

## Project Factsheet

**Project duration:** November 2016 – September 2017

**Implementation partner:** Royal Tropical Institute (KIT)

**Further partners:** Südwind Institute, CIRAD; local partners in Ghana and Côte d'Ivoire like ALC and ALP; further funding partners Jacobs Foundation, IDH, UTZ and GISCO

**Direct beneficiaries:** actors involved in cocoa sustainability

**Indirect beneficiaries:** cocoa farmers, households living in cocoa growing communities

**Focus areas covered:** increasing the understanding about the farmers and their environment

# Demystifying the cocoa sector: Uncover the realities of cocoa growing households Ghana & Côte d'Ivoire

The study of the Royal Tropical Institute (KIT) tries to uncover more background information about cocoa growing households in order to develop scenarios with projections about the future population of 'cocoa farmers'. Based on the findings, interventions to ensure future cocoa supply and better livelihoods for households involved in cocoa production are recommended.

### Background

The latest Cocoa Barometer came to the worrying conclusion that 'the world is running out of cocoa farmers'. In a similar vein, recent media articles have featured headlines describing fears that the world is running out of cocoa. However, such articles do not elaborate on the context of these projections. There is an urgent need to understand cocoa producing household's decision making processes based on changing social, environmental and market conditions, and therefore their likely propensity to scale up or scale down cocoa production in the future. The cocoa sector has been the subject of a number of research efforts, however these tend to be either relatively small in scale and sample size (and therefore not generalizable), or commissioned by industry actors who are not willing to share their datasets and underlying methodologies. Furthermore, very few studies compare in detail cocoa with other crop choices available to cocoa producing households.

### Objectives

The overarching research objective is to produce a large dataset of cocoa producing households – the like of which does not currently exist – in order

to statistically analyze, measure and explain key factors in cocoa production and marketing. The crux of this research is to understand in detail why different types of households grow cocoa (in relation to other crops and livelihood options) and whether or not they are likely to continue doing so at greater, lesser or similar levels in the future (based on several scenarios). This is vital for public and private stakeholders to advocate for evidence based policies, and to make more efficient and effective investments in producers and the sector at large.

### Main Research Questions

The research team has identified a number of key research questions, clustered around three themes:

#### 1. Crop choice and diversification

- What are the current dominant crop/livelihood options in the research areas? And how do other crops compare with cocoa in terms of costs, revenues and profitability and attitudes to risks? (comparative modelling).
- What other sources of income do cocoa producing households have? (including crops, livestock, other non-agricultural income sources)
  - How much do cocoa producing households earn from all income sources, and how does this compare with costs of living?
  - If some cocoa farmer households are leaving cocoa, for what other crop/livelihood activity? If households entering into cocoa, what activities do they leave behind?

### About the Lindt Cocoa Foundation:

*The Lindt Cocoa Foundation was founded in 2013 and has the declared purpose of working to achieve social and ecological sustainability in the cultivation, production and processing of cocoa and other raw materials used in chocolate production.*

Learn more:

[www.lindtcocoafoundation.org](http://www.lindtcocoafoundation.org)

## 2. Differentiation of farming households in cocoa growing areas

- What are the significant differences between households in cocoa growing areas that determine income diversification strategies and crop choice?

(Examples: Poverty profile, farm size, land tenure arrangement, crop diversification, productivity, labor use, input use, male/female headed households, group membership, certification, sex, age and dependency ratio, education, etc.)

- How are farming practices, attitudes to risk, and profitability correlated to various household profiles?
- To what extent do households make investments in their cocoa compared with other crops (eg input use, labor use), and why do they make that level of investment (eg access to inputs, financial services etc).
- How can cocoa producing households (of various profiles/characteristics) be best supported in order to increase their cocoa production, market access and profitability?

## 3. Intra-household dynamics and gender

- What is the interplay between labor division, access to/control over resources, norms & values and intra-household relations?
- Who does what on the farm? Who does what in the household? Who is involved in other (income related) activities?
- Who has access to and control over the key resources needed for cocoa production, and why?
- What are norms and values in cocoa producing communities?
- Who makes the decisions in the households, including on investments and expenditures?

### Research Method

The research team uses a mixed-methods approach, integrating both quantitative and qualitative methods. Mixed-methods is the favored approach because quantitative methods (large surveys) are excellent for quantifying and modelling, whilst

qualitative methods (interviews and focus group discussions) are important for describing farming systems and processes, providing insight as to why members of cocoa growing households make the choices they do.

### Research phases

The research team follows these three phases of research:

- 1) Preparation: Desk study of existing literature, and subsequent methodology and tool development
- 2) Field work: Data collection in a) Ghana and b) Côte D'Ivoire comprising key informant interviews (with government, NGOs, cooperative etc.), large scale survey with producer households, and focus group discussions with producers
- 3) Analysis: Quantitative analysis (statistical analysis and modelling), qualitative analysis (understanding farming system, processes and farmer choices) and report writing (including full reporting, policy briefs and infographics)

### Research Outputs

- Final Report
- Policy Brief (including a set of clear recommendations)
- Infographics
- final presentation and dissemination workshop

### Serving the Mission of the Lindt Cocoa Foundation

This research project provides the base for better understanding the cocoa farmers' behavior in relation to the market environment. A specific focus is put on scenario development to make projections about the future population of 'cocoa farmers' and recommend interventions to ensure future cocoa supply and better livelihoods for households involved in cocoa production. The research outcomes will lead to an increased understanding about the farmers and their decision making, and therefore improves the effectiveness of programs and policies that aim at improving farmers' livelihood.

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