



PRESS STATEMENT

For Immediate Release

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Accra and Abidjan

STATEMENT BY COTE D'IVOIRE/GHANA CIVIL-SOCIETY COCOA PLATFORMS IN SUPPORT OF BOYCOTTING WORLD COCOA FOUNDATION PARTNERS MEETING IN BRUSSELS BY IVORIAN AND GHANAIAN GOVERNMENTS

The Plateforme Ivoirienne pour le cacao durable and the Ghana Civil-society Cocoa Platform, comprising of farmers, farmer-based organizations, cocoa cooperatives, small-scale processors, media and civil society organizations working in the cocoa sector wishes to commend the government and regulators in our respective countries for the bold and unprecedented decision to boycott the World Cocoa Foundation partners meeting happening in Brussels between October 26-27, 2022. We may not always align with COCOBOD and CCC's decisions, but we fully support this action and the reasons provided for the boycott. We believe it is about time the world recognized the double standards of multinational cocoa and chocolate industries, especially on cocoa pricing and the deteriorating living conditions of cocoa farmers due to their self-seeking interests and quest to maximize profits without any willingness to distribute profits along the value chain.

Côte d'Ivoire and Ghana account for 65% of global cocoa production, but farmers in these two countries earn less than 6% of the chocolate industry's total revenue valued at about USD130billion per annum. New studies have shown that the share of cocoa growers' in the overall chocolate industry has drastically reduced over the years as traders, brands and retailers have accumulated super profits. For example, according to Fairtrade, when cocoa prices were high in the 1970s, cocoa growers were earning up to 50% of the value of a chocolate bar. This fell to 16% in the 1980s and today farmers receive around 6% of the value. This has led to high levels of poverty and hardship for cocoa growers in two of the largest cocoa producing countries in the world. Today, producers are not living they are only surviving.

Top on the list of reasons accounting for this unfortunate situation is the refusal of multinational cocoa and chocolate industries to pay the right prices for cocoa beans. They hide behind their so-called sustainability programmes to dodge paying a living income for farmers. Even more disheartening is the fact that Ghana and Cote d'Ivoire are compelled by these multinational companies to sell their cocoa beans below the prevailing market price (discounted prices). They have also utilized unfair

market tactics such as negative origin differential mechanisms to further impoverish the local small-scale cocoa producer by taking away country premiums while purporting to be paying the Living Income Differential (LID) introduced some two years ago. The LID has finally become a figment of imagination and not tangible reality in the lives of cocoa farmers. The governments and regulators of the two countries always bear the brunt from in-country stakeholders for their role in not setting the farm gate price at levels that will guarantee a living income for cocoa farmers. But what must be made very clear is that, the governments and regulators cannot give what they do not have, and at the moment the prevailing market prices makes it almost impossible for the farm gate prices to be set at levels that will provide a living income to farmers. Rather interesting is the fact that, the prices of products that make up chocolate bar have all gone up astronomically yet the price of cocoa keeps decreasing.

By boycotting this flagship gathering of private sector in Brussels, the governments of Côte d'Ivoire and Ghana are sending a strong signal, but it is also a cry from the heart. The issue of cocoa pricing must be put at the center of the discussion on cocoa sustainability. As civil society, we fully support this position and hope that the world will take notice and denounce the private sector for their nefarious and unfair cocoa pricing practices.

Thank You.

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