


IMPACT REPORT

UTZ COCOA PROGRAM

GHANA



235 Farmers
sampled from
6 projects



4
years of data:
2011 - 2014

Research
carried out in
Ghana



THE STUDY



This impact evaluation was carried out by LEI Wageningen UR. It analyses the changes in economic performance, working conditions and living conditions of Ghanaian cocoa farmers over a four year period. Certified farmers included in the evaluation are part of the UTZ-Solidaridad program in Ghana.

KEY FINDINGS



BETTER FARMING METHODS

The study shows that training in good agricultural, environmental and social practices is helping farmers to improve (29% increase in knowledge since 2011). Good agricultural practices, required by certification, are leading to higher yield (farmers estimate an increase between 22% and 87%). Certified and non-certified farmers often work together, allowing them to share their knowledge and creating a positive ripple effect. In addition, other programs are training (non-certified) cocoa farmers in similar ways as the UTZ program.



BETTER CARE FOR NEXT GENERATIONS

In 2014, 98% of certified-farmers' children between 6 – 11, and 92% of those between 12-17, went to school. Children younger than 18 years old incidentally participated in cocoa production activities (less than 1,5 days per year). 8% of certified farms showed children being involved in activities such as pod-breaking and pruning.



BETTER INCOME

Higher cocoa prices have helped farmers to offset higher production costs. Certified farmers saw a higher increase on their profit per kilogram than non-certified farmers (24% compared to 18%). Certification holders have also profited from a premium between 3% and 6%.



BETTER WORKING CONDITIONS

According to most certified farmers positive changes in their well-being are due to better health and safety practices. Accidents on certified farms have dropped with 20%. Both certified farmers and their workers use protective equipment more often than those not certified.

Important to understand the outcome of the study:

Non-certified farmers are being trained by other sustainability programs in good agricultural practices and other topics similar to the UTZ certification program. These are great news for the cocoa sector in Ghana and UTZ supports it. However from a methodological point of view, it brings challenges for researchers to assess the impact of the UTZ program by means of a non-certified comparison group. Since the comparison farmers have also progressed, most differences were not statistically significant.

CONTEXT

- Wages have increased significantly. Higher wages are positive for workers but increase production costs for farm owners.
- Cocoa farmers are aging. Older farmers can't perform all heavy tasks, pushing them to hire workers, hence higher production costs.
- Cocoa prices, set by the government, have increased by almost 48% between 2011 and 2014. However income level in the cocoa sector remains low, making farmers look for more profitable alternatives.
- Farmers remain dependent on cocoa. And cocoa remains susceptible to price and climate changes and other external conditions.

RESEARCH METHODS

- ✓ Baseline
- ✓ Mixed methods
- ✓ Counterfactual
- ✓ Statistical analysis
- ✓ Validation workshop

LEARNINGS



Increasing knowledge – UTZ is pleased to know that training and certification are improving farmers' yields and efficiency. We also see that better tailored and more accessible training are needed to offer each farmer what he needs to improve. Farmers differ and so do their needs and capacities. Through the UTZ Academy and collaboration with local government and stakeholders, UTZ aims at supporting more in a more tailored way.



Child's best interests – While awareness has improved in child labor, the 8% of children incidentally engaged in hazardous activities is child labor, and not acceptable under any circumstance. The UTZ code has recently become stricter in its requirements. More attention is given to identify and remedy child labor, this in close collaboration with local communities, farmer groups and external auditors.

More information can be found here: <https://www.utz.org/what-we-offer/sector-change/child-labor/>



Better income – Higher prices mean better income, provided that the production costs do not outpace the price increase, and higher yields can be harvested at lower production costs. UTZ is committed to provide farmers with the right support tools to increase their productivity. However, external factors such as wages, price fluctuations and climate change all influence the profitability of the cocoa farmers. The UTZ code helps farmers to understand and manage their risks, costs and investments, so they can take informed decisions.



Work safety – Health and working safety conditions have improved. However more needs to be done to ensure that certified farmers and their workers always use full personal protective equipment when needed. If such equipment is not available, farmers could recur to specialized service providers, such as spraying gangs.

UTZ RESPONSE

'Further studies, already commissioned by UTZ, will help us better understand specific needs and differences between (certified) producers. We aim at offering farmers more tailored-made training, which will consider the needs of different types of farmers. Our goal is to support farmers to take informed decisions, which respond best to their needs and aspirations, so they can become more resilient and capable business women and men, able to make the most out of their cocoa farm and business.'

To read the full report, go to www.utz.org/reports



ABOUT UTZ

UTZ stands for sustainable farming and better opportunities for farmers, their families and our planet.

The UTZ program enables farmers to learn better farming methods, improve working conditions and take better care of their children and the environment. Through the UTZ program farmers grow better crops, generate more income and create better opportunities while safeguarding the environment and securing the earth's natural resources. Now and in the future.

And that tastes a lot better.