the use of zero-to-five Likert scoring scale index. The results of the analysis of the HLEG performance of the companies are illustrated in Figures 1 to 4 based on 22 key attributes. In general, most farmers indicated that companies performed well in terms of the respect of their human rights with regards to the purchase and sale of cocoa, a view also affirmed by the 16 elite persons interviewed. The use of child labour on cocoa farms, especially on school days, was reported as non-existent. Cocoa famers and elite persons involved in the study called for the Ghana Cocoa Board to increase cocoa producer prices starting from the next production year in October 2025. Bonuses and other additional payments were reported by the cocoa farmers to be minimal.

The perceived cheating of famers' income through the manipulation of the weighing scales by purchasing clerks was assessed by both cocoa farmers and elite persons as minimal. The average Likert scale score for perceived cheating of cocoa farmers by purchasing clerks through the adjustment of weighing scales was 0.54, based on the

zero-to-five score scale, suggesting its very low occurrence. This was a very big improvement from the average 3.86 score recorded in a similar study in the Agona East district in 2018. The latter study was also sponsored by SEND GHANA; the organization used the findings of this study as advocacy for the introduction of electronic weighing scales by the Ghana Cocoa Board in 2020. For the current 2025 study, the efforts of cocoa cooperatives and foreign owned purchasing companies were deemed to be significant influencers of the low perception of weighing scale fraud.

On environmental diligence, policies and practices performance, the general impression was that the survey area had already been fully deforested over the last 100 years. However, illegal mining in rivers and associated water bodies was absent from the area largely due to active role of traditional councils and professionals from the area. Efforts at sustainable farming practices have been undertaken by cocoa farmers largely assisted by extension officers of Ghana Cocoa Board. In this regard, cocoa purchasing companies had played minimal role. The planting of trees and agroforestry crops was undertaken by some farmers; however, the role of cocoa purchasing companies was very limited. Further, there was very little activity undertaken by cocoa purchasing companies to support community tree planting and clean up exercises.

On gender and support for women farmers, the major problems affecting women cocoa farmers included lack of credit to expand their farms and the high cost of labour which reduced their maintenance efforts on cocoa farms. While women were able to develop cocoa farms sometimes with the assistance of their partners and spouses, expansion of these farms was difficult due to the high cost of labour and the pre-occupation of many women with domestic. It was widely acknowledged by both farmers and elite persons that cocoa purchasing companies did not provide any real support for women cocoa farmers. However, women cocoa farmers were not marginalized when compared to male

farmers. The main assertion by farmers were that there was generally little support for them, whether they were female or male. Finally, the modestly active role of women cocoa farmers in cocoa cooperatives was acknowledged by respondents who were members of cocoa cooperatives.

Overall, cocoa purchasing companies in the surveyed areas largely complied with the payment guidelines of the Ghana Cocoa Board and this had ensured that cocoa farmers received the publicly announced producer prices. Furthermore, cases relating to fraudulent weighing scale manipulation were found to be relatively low, suggesting improved fairness and transparency and a decline in historically prevalent fraud issues within the cocoa purchasing industry. However, the study highlights a critical shortfall in cocoa purchasing companies' corporate social responsibility (CSR) activities. Despite companies meeting legal financial obligations to cocoa farmers, their contributions to community development, including infrastructure, education, healthcare, and environmental initiatives, is generally low.

Recommendations

The first major recommendation deals with the need to improve the living income of cocoa farmers. In this regard, the payment of bonuses and related cash allowances for cocoa farmers needs to be emphasized by cocoa purchasing companies. Many cocoa farmers complained about the lack of payment of bonuses which they contended were regularly paid in the past. The issue of lack of bonus payment appeared to be linked to the inclusion of the bonus amount in the announced producer prices of cocoa beans. Hence the former practice of separating the bonus from the actual price could be restored to assure some farmers that bonuses were actually paid. Further, the Ghana Cocoa Board should consider the review of cocoa producer prices this year to coincide with the start of the 2025/2026 production year in October 2025.

We also suggest that companies participate in the monthly street and environmental cleaning of communities through cash grants and provision of items such as hand gloves to help volunteers to clean up gutters and streets of various cocoa farming communities. Companies could also participate in the annual tree planting programmes of the State with active involvement in community initiatives to plant and nurture trees to improve environmental quality of farming communities. The expansion of CSR activities of purchasing companies could be expanded with activities in education, and healthcare to foster community resilience.

Finally, we recommend greater collaboration and interactions between companies and District Assemblies. Collaborative efforts could allow the District Assemblies to incorporate community project organized by purchasing companies into their yearly and medium-term plans. In this regard, the Ghana Cocoa Board Act, P.N.D.C. Law 81 needs to be amended to allow for greater representation of District Assemblies in the functions of the Ghana Cocoa Board.

Cocoa farmers' mean rankings of attributes concerning human rights performance

0 = total absence of the attribute 1 = very low level 2 = low level
3 = moderate level 4 = high level 5 = very high level

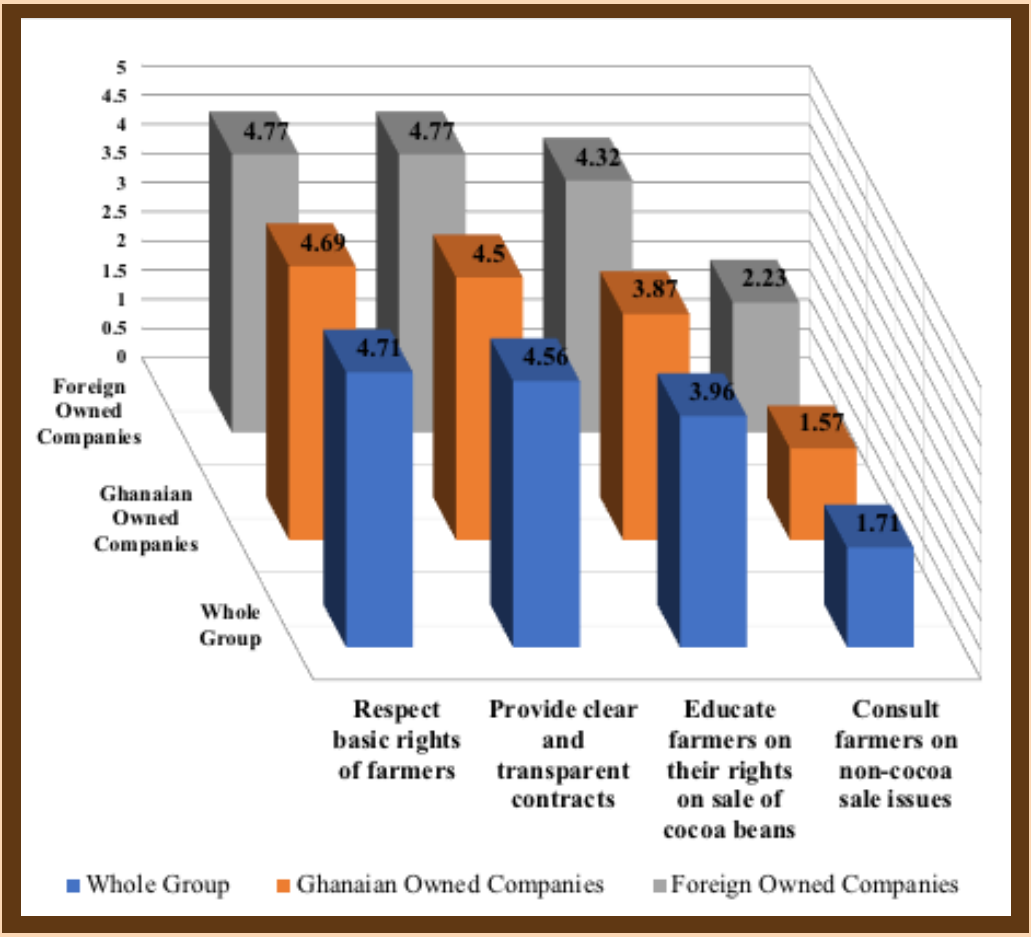


Figure 1: Graphical representation of cocoa farmers' perceptions of the performance of cocoa purchasing companies on human rights in terms of their average numerical rankings of the levels of various attributes

Cocoa farmers' mean rankings of attributes concerning living income performance

0 = total absence of the attribute 1 = very low level 2 = low level
3 = moderate level 4 = high level 5 = very high level

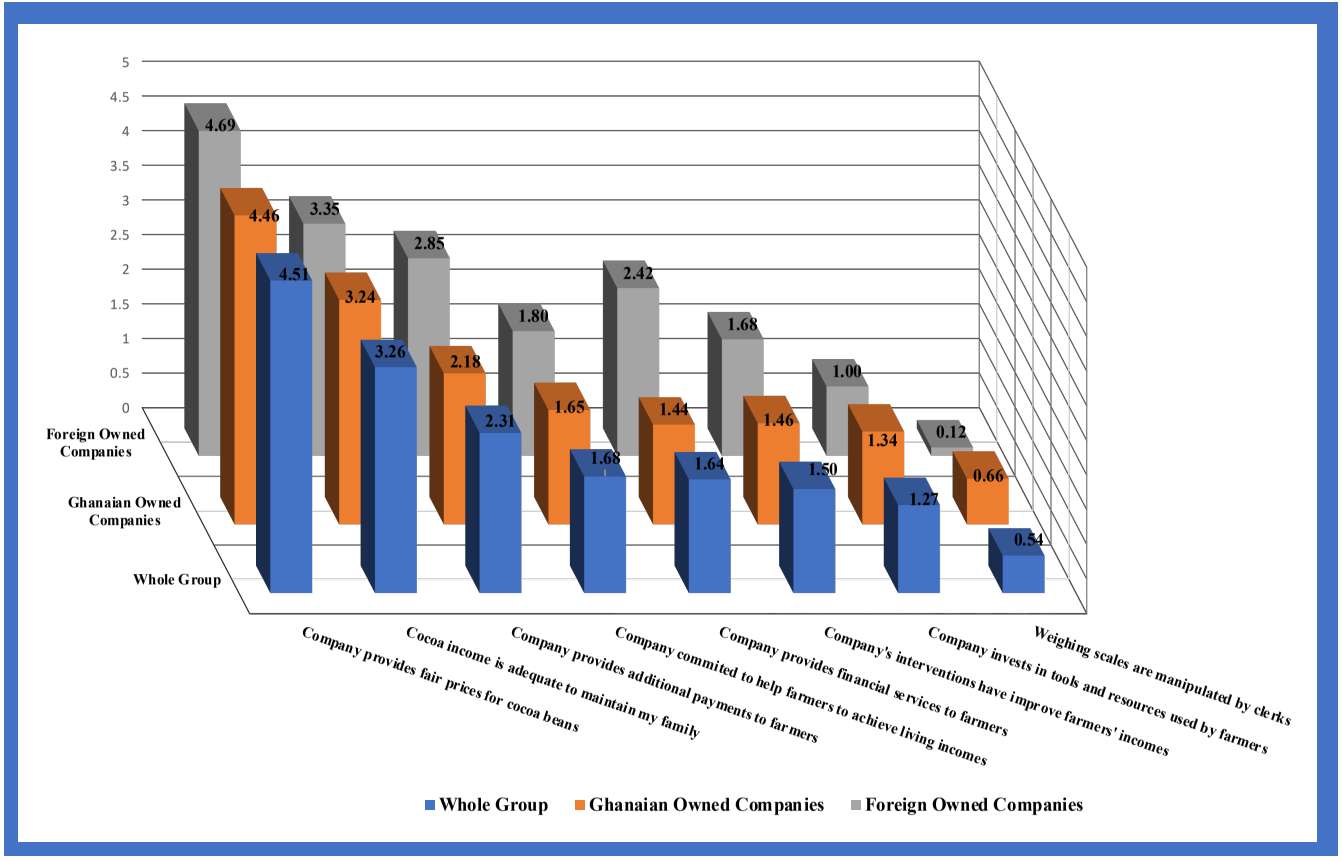


Figure 2: Graphical representation of cocoa farmers' perceptions of the performance of cocoa purchasing companies on living income in terms of their average numerical rankings of the level of various attributes.

Cocoa farmers' mean ranking of attributes concerning environmental diligence

0 = total absence of the attribute 1 = very low level 2 = low level

3 = moderate level 4 = high level 5 = very high level

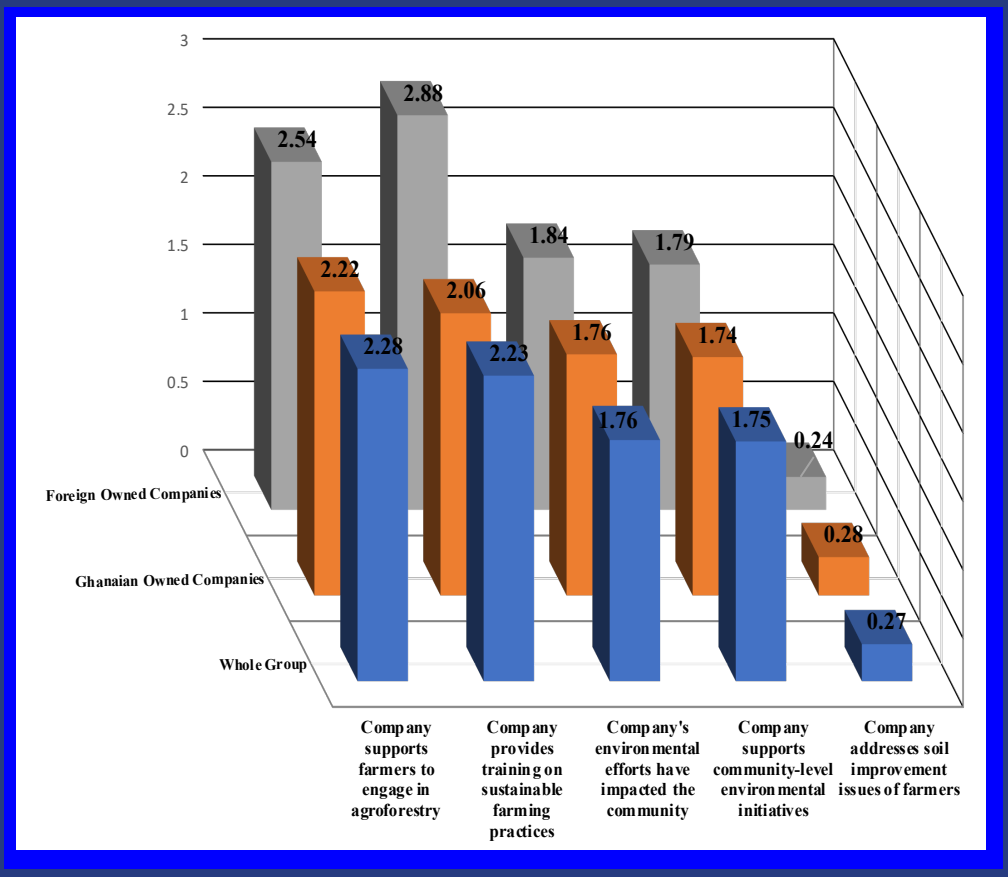


Figure 3: Graphical representation of cocoa farmers' perceptions of the performance of cocoa purchasing companies on environmental policies and practices in terms of their average numerical rankings of the levels of various attributes.

Cocoa farmers' mean rankings of attributes dealing with gender rights

0 = total absence of the attribute 1 = very low level 2 = low level

3 = moderate level 4 = high level 5 = very high level

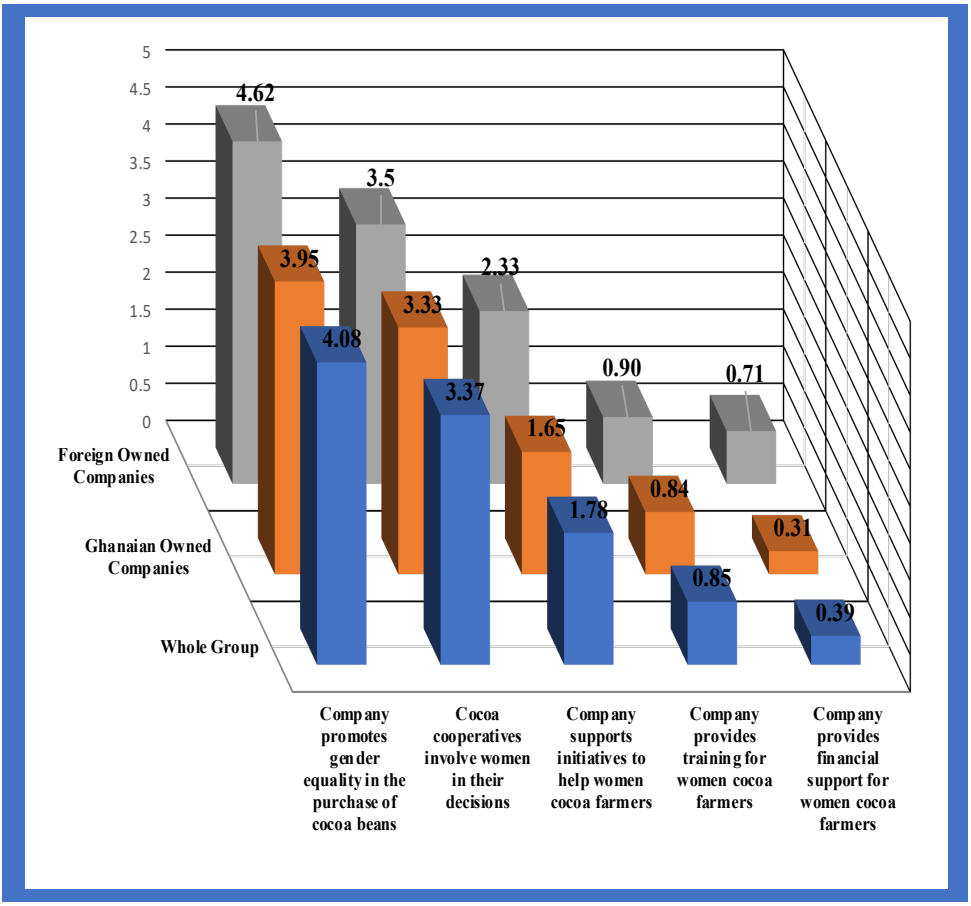


Figure 4: Graphical representation of cocoa farmers' perceptions of the performance of cocoa purchasing companies on gender rights and support to women cocoa farmers in terms of their average numerical rankings of the levels of various attributes.

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