

Cocoa Farms in Ghana

UTZ Certified's response

on an Evaluation of the Impact of UTZ Certification on the Sustainability of Smallholders supported by the Solidaridad Cocoa Programme (2010-2012)

www.utzcertified.org





Background

This independent impact evaluation was commissioned to gain insight into the effectiveness of the training and certification program of UTZ and Solidaridad in Ghana. The evaluation aimed to assess to what extent the economic, social and environmental conditions of cocoa farmers included in the program were improved.

This study was carried out by the Committee on Sustainability Assessment (COSA) - a global organization facilitating the measurement of social, environmental, and economic impacts in agriculture in collaboration with the Institute of Statistical, Social and Economic of the University of Ghana (ISSER), specialized in social sciences. COSA and ISSER conducted a baseline survey in 2010 to assess the initial conditions of the cocoa farmers who had just recently become certified (or were about to do so). The farmers surveyed in 2010 and 2012 belong to AHANSUCOFA, a producer organization assisted by Solidaridad. The research design intended to capture and track differences between certified and non-certified farmers over time. A sample of non-certified farmers was surveyed as well. An additional round of data collections was conducted in 2013 to validate earlier findings. A validation workshop with local stakeholders was held in 2013. The research methods include random sampling, propensity score matching, difference in difference analysis, and focus groups.

UTZ acknowledges that the impacts as well as the challenges of this program stem from a joint endeavor with Solidaridad and AHANSUCOFA. This response reflects solely the position of UTZ.

Main findings

Better farming methods

Farmers have adopted many of the good practices recommended in certification trainings. As a result their yields increased, whereas their expenses on biocides and labor were reduced. Farmers' expenses on fertilizers increased. Overall, certified farmers have improved their farming efficiency.

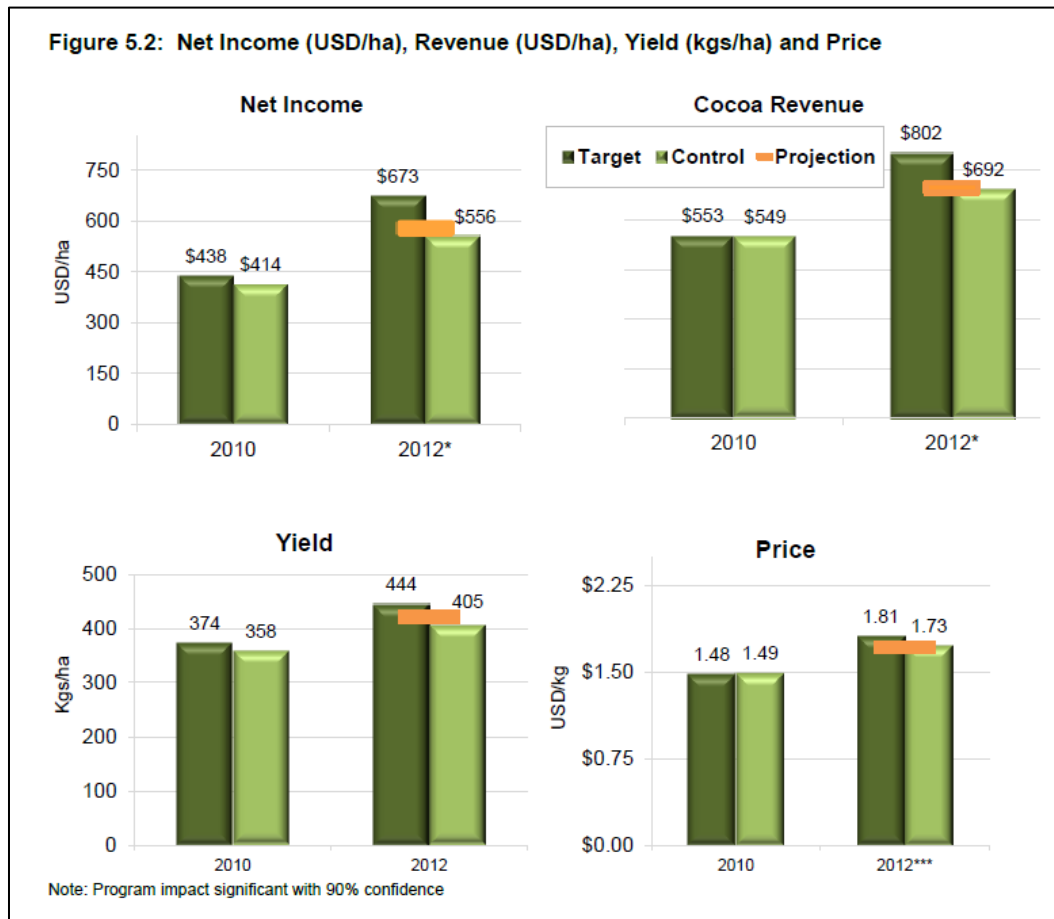
Better crop

Certified farmers have increased yields and quality of cocoa beans thanks to good agricultural practices, increased use of fertilizer, and better post-harvest practices.

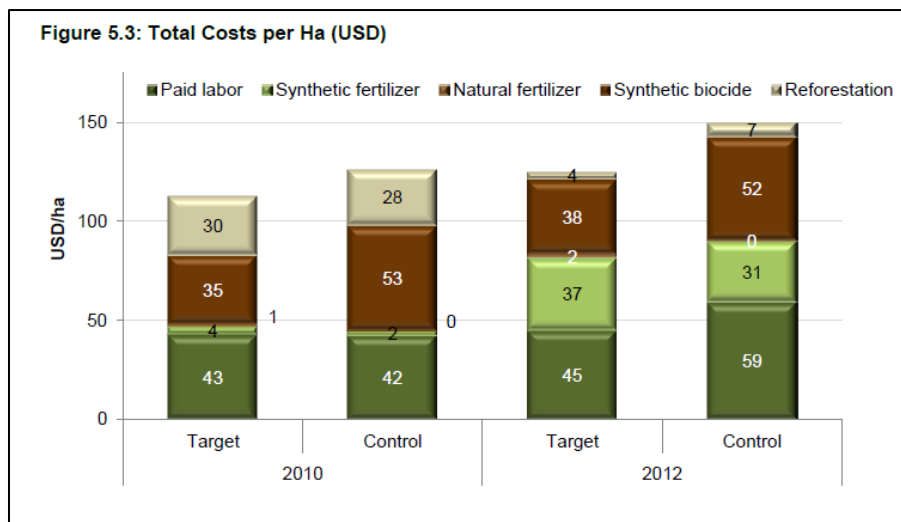
Better income

Certification has improved farmer's economic conditions. Farmers improved their net income thanks to higher cocoa prices and higher yields, while they kept their production

costs at the same level. They reduced their expenses on crop protection products and paid labor and increased their expenses on fertilizers.



COSA 2013: 22.



COSA 2013: 23.

Better life

Certified farmers on average have a more positive perception of their quality of life than non-certified farmers. However, their food security situation deteriorated between 2010 and 2012. This was probably caused by a lack of rainfall in 2012, which affected food crops more than cocoa trees.

Better care for next generations

The number of children doing any type¹ of work on certified cocoa farms dropped from 19% in 2010 to 16% in 2012, whereas these percentages increased from 27% to 34% on non-certified farms.

Better care for nature - Better environment

Certified farmers have reduced the use of biocides and increased the use of natural fertilizers. The percentage of farmers clearing land to expand cocoa plantations declined, which is a positive trend as well. However, the implementation of soil and water protection measures declined between 2010 and 2012.

Better working conditions

The injury rates on certified farms dropped, indicating that working conditions have become safer. But on the other hand certified farms relaxed the restrictions on vulnerable groups in using biocides.

¹ UTZ Certified takes a zero tolerance approach towards child labor. The UTZ code allows children above a certain age to perform specific non-hazardous tasks outside school hours, under supervision of adults.



Influencing factors

- The Ghana government implemented a program in 2011 to boost cocoa production. Both certified and the non-certified farmers have probably benefitted from this program.
- Cocoa prices in Ghana increased between 2010 and 2012. This had a positive effect on the incomes of certified and non-certified farmers alike.
- Training attendance by certified farmers group declined from 2010 to 2012. This is probably due to the fact the certification program of the producer organization expanded rapidly from 250 to over 3.000 farmers, prioritizing the trainings to newly certified farmers.
- Lack of rainfall negatively affected food crops. This probably explains the decrease in the food security for all farmers between 2010 and 2012.
- Daily agriculture wages nearly rose by 50% between 2012 and 2012, increasing labor costs for farmers.

UTZ's view on the findings

UTZ is pleased to learn that the program enabled farmers to increase their yields and income, while keeping production costs under control. The latter is remarkable, since the cost of paid labor increased between 2010 and 2012. The fact that many farmers do not have access to finance to purchase the necessary farming inputs limits their capacity to fully implement the good agricultural practices required by certification. Complementary services (finance and/or input provision) are needed to support farmers who want to invest in professionalizing their farming.

We welcome the fact that the percentage of children² working on certified cocoa farms has decreased from 19% to 16%, whereas this percentage has increased on non-certified farms. Certification is clearly contributing to address child labor. Much still remains to be done, before the impact of restraining child labor on cocoa farms becomes noticeable in educational impact-indicators. UTZ Certified maintains a zero tolerance policy with regard to child labor and invests importantly in measures to prevent, detect, remediate and ultimately eradicate child labor on all UTZ certified farms.

The good news that certified farmers experience economic gains from improved yields and prices, and enjoy better work safety, should not distract us from the fact that the adoption of environmental practices still lags behind. To the extent that implementing environmental

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practices demands more labor, we understand that farmers face a tradeoff between investing scarce time and money in conservation practices or in practices that give more immediate returns. Nevertheless, on the longer term the conservation of soil and water is crucial to maintain productivity, and therefore needs to be addressed as well.

Follow up on the recommendations

In the new version of the UTZ code³, new criteria have been included to strengthen the responsibility of the Internal Management System (IMS) to facilitate access of farmers to the inputs (such as labor, knowledge, pesticides and planting material, etc.) needed to fully implement the good agricultural practices established by the code, as a way to optimize their yields.

UTZ is currently revising and updating the training materials and methods used to train trainers, who in their turn will train farmers to become certified. UTZ will guide trainers to fine tune their trainings to the local needs and capacities of farmers (men and women), starting from a better understanding of these needs and capacities, as well as differences between farmers. Understanding better why farmers adopt certain practices and resist others is an important condition to effectively support them in implementing the UTZ code.

³ The new UTZ code has been approved by the UTZ Standards Committee and the Supervisory Board will become effective on the 1st of June 2014.