

FAIRTRADE COCOA IN CÔTE D'IVOIRE: BASELINE RESEARCH REPORT

2018



INTRODUCTION

Fairtrade works with almost 55,000 small-scale cocoa farmers in Côte d'Ivoire. Between 2014 and 2015, researchers from the World Agroforestry Centre (ICRAF) and Bioversity International carried out a multidimensional baseline study with smallholder cocoa farmers and their cooperative unions in Côte d'Ivoire, as part of the assessment of recently-certified Fairtrade cocoa producers in West Africa ([a similar study on Ghana was published in 2017](#)). The rapid rise in the market for Fairtrade cocoa as well as the introduction of innovative sourcing models for companies to include more Fairtrade certified ingredients in their products provided an opportune moment to build a baseline for future monitoring and impact assessment. The baseline will form a framework for stakeholder engagement and improved intervention design, as the findings inform Fairtrade's work in West Africa.



KEY FINDINGS



Higher production and yields, but income from cocoa remains low

Members of Fairtrade certified cocoa cooperatives reported relatively higher production and yields than non-members, and therefore significantly higher revenue from cocoa per household (US\$3200 versus US\$2400) forming around 74 percent of the household income. However, this is not sufficient to lift these households out of poverty. No significant difference was found in access to basic assets for human well-being between members and non-members.



Fairtrade farmers have increased access to training but access to capital can prevent good practice adoption

Fairtrade farmers experienced increase in access to training, with more than 60 percent of members being trained on good agricultural practices. However, lack of capital and capacity at both cooperative and farm levels created barriers to improving productivity and quality further. Activities like replanting and pruning can increase farm productivity for farmers and thereby maximize the returns from their plots. This may allow them to diversify, expand practices of agroforestry, increase their resilience and improve their livelihoods.



Producer organizations need stronger cooperative governance

Developing strong relationships with buyers and exporters has given cooperatives access to capacity-building and financial services, and markets for their cocoa. Although these connections allow producer organizations to access weekly loans, the study suggests that training on governance plays a crucial role to reduce buyers' influence over cooperatives' decision-making processes.



Women are under-represented as members in the cocoa cooperatives

Although the membership of all the cooperatives had increased by at least 30 percent since their official registration, the study found that women's participation in cooperative activities was generally low. Representation of women on the board of directors was highest among cooperatives that had Fairtrade markets, suggesting that Fairtrade compliance encourages the participation of women in cooperative governance. More interaction with cooperative leaders is needed to understand the extent to which these women are able to influence cooperative management.

RESEARCH METHODS

The study collected data using a unique set of indicators, which was inspired by the key themes of the Fairtrade Theory of Change and '5 Capitals' – a methodology that examines poverty impacts based on changes in asset endowments at the level of smallholder households and cooperatives. The research used a combination of key informant interviews, household and cooperative surveys, focus group discussions, and secondary data analysis.

Five recently-certified cooperative unions were selected according to predefined criteria, and a total of 436 cooperative member households were selected at random from 12 societies affiliated to these unions, accounting for 29 percent of the member households. In addition, 103 non-member households were interviewed to enable comparison between Fairtrade cooperative members and non-members.

LEARNINGS AND RECOMMENDATIONS



Support better resourcing of the producer organizations

The new cocoa cooperatives have been able to establish themselves quickly, and offer useful services to their members. However, these young organizations face real challenges in achieving financial sustainability. The research recommends that Fairtrade should support better resourcing of the cocoa cooperatives, by helping them to increase their Fairtrade sales, while also supporting them to develop other strategies for business diversification.

small number of support actors.



Work with the cooperatives to support gender equality

The research found that women were significantly under-represented at the membership level in the cooperatives as well as the level of influence they have on boards. Fairtrade is working to identify projects and good practices to build women's leadership capacities and increase women's representation and participation.

FAIRTRADE RESPONSE



Support greater productivity and diversification for cocoa farmers

The research found that Fairtrade could do more to enable cocoa farmers to maximize the productivity of their cocoa. This can form part of a broader strategy to support small-scale farmer to achieve the greatest possible profitability from their plots, including enabling them to invest into other crops where this can generate livelihoods opportunities or better food security.



Foster support to strengthen aspects of cooperatives' governance and development

While increased revenues allowed Fairtrade cooperatives to deliver member services and fund community development projects, the study found that poor record-keeping and business administration raise risks for financial mismanagement and poor accountability. Fairtrade recognizes the need to increase its efforts to support strengthening cooperatives' governance and further development. This would help to reduce cooperative dependence on a

Fairtrade welcomes the report's baseline findings and recommendations. We are encouraged that the cooperatives have been able to establish themselves with Fairtrade support, and to begin to function as businesses and service providers to their members. We recognize that the cooperatives have many support needs, and we agree that addressing key challenges include growing sales, supporting agricultural diversification, and strengthening of the cooperatives to be able to make cocoa a more viable livelihood option, to achieve greater member engagement and gender equality.

As part of our West Africa Cocoa Programme and Living Income Strategy for cocoa in West Africa, we are working with our own support teams and with key government and private sector actors to ensure that the producers can access greater coordinated support to help them continue to grow stronger as businesses and service providers.

For more information The report and Fairtrade's full response are available on the [Fairtrade International Impact and Research pages](#).

Image: Fairtrade certified cocoa bean, Côte d'Ivoire. © Sean Hawkey

