

**UNDERSTANDING THE CHALLENGES AND
ISSUES IN THE PROCUREMENT OF
SUSTAINABLE COCOA BEANS IN GHANA**

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ORDER OF PRESENTATION

- Introduction
- Ghana –Japan Relations
- Cocoa shipments to Japan
- Sustainable cocoa production

- Food Safety Issues
- Challenges to Sustainable Cocoa Production
- Possible areas of collaboration
- Challenges
- Conclusion



INTRODUCTION

- The cocoa value chain is the backbone of the Ghanaian economy; as it supports the livelihoods of approximately 800,000 farmers, as well as hauliers, depot and warehouse owners, input suppliers, casual workers, COCOBOD Staff, shipping lines, as well as other important cocoa value chain actors.
- The sustainability of cocoa production hinges on its ability to meet the needs of those currently dependent on it; without compromising the ability of future generations to meet their needs as well.
- Sustainable cocoa production implies:
 - Cocoa production using environmentally friendly methods and practices
 - Significant economic returns to farmers.
 - Cocoa production without child labour.
 - Cocoa production that meets customer and regulatory food safety standards.
 - Provision of social intervention projects to support the cocoa growing communities.



GHANA-JAPAN RELATIONSHIP

COCOBOD in its quest for sustainable and traceable cocoa production has collaborated with ITOCHU Corporations on a number of projects:

- Sustainable Cocoa Initiative Support Programme (SCISP)
 - Provided Laboratory instruments at Tema QCC Training School
 - Partnered COCOBOD on the Sustainable Cocoa Initiative Support Programme (SCISP)
 - Supported Cocoa Research Institute of Ghana (CRIG)
 - Provided annual awards to support the Youth in Cocoa farming

These projects aim at:

- Improving Traceability and Food Safety
- Addressing Deforestation and Forest Degradation
- Eradicating Poverty and Improving Living Standards for farmers
- Eradicating Child Labour in the cocoa value chain

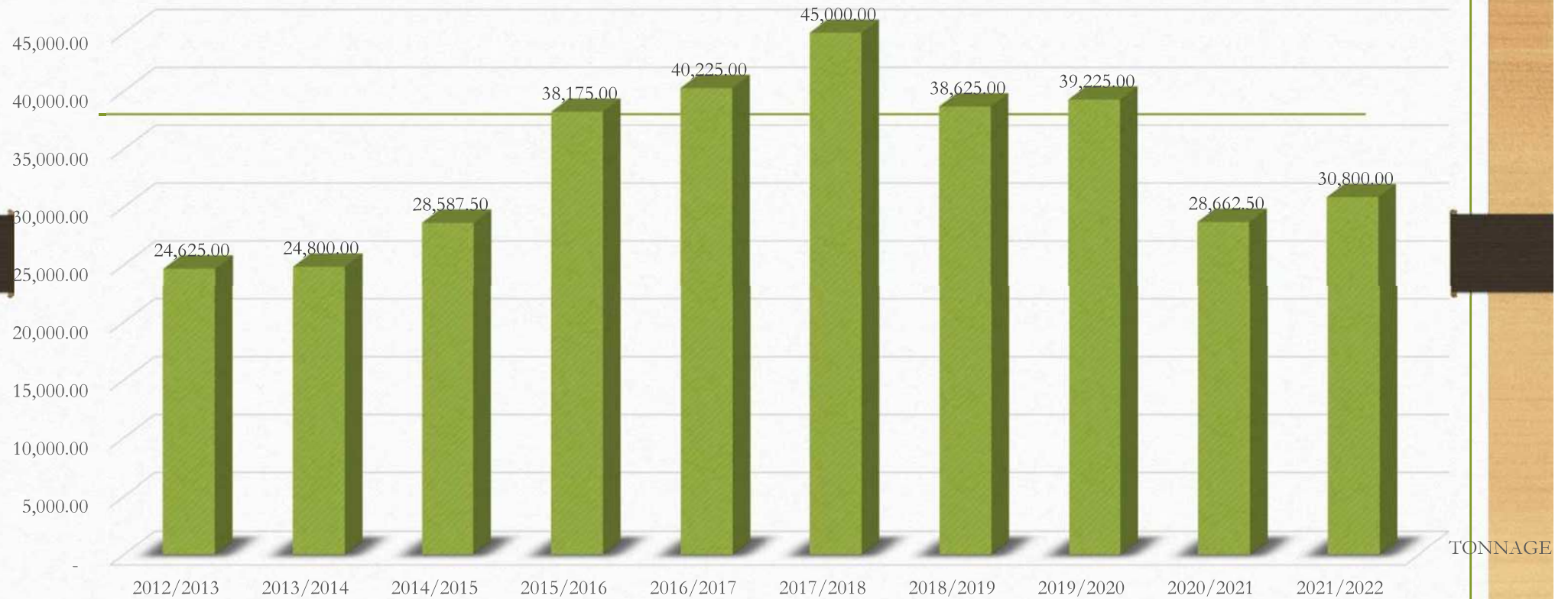


COCOA SHIPMENTS TO JAPAN

- In the last 10 years, cocoa sales to Japan has averaged 34,000 tonnes.
- Cocoa beans shipped to Japan increased from 24,625 tonnes in the 2012/13 crop year to 45,000 tonnes in the 2017/18 crop year.
- Shipment to Japan decreased from 45,000 tonnes in the 2017/18 crop year to 39,225 tonnes in 2019/20 crop year as a results of the covid-19 global pandemic.
- It further declined by 28,662 tonnes in the 2020/21 crop year.
- In the just ended 2021/22 crop year, shipment of cocoa beans to Japan increased to 30,800 tonnes.



10 YEAR GHANA COCOA BEAN SHIPMENT TO JAPAN

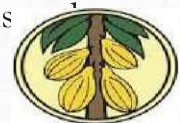


TONNAGE

COCOBOD'S SUSTAINABILITY PROGRAMMES

- **Environmental programmes:**

- **National Deforestation Monitoring System:** COCOBOD is developing a national deforestation monitoring system in collaboration with EFI and RMSC. This will enable COCOBOD to carry out deforestation risk assessment and put in mitigation measures.
- **Farmers Sensitization:** COCOBOD continues to educate farmers on the need to maintain 18 economic trees per hectare on cocoa farms.
- **Environmental and Social Sustainability Project (ESSP):** This seeks to ensure sustainability of cocoa production in Ghana through implementation of Good Agronomic Practices, improved labour practices and livelihoods of farmers including women.
- **The Ghana Cocoa Forest REDD+ Programme (GCFRP):** It is aimed at reducing carbon emissions increasing on-farm yields through implementation of climate-smart cocoa strategies.



COCOBOD'S SUSTAINABILITY PROGRAMMES

- **Environmental Programmes Contd:**

- The Environmental Sustainability Project (ESP): It seeks to create institutional systems, tools and policies to rehabilitate off-reserve cocoa landscapes, conserve and expand forests, and incentivizes cocoa farmers to adopt environmentally friendly best practices.
- Cocoa Rehabilitation and Intensification Project (CORIP I&II): It is aimed at demonstrating the business case for cocoa farming through the setup and operationalization of Rural Service Centers (RSCs), a strategic institutional arrangement for sustainable production services delivery.
- The Ghana Forest Investment Programme (FIP): It adopts transformative approaches in the high forest zone to tackle the underlying causes of deforestation and forest degradation.



COCOBOD'S SUSTAINABILITY PROGRAMMES

- **Economic Programmes:**

- **Payment of remunerative producer price:** Mechanisms have been put in place which ensure that cocoa farmers receive a higher proportion of the international market price of cocoa. Farmers receive at least 70% of the net price (Net FoB) as producer price.
- **Introduction of electronic weighing scales:** This is to ensure that farmers receive the full value for the produce they offer for sale. Cocoa buyers cannot adjust the weighing scale after it has been calibrated by the Ghana Standard Authority.
- **Implementation of Productivity Enhancement Programmes (PEPs):** It is aimed at increasing farm productivity from an average of 450 kilos per hectare to at least 1,000 kilos per hectare by 2026/27 season as pertained in other countries notably; Cote d'Ivoire (802kg), Nigeria(400k ϕ) Cameroon(300kg-400kg), Dominica Republic (1,250kg) and Malaysia (2,000kg).



- **Economic Programmes**

- Living Income Differential (LID): LID of \$400 per tonne was successfully introduced in the 2020/21 season in the sale of cocoa on the international market. The LID is fully paid to the farmer to meet his cost of production and cushion them against adverse effect of low international cocoa prices.
- New extension approach: The current cocoa extension approach includes the promotion of additional livelihoods and market-oriented diversification of income sources, aimed at increasing opportunities and resilience for cocoa farmers.



COCOBOD'S SUSTAINABILITY PROGRAMMES

- **Social Programmes:**

- **Child Labour and Gender Empowerment:** Establishment of a Child Labour Desk at COCOBOD Head Office since 2004 to handle child labour issues.
- **The establishment of Ghana's Cocoa Monitor:** This will serve as a mechanism for convening and coordinating public and private sector initiatives to promote sustainable cocoa production.
- **National Child Labour Monitoring System:** COCOBOD is developing a national child labour monitoring system which is anchored on the Cocoa Management System. This will enable COCOBOD carry out child labour risk assessment and put in mitigation measures.
- **Establishment of COCOBOD's Sustainability Desk:** The desk monitors sustainability schemes and projects across the cocoa landscape, and addresses sustainability issues in Ghana's cocoa sector.

