

PICD and GCCP statement on the new Fairtrade cocoa Living Income Referential Prices in Côte d'Ivoire and Ghana

Abidjan and Accra, 2025, May 13 - for immediate release

The Ivorian Platform for Sustainable Cocoa (PICD) and the Ghana Civil Society Cocoa Platform (GCCP) have been closely following the publication, at the end of January 2025, of the new reference price for the subsistence income of cocoa farmers in Côte d'Ivoire and Ghana.

These prices, which serve as a benchmark for the cocoa and chocolate industry, represent, according to the Fairtrade concept, "the minimum price that a cocoa farming family should receive to obtain a subsistence income, i.e. to be able to afford enough food, adequate housing, education, transport and other vital necessities". This benchmark determines the position of many companies in the cocoa and chocolate industry in their commercial and working relationship with cocoa cooperatives and producers. It is therefore a matter of the utmost importance for the future and living conditions of producers and their organisations, the cooperatives.

It is in the name of the scope of this price benchmark that the producer organisations and NGO members of the cocoa platforms in Côte d'Ivoire and Ghana are astonished by the results published, and in particular by Fairtrade's calculation bases. According to Fairtrade's arguments, "the target yields of 600 kg/ha for Ghana and 800 kg/ha for Côte d'Ivoire are two-year projections (...). The target yield for Ghana has been reduced by 25% to reflect the current lower levels of productivity in that country compared to Côte d'Ivoire where the average yield already exceeds 600 kg/ha (...)".

Faced with the astonishment of many of its members, including Fairtrade-certified cooperatives, the Côte d'Ivoire platform for sustainable cocoa organised consultations on the yields of cocoa plantations in Côte d'Ivoire. The results of this consultation clearly show that the Fairtrade basis for calculation is open to question, and even haphazard.

In fact, according to the consultation with our members, including those who are Fairtrade certified, while it is true that some farms reach 700 or even one tonne per hectare, the average yield hardly reaches 600kg/ha in most production areas, and even drops to 450kg/kg in some areas of Côte d'Ivoire. *"Farms of 800 hectares or more are in the minority. For the time being, the considerable effort and resources needed to achieve this result are not readily available,"* says a producer whose farm is at the end of the transition phase of the organic production process. Another said: *"Frankly, I don't know where Fairtrade has got its figures from. It's pure imagination. And we wonder why"*.

Like this Ivorian producer, the cocoa platforms in Côte d'Ivoire and Ghana are wondering where Fairtrade gets its figures from, as they are so far removed from the reality on the ground in the two countries. And the answers given, particularly in response to Voice Network's statement, are not satisfactory.

Especially as Tony's Open Chain Impact report 2023-2024 (pp34) published prior to the publication of the new Fairtrade price benchmark clearly states that *"the expected yield is set at 800 kg/ha, based on Fairtrade consultations with farmers in West Africa in 2018/19. This is not currently reflected in Tony's open chain supply chain: average yields are around 580kg/ha, with more appropriate ambitious yields of 620kg/ha."* Also, on income from sources other than cocoa, the report reveals that *"in the 2019 Fairtrade model, other income generated by the farm household through food production, sales*



of other crops and services, was estimated at 25% of the cost of living. The most recent data from Tony's Open Chain shows that this figure is closer to 40%."

We also note that Fairtrade states that it has held consultations with "producer representatives". No doubt this was done. But we are surprised to see that for the other actors, Fairtrade clearly mentions the entities that were consulted. On the other hand, as far as producers are concerned, Fairtrade does not mention the name(s) of the entities representing producers that were consulted, neither in Ghana nor in Côte d'Ivoire.

It is for these reasons that we are urging Fairtrade officials, who, despite the many frameworks and opportunities for exchange, have not consulted any of our platforms in the course of their work, to suspend this new price benchmark as a first step. They should then open a wider dialogue with a view to taking account of the realities on the ground when calculating their reference price.

It is not acceptable for Fairtrade to present itself as defending the improvement of producers' incomes and at the same time to act in contradiction with this commitment. To be credible, the actions of all players must be consistent with their words.

About the signatories

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