

## The chocolate trade game

### More information on Ghana and fair-trade chocolate

#### Cocoa in Ghana

Said to be the producer of the world's finest cocoa, Ghana relies heavily on this commodity, which is its second most important export after gold. The climate in Ghana, with its high temperatures and high rainfall, is perfect for growing cocoa. But despite it being so important an export, many of the two million cocoa farmers in Ghana earn less than £50 per year.

#### Trade

International trade is important in making global connections and linking people across the world. It has increased more than ten times since 1970 and is now worth over £11.5 billion per day. International trade involves individuals, companies and governments. It doesn't, however, benefit everyone equally, but is structured to favour rich and powerful countries.

During the 18th and 19th centuries, rich European countries ruled the poorer overseas colonies. They used them as a source of cheap raw materials which they would then use to make into finished manufactured products. The low prices they received for their goods meant that the colonies were unable to develop any real manufacturing industries of their own.

Today rich countries are still in control. By charging high taxes for the import of processed goods and lower taxes for raw materials, rich countries prevent poor countries from developing their own manufacturing industries. For example, importing cocoa beans to Europe is cheaper than importing cocoa butter, and cheaper still than importing chocolate. In addition, the demand for raw materials is declining as a result of technology and the development of substitutes. This has resulted in a fall in the world market prices for raw materials.

#### Fair trade

Fair trade aims to change the rules of international trade. The Fairtrade Foundation was set up by CAFOD, Christian Aid, Oxfam, Traidcraft and the World Development Movement to ensure a better deal for producers from developing countries. It awards the Fairtrade mark for products as a guarantee that farmers and producers in developing countries are paid a fair price for their work, have safe and decent working conditions and that they are not exploited or mistreated.

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### **Kuapa Kokoo**

Kuapa Kokoo Cooperative is an association of cocoa farmers in Ghana, set up to collect and sell its own cocoa for the benefit of its member farmers and their communities. The cooperative is owned and governed democratically by the farmers.

At the moment, only two per cent of beans are sold to fair-trade companies as there is not yet enough demand for fair-trade chocolate. But it is hoped that, as more people find out about fair-trade chocolate, the demand will increase. The rest is sold on the world market.

Kuapa Kokoo means 'good cocoa farmer' in the Twi language spoken in Ghana. For information about this cooperative, visit its website at [www.divinechocolate.com](http://www.divinechocolate.com)

#### **What happens to the Kuapa Kokoo beans?**

Farmers grow and harvest cocoa pods containing white cocoa beans.

The beans ferment in banana or plantain leaves for about six days. This produces the chocolatey taste and colour.

The beans are spread out on long tables to dry in the sun for about ten days.

The beans are then packed into sacks and taken to the local Kuapa Kokoo recorder for weighing.

Farmers are paid half of the final price; the rest is paid once Cocobod (the Ghanaian government cocoa marketing board) has accepted the cocoa.

Each farmer produces an average of five sacks of cocoa beans per year.

The beans are exported to international companies, including fair-trade companies.

#### **Useful addresses**

Fairtrade Foundation  
Third floor  
Ibex House  
42-47 Minories  
London EC3N 1DY  
[www.fairtrade.org.uk](http://www.fairtrade.org.uk)

Divine Chocolate  
4 Gainsford Street  
London SE1 2NE  
[www.divinechocolate.com](http://www.divinechocolate.com)

Christian Aid  
PO Box 100  
London SE1 7RT  
[www.christianaid.org.uk](http://www.christianaid.org.uk)

UK registered charity no. 1105851  
Company no. 5171525  
Scot charity no. SC039150  
NI charity no. XR94639  
Company no. NI059154  
ROI charity no. CHY 6998  
Company no. 426928

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## Benefits of belonging to a fair-trade cooperative

	Kuapa Kokoo farmers	Non-Kuapa Kokoo farmers
<b>How cocoa beans are weighed</b>	Village recorders weigh sacks of beans using accurate scales, which are designed so that farmers who cannot read can understand them. The scales are 'spot-checked' regularly.	Local cocoa buyers often 'fix' their scales to show a lower reading than the actual weight of the sacks.
<b>How farmers are paid</b>	Cash or guaranteed cheque, on time.	Vouchers or cheques which can't be cashed or which bounce. Payments often delayed.
<b>Local price paid for cocoa beans</b>	Farmers receive more of the price paid for their beans on the world market, as less cash goes to other companies in the cocoa trading chain.	Farmers often get less than the price their beans sell for on the world market, as there are more companies in the trading chain. Farmers are often cheated out of their money by dishonest buyers.
<b>World market price for cocoa beans</b>	Kuapa Kokoo receives a guaranteed £1,066 per tonne* of beans, by selling to fair-trade companies. The price can be as low as £600 per tonne on the world market. *figures from June 2000	Farmers currently receive about £600 per tonne.* Prices have been falling for the past ten years. * figures from June 2000
<b>Division of profits</b>	Profits are equally divided between farmers at the end of the year. Kuapa Kokoo also owns a third of the Day Chocolate Company, which makes the Divine and Dubble chocolate bars.	Farmers do not receive any profits. In many cases their income barely covers their farming costs.
<b>Farmers' influence in decision-making</b>	Farmers own the Kuapa Kokoo Cooperative and have a democratic say in how it is run.	Farmers have little say in how the companies that buy their beans are run, or in how these companies treat the farmers.
<b>Training and education</b>	Kuapa Kokoo offers training and education for its farmers – particularly for women farmers, who are often the poorest.	No training or education is provided.
<b>Community projects</b>	Fair-trade companies pay a bonus of £100 per tonne of cocoa beans for community projects such as new drinking wells.	No bonus for community projects.