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Exploring Producer-Buyer Relationships: Organic Cocoa Production in the Eastern Region, Ghana

GEO 511 Master's Thesis

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Abstract

The cocoa sector is of vital importance to Ghana, employing millions of people and contributing important revenues to the government. However, Ghana's cocoa sector faces persistent challenges, including low prices for producers and limited economic benefits despite rising global cocoa prices. Farmers are highly dependent on cocoa, with up to 80 percent of their annual income derived from the crop, making them vulnerable to structural changes in the market. In Ghana, there is no price competition between cocoa-buying companies due to state-regulated producer prices. As a result, producer-buyer relationships become central to securing market share, and cocoa buying companies have developed alternative strategies, such as providing non-monetary incentives to attract farmers.

This masters' thesis examines how producer-buyer relationships are shaped and negotiated within Ghana's organic cocoa sector, focusing on the relationship between the Licensed Buying Company Yayra Glover Limited and its registered smallholder farmers. The research contributes to a gap in the literature how trust, loyalty, and non-monetary incentives influence producer-buyer relationships in a niche, organic certified market.

Using a qualitative case study approach, data were collected in five cocoa-growing communities in the Suhum District, Eastern Region, through fourteen semi-structured interviews with farmers, members of Yayra Glover Limited, and a government official. Findings show that the regulated pricing system strongly influences the relationship, while initiatives such as organic premiums, training, and social support foster loyalty and trust. Nonetheless, smallholder farmers remain financially vulnerable. This case study demonstrates that the organic cocoa sector is shaped more by global market expectations than local dynamics, reflecting enduring colonial entanglements that continue to influence how producer-buyer relationships are structured and negotiated.

Abstrakt

Der Kakaosektor ist für Ghana von zentraler Bedeutung, da er Millionen von Menschen beschäftigt und wesentliche Einnahmen für den Staat generiert. Nichtsdestotrotz ist der ghanaische Kakaosektor von anhaltenden Herausforderungen geprägt, unter anderem von niedrigen Produzent:innenpreisen und begrenzten wirtschaftlichen Vorteilen für Bäuerinnen und Bauern trotz steigender globaler Kakaopreise. Viele Bäuerinnen und Bauern sind abhängig vom Kakaoanbau, da bis zu 80 Prozent ihres Jahreseinkommens daraus stammen, und sind besonders anfällig für strukturelle Veränderungen auf dem Markt.

Da in Ghana die Produzent:innenpreise staatlich reguliert sind, besteht kein Preiswettbewerb zwischen den lizenzierten Kakaokaufenden. Folglich spielt die Beziehung zwischen Bäuerinnen und Bauern und Kakaokaufenden eine zentrale Rolle bei der Sicherung von Marktanteilen. Um Bäuerinnen und Bauern langfristig für sich zu gewinnen, entwickeln Kakaokaufende daher alternative Strategien, beispielsweise durch die die Bereitstellung von nicht-monetärer Anreize.

Diese Masterarbeit untersucht, wie die Beziehungen zwischen Bäuerinnen und Bauern und Kakaokaufenden im ghanaischen Bio-Kakaosektor ausgehandelt werden, mit dem Fokus auf der Beziehung zwischen dem lizenzierten Bio-Kakaokäufer Yayra Glover Limited und dessen registrierte Kleinbäuerinnen und -bauern. Die Arbeit knüpft an bestehende Forschung an, indem sie aufzeigt, wie Vertrauen, Loyalität und nicht-monetäre Anreize die Dynamiken zwischen Bäuerinnen und Bauern und Kakaokaufende in einem Nischenmarkt für Bio-zertifizierte Produkte prägen.

Unter Anwendung einer qualitativen Fallstudie wurden Daten in fünf Communities im Suhum-Distrikt der Eastern Region erhoben. Grundlagen bilden vierzehn halbstrukturierte Interviews mit Bäuerinnen und Bauern, Mitarbeitern von Yayra Glover Limited und einem Regierungsbeamten. Die Ergebnisse zeigen, dass das regulierte Preissystem die Beziehung stark beeinflusst, während Initiativen wie Bio-Prämien, Schulungen und soziale Programme Vertrauen und Loyalität fördern. Dennoch bleiben Kleinbäuerinnen und -bauern finanziell vulnerabel. Diese Fallstudie verdeutlicht, dass der Bio-Kakaosektor stärker von den Erwartungen des globalen Marktes als von lokalen Dynamiken geprägt ist, ein Umstand, der auf anhaltende koloniale Verflechtungen verweist, die weiterhin Einfluss darauf nehmen, wie Beziehungen zwischen Bäuerinnen und Bauern und Kakaokaufenden ausgehandelt werden.

"Eh, the future is tomorrow. You don't know tomorrow's issue."

Cocoa Farmer, translated from Twi

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List of abbreviations

ABOCFA	Cooperative Aponoapono Biakoye Organic Cocoa Famers Association
BoG	Bank of Ghana
CEPPP	Cocoa Extension Public Private Partnership
COCOBOD	Ghana Cocoa Board
CMB	Cocoa Marketing Board
CMC	Cocoa Marketing Company Limited
CSSVD	Cocoa Swollen Shoot Virus Disease
EEC	European Economic Community
GDP	Gross Domestic Product
GHS	Ghana Cedis
ICCO	International Cocoa Organisation
IMF	International Monetary Fund
MOFA	Ministry of Food and Agriculture
FAO	Food and Agriculture Organisation of the United Nations
FOB	Free on Board
LBC	Licensed Buying Companies
LIB	Living Income Benchmark
LID	Living Income Differential
LIRP	Living Income Reference Price
PBC	Produce Buying Company
PC	Purchasing Clerks
PPRC	Producer Price Review Committee
QCC	Quality Control Limited
SAPs	Structural Adjustment Programs
SPD	Seed Production Division
SWISSCO	Swiss Platform for Sustainable Cocoa
YGL	Yayra Glover Limited

1 Introduction

Over the past decade, the cocoa market has experienced significant fluctuations, with volatility intensifying in recent years. Decreased production, economic shifts, and policy changes have disrupted supply and demand, causing the global cocoa price to nearly triple within six months between late 2023 and early 2024 (Kongor et al, 2024). These increases are driven by production declines and market deficits in key cocoa-producing countries like Côte d'Ivoire and Ghana, which together account for 70 percent of the world's cocoa production (ICCO, 2024; Kongor et al., 2025; Singh, 2017). Nevertheless, the increase in prices at a global level doesn't improve the living incomes of cocoa producers. As the study by the Swiss Platform for Sustainable Cocoa (SWISSCO) and the Ghana Cocoa Board (COCOBOD) affirms, 90 percent of Ghanaian cocoa farmers surveyed earn an income below the Living Income Benchmark[1] (LIB) (Manu et al., 2024). Farmers often lack bargaining power regarding the prices they are paid for cocoa. In many cases, their agency and voice in decision-making processes have been weakened by structural factors as well as economic marginalisation. As many small-scale cocoa producers operate in the context of unreliable infrastructure, lacking public services such as banking, land registration, public transportation, and agricultural extension services, many farmers work under problematic conditions (Oomes et al., 2016; Schulte et al., 2020).

Globally, the state of the cocoa sector's difficult conditions reflects a broader shift that is linked to deeper forces in the structure of the global political economy under contemporary capitalism (Carodenuto et al., 2025). Some scholars argue that the lack of infrastructure, contracts and formal financial structures is a form of oppressive and exploitative concealment that makes it difficult to trace exploitation (Vedwisch & Woodhouse, 2022). Previous literature often focuses on efficiency and production in global commodity value chains and lacks approaches to the power relations in supply chains (Cutler, 2017; Hopkins & Wallerstein, 1986). According to Kwarteng (2025), it is often claimed that the ongoing challenges and inequalities in the cocoa

[1] The LIB refers to a liveable income for farmers covering all expenses for all members of a household. To calculate the LIB, household expenses are set against the net income of a household and if the expenses exceed the net income, it is considered an income gap (SWISSCO, n.d.).

sector stem from unfortunate consequences of market forces, inefficiencies, and unpredictable price fluctuations. The author argues that, instead of it being an unintended crisis, “this inequality is systemic, built over decades through policies, pricing models, and corporate structures that concentrate value in the hands of a few” (Kwarteng 20225, para. 2). These challenges are also entangled in and continued from colonial forms of institutions, narratives, and relations. Such entanglements are sustained in a system of Western capitalist ideologies that perpetuate structural inequalities through narratives of economic growth that often do not translate into the overall well-being of the population (Walsh, 2010). The author (2010:15) further elaborates on the paradigm of human development and how it seems to “envelope humanity and the human condition in the lineal ideas of civilisation and progress, but also to entangle modernity further with its underside: coloniality”, depicting how the Global South is measured against the ‘developed’ West, interwoven in colonial entanglements.

These concepts can also be applied to the cocoa sector, where cocoa farmers face persistent income instability despite being the backbone of the global supply chain (The Living Income, 2025). Thus, producer-buyer relationships located in the Global South are situated within these enduring colonial contextualities. In this context, understanding how buyers engage with farmers, especially in emerging sectors like organic cocoa, becomes an essential element to know how power and value are distributed. Despite cocoa selling and buying mechanisms existing on a local level in Ghana, producer-buyer relationships are not disconnected from a global system of exploitation. Ross (2017:68) highlights that the history of cocoa has been “tightly interwoven with the global reach of European power”, expressing the need for the untangling of this system. According to Walsh (2010:15), this matrix of global power “legitimises relations of dominations, superiority/inferiority, and establishes a historical structural dependence related to capital and the world market”.

To understand the contemporary challenges that producers face and the asymmetrical power relations between producers and buyers, one must understand the concepts of ‘colonial entanglements’ as well as the ‘colonial present’. The concept of ‘colonial entanglements’ by Walsh (2010) offers insight into how the Global South is being hierarchically placed and compared to the Global North, while it is expected to adopt Eurocentric standards. Here, the ‘colonial present’ as coined by Derek Gregory (2004) clearly demonstrates the continuities of colonial narratives and structures through less visible and more secretive measures in most colonised parts of the world in recent history. Therefore, Gregory (2004:262) argues that the cycle of oppression should be ended and that we "cease turning on the treadmill of the colonial present".

In today's capitalist system, ongoing asymmetrical power relations rely heavily on underpaid commodities and producers. Marginalised producers, whether in coffee, tea, sugar, tobacco, or cocoa, are disadvantaged because of unequal power relations that, in turn, exacerbate their economic and social marginalisation. Today, a small number of multinational corporations handle most of the global commodity trade and therefore, exercise power over the millions of smallholder producers (Athreya, 2011).

This thesis, therefore, aims to understand how producer-buyer relationships in Ghana's organic cocoa sector are shaped and negotiated. Smallholder cocoa farmers in Ghana are often disadvantaged due to asymmetrical power relations and are dependent on cocoa buyers. Asymmetrical power relations refer to unequal distribution of power and control between actors, where one side holds more influence over decisions, resources, and outcomes than the other (Briggs, 2003). Thus, producer-buyer relationships are a central element of understanding how loyalty and trust are shaped within contemporary market transactions in emerging markets such as Ghana's organic cocoa sector.

1.1 Statement of the problem

The Cocoa Barometer (2022:6) writes, "why haven't we solved these problems yet?" – problems related to low prices paid to producers and a lack of significant economic benefit to the producers despite the global rise in cocoa prices. Although issues regarding sustainable practices in the cocoa sector have been discussed for over two decades, farmers' poverty, environmental degradation and production deficits have increased. One of the key objectives for the cocoa sector for the past few years has been the concept of ensuring the attainment of a living income; however, there has been no meaningful change in core business activities. In fact, widespread poverty among cocoa farmers remains a challenge in Ghana. According to Boysen et al. (2023:2), up to 90 percent of cocoa farming households live below a 'living income' standard. A small Ghanaian organic cocoa cooperative states that today "the market price of cocoa does not translate to fair earnings for farmers in Ghana, due to government-imposed farmgate prices" (The Living Income, 2025:3). Accordingly, farming households are heavily affected by the low farmgate price for cocoa. Under Ghana's partially liberalised cocoa sector, the government's COCOBOD defines and regulates the farmgate price each year before the cocoa season. For many Ghanaian cocoa farmers, up to 80 percent of their annual income depends on cocoa production, creating a strong dependency on cocoa and vulnerability to structural changes in the market (Grohs et al., 2024). These producers' farms are commonly identified by small land ownership and low productivity, often correlating with low income (Ollendorf, 2023). The author argues that, despite providing the farmers with guaranteed cocoa prices for the season and taking the risk of price volatility and low prices, COCOBOD's set farmgate price is still too low to provide for a 'living income'[2]. According to the study by SWISSCO and COCOBOD, the concept of a 'living income' is widely recognised and crucial in addressing sustainability issues in the cocoa sector (Manu et al., 2024:3).

Scholars argue that low productivity and poverty are central to sustainability issues in cocoa farming, causing illicit deforestation and child labour (Boysen et al., 2023; Fountain & Huetz-Adams, 2022; Glin et al., 2015; Manu et al., 2024; Tuffour et al., 2023). However, these two branches of issues in the cocoa sector, environmental protection and human rights, are not the only ones closely targeted by sustainability goals in the cocoa sector. In addition, a study by the International Institute for Sustainable Development found that further challenges include a lack of access to working capital loans, old trees, declining profitability, and high certification costs, leading to many farmers leaving the sector (Mirza & Pringle, 2024). Furthermore, cocoa farmers face challenges including cocoa plant diseases, intensive use of pesticides, and climate change, endangering the growth of cocoa plants (Ameyaw et al. 2014; Djokoto et al., 2016; Prezeres et al., 2021). The sector has also struggled to attract young labourers due to the high rewards in 'galamsey' (illicit gold mining) (Amanor et al., 2022).

As mentioned above, many studies have identified poverty and lack of income and savings as a major issue affecting the livelihoods of millions of cocoa farmers (Bandanaa et al, 2016; Fuesini et al., 2019; Grohs et al., 2024; Mirza&Pringle, 2024). The World Cocoa Foundation estimates that more than two-thirds of cocoa farmers in cocoa-growing regions live below a living income (Grohs et al., 2024). The Cocoa Barometer (2022:6,12) claims that "not a single stakeholder group is currently doing what they should be doing to ensure farmers achieve a living income" and that so far "farmgate prices are nowhere near remunerable". Clearly,

[2] In August 2025, COCOBOD has annoucned a record increase in the farmgate price, setting it at the highest level currently offered in West Africa (COCOBOD, 2025).

current approaches to raising farmers' prices have only a marginal impact, as multinational companies continue to underpay for cocoa (Grohs et al., 2024).

There had been earlier efforts to improve farmers' living conditions, particularly through structural adjustment and market liberalisation policies introduced in the 1990s. However, the International Monetary Fund's (IMF) and the World Bank's intentions of restructuring the cocoa sector mostly advantaged actors of the downstream sector, such as confectionery corporations, in the cocoa industry. Market liberalisation was intended to stimulate operational and financial performance within the system and create higher, more competitive producer prices. In Ghana, the reform led to the entry of Licensed Buying Companies (LBCs), state-authorised cocoa buying companies operating on the internal market, which began to compete with the para-statal Produce Buying Company[3] (PBC) following the partial liberalisation of the cocoa sector (Laven, 2007).

According to Anang's study (2011), more competing firms have entered Ghana's internal cocoa market, leading to a gradual decrease in market concentration and loss of market share among the previously dominant buyers, including the PBC. Generally, Anang (2011) argues that there are no monopolistic inclinations in the Ghanaian cocoa sector, and cocoa-buying firms are free to compete for market shares. However, due to the state's regulations of producer prices through COCOBOD, there is no price competition between these companies. As a result, the ability to offer higher prices is not a viable strategy to attract farmers. This has made producer-buyer loyalties a key factor in securing market share. Therefore, LBCs have developed alternative strategies such as the provision of non-monetary incentives to create long-term relationships with producers (Tuffour et al., 2023). Thus, with particular focus on Yayra Glover Limited (YGL), a registered LBC with COCOBOD, and its registered farmers, this thesis will contribute to emerging literature by examining producer-buyer relationships in Ghana's organic cocoa sector.

1.1.1 Gap in the literature

Much of the existing literature on global commodity value chains, such as the one for cocoa, assumes that producer-buyer negotiations are primarily mediated through price, particularly under liberalised market systems (Boysen et al., 2023; Fountain & Huetz-Adams, 2022). Price

[3] The PBC replaced the CMB in 1979 and took over the cocoa buying and marketing until 1993 (Anang, 2011).

competition has therefore become central to studying the distribution of value across the chain. In Ghana, the cocoa sector is largely characterised by structural imbalance, which has major implications for power structures and the degree of dependency farmers experience in accessing markets and credits. This imbalance, however, is often explored through an economic or market-oriented lens, while relational and social dimensions of producer-buyer relations remain underexplored. Therefore, this perspective does not fully capture the dynamics of producer-buyer relationships, especially in the context where price is fixed or regulated, and other mechanisms become central in negotiating these relationships. Some of the emerging literature focuses on farmers' relationships in interorganisational relationships, trust in emerging markets, productivity sustainability, or farmer and purchasing clerk (PC) relationships (Adaku et al., 2022; Dadzie et al., 2018; Gakpe & Olekanma, 2024; Glavee-Geo et al., 2020; Grohs et al., 2023; Mpinganjira et al., 2017; Tuffour et al., 2023). Such studies have started to shift attention beyond price to consider how trust, incentives and long-term cooperation shape farmers' interactions with buyers (Glavee-Geo et al., 2020; Mpinganjira et al., 2017; Tuffour et al., 2023). There is an agreement among researchers that higher prices and income stabilisation are necessary future steps in the cocoa sector (Fountain & Huetz-Adams, 2022; Grohs et al. 2023 & Tuffour et al., 2023). Furthermore, lack of cooperation stems from buyer opportunism and farmers' lack of adequate incentives (Glavee-Geo et al., 2020 & Tuffour et al., 2023). Existing research mostly focuses on the most prevalent form of cocoa production, additionally indicating that there is no representation of relationship negotiations in organic cocoa in the literature. Further, Dadzie et al. (2018) emphasise the need for research from both buyer and producer perceptions, and this should be examined to get a better understanding of trust-relationship durations. There is a clear lack of empirical research adopting a qualitative approach that would contribute to further understanding of farmers' relationships with buyers. To date, there is no empirical research exploring producer-buyer relationships in the organic cocoa sector, leaving a gap in understanding how certification in niche markets and alternative incentives influence these interactions.

1.1.2 Aim & research question

Therefore, this master's thesis aims to better understand producer-buyer relationships in the organic cocoa sector in Ghana and how these relationships are negotiated. By adopting a qualitative approach, this study will explore factors such as trust and relationship navigation mechanisms beyond price.

In more detail, the aims are to analyse how producer-buyer relationships are shaped regarding (non-)price incentives and how power relations and structures underlie these interactions. It is important to understand that producer-buyer relationships in this case study refer to organic cocoa farmers and an organic cocoa buying company, an LBC, with its intermediaries, which operate under Ghana's regulated pricing system. YGL is one of the LBCs paying premiums for certified organic cocoa, offering one of the highest premiums for organic cocoa in the country. However, because organic production is viewed as a niche[4] production in Ghana, this relationship might also create a form of dependency among organic cocoa farmers who have limited selling alternatives for organic premiums (Grohs et al. 2023, Tuffour et al. 2023).

Therefore, this thesis aims to understand how producer-buyer relationships are negotiated in organic cocoa production, regarding aspects of trust and loyalty beyond market-based relations. This study focuses on long- (and short-) term cooperation and the experience of small-scale organic cocoa farmers in rural Ghana, exploring the factors of how these relationships are influenced, how YGL maintains the loyalty of the farmers, and how farmers perceive both the LBC and organic cocoa value chain.

1.1.2.1 Objectives

- To identify factors influencing the producer-buyer relationship between organic cocoa farmers and YGL.
- To analyse the impact of COCOBOD's pricing and buying system on producer-buyer dynamics.
- To investigate farmers' experience and perception of selling organic cocoa.
- To examine LBCs' strategies to maintain farmer loyalty.
- To explore the role and implications of the organic buying monopoly.

1.1.2.2 Research questions

As the only cocoa-producing country with an only partially liberalised marketing system, the connection between cocoa producers and LBCs is unique to the cocoa industry in Ghana. Therefore, this master's thesis probes into the complex relationships between Ghanaian organic cocoa farmers and Licence Buying Companies.

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[4] In Ghana, the government term used for organic cocoa is 'specialized' cocoa, as there is no official government support for organic cocoa production (Interview 13).

Main research question: How are producer-buyer relationships in Ghana's organic cocoa sector shaped and negotiated?

Sub-question one: How does Ghana's regulated pricing system affect organic cocoa farmers' income stability and selling decisions, and how does YGL navigate its relationship with organic cocoa farmers under this system?

Sub-question two: How do farmers perceive the benefits and limitations of organic training and farming, and how has the training influenced their economic well-being?

Sub-question three: What factors influence producer-buyer loyalty between organic cocoa farmers and YGL, and how do YGL's incentives influence farmers' commitment to producing organically? And where do farmers sell to when YGL can't pay for the organic cocoa?

1.1.3 Thesis outline

The introduction (Chapter 1) familiarises the reader with the topic of cocoa production and the gap in literature, briefly addresses today's challenges of the global cocoa sector, and then addresses the statement of the problem. This chapter concludes by presenting the aim of this thesis, as well as its research question and objectives. In the following section (Chapter 2), the thesis outlines the literature review, which comprises an elaborate description of cocoa's colonial entanglement, the world cocoa market structures and a short introduction to global liberalisation processes. Furthermore, in the latter part of this chapter, the theoretical framework is briefly discussed. This is followed by a more detailed understanding of the internal cocoa marketing system in Ghana and its cocoa sector (Chapter 3), including a short introduction to the history of cocoa in Ghana, Ghana's current functioning of the internal marketing system, as well as a more in-depth discussion of cocoa production and the aspects of organic production. This is followed by the Research Setting and Methodology (Chapter 4), which provides contextual background to the research area and outlines the methods used for data collection and analysis. This chapter includes a section on the researcher's positionality and on the limitations of this research. In the Discussion (Chapter 5), this thesis presents the results and analysis of the collected data. Finally, a brief conclusion (Chapter 6) will summarise the scope of this paper and include recommendations for further research.

2 Literature review and theoretical framework

As this thesis is interested in producer-buyer relations, it is important to review the literature on global structures of power. This chapter, therefore, examines the broader context of the global cocoa sector, with a focus on producing countries that underwent market liberalisation. The next section provides a short overview of how the cocoa sector is structured. Finally, this chapter discusses the political economy of cocoa and key challenges, including farmers' living conditions as well as structural and socio-economic issues within the sector.

2.1 Colonial legacies and neocolonial realities

The Western control of commodity chains emerged in the late 1700s, where trade and production were based on forced labour and the slave trade, which supported the expansion and colonisation of lands to produce commodities such as tea, sugar, cotton, and cocoa. Ross (2017) further describes how the expansion of cocoa frontiers can be traced back to the 1600s, when cocoa spread from Central America to Venezuela, Ecuador, and Jamaica. In the 1700s, they reached Martinique and Guadeloupe, later Brazil, Trinidad and the Gulf of Guinea Islands. However, with the development of cocoa frontiers in West Africa, production became closely linked to colonial "slavery and forced labour since the first commercial production in the late 19th century" (Ould et al., 2004:3).

In academic literature, scholars would describe frontiers as a boundary between "civilisation" and "backwardness" used as a geographical and political imaginative border where colonial state power conquers particular space seen as "empty" (Debelo & Soboka, 2022:710). Therefore, the expansion of agricultural frontiers can be linked to the concept of "terra nullius," which was used as a colonial justification to claim "unused" land available to the first colonial discoverers (Hendlin, 2014:141). The lack of visible or legible owners often led to land being subjected to occupation, squatting and farming, resulting in ownership by first taker (Scott, 1998). In this context of cocoa frontiers, colonial powers viewed unclaimed tropical rural spaces as "full of resources", so unclaimed lands, and therefore "available" to be "claimed and converted" into a productive resource frontier (Debelo & Soboka, 2022:710). Thus, resource frontiers can be described in the context of claiming new territory for resource expansion, further encouraged by colonial capital interest. The colonial system of occupation can also be linked to the concept of "Otherness" where non-European countries were portrayed as "exotic, mysterious and chaotic", which refers to "colonised people who are marginalised by the imperial and identified by their difference from the centre" (Dimitrijovska-Jankulovska & Denkovska, 2023:47).

Thus, like many other colonial commodities, such as sugar or coffee, the cocoa frontier expansion grew into a major industry during the height of imperialism, creating a system of suppression that long remained until after the demise of colonialism (Ross, 2017). Initially, European chocolate companies brought cocoa to regions with climatic conditions similar to its origin in South America, seeking to grow it using forced labour at low cost, or even for free (Athreya, 2011). In the early colonial era, Europeans assumed roles at the top of the global value chain, colonising and asserting their external power over smallholder farmers in regions that are now West Africa (Maguire-Rajpaul et al., 2022). The introduction of cocoa further disrupted local economies by redirecting labour away from food crops, leading to a lack in production of staple foods (Odijie, 2022). First in Ghana and then in Côte d'Ivoire[5], a system of cocoa cultivation and extraction was imposed on smallholder farmers[6] to which other tropical regions were added continuously (Maguire-Rajpaul et al., 2022). In their analysis, Maguire-Rajpaul et al. (2022) explain that under the colonial system, local monetary incentives and legal forest extraction frameworks were in place; however, these foreign sovereign powers suffocated civil rights and choices of smallholder farmers. In the two countries, Côte d'Ivoire and Ghana, two different systems were established. In the former, early French authoritarianism prevailed, while the latter experienced a disciplinary governmentality through indirect rule[7] (Maguire-Rajpaul et al., 2022). Reports from other countries were similar, where cases of slavery and forced labour were imposed by local chiefs and colonial power in countries such as Fernando Po, Liberia and Cameroon (Ould et al., 2004). In Ghana, chiefs were recognised with 'chiefly land rights' if there was compliance with colonial authority, while colonial authorities in Côte d'Ivoire completely overruled local political authorities. However, both authoritarian systems immediately shut down indigenous opposition to colonial forces.

[5] British and French colonialists even went so far as to name both Côte d'Ivoire and Ghana after the main export resources they extracted from them. Ivory from the 'Ivory Coast' and gold from the 'Gold Coast' (today's Ghana) (Maguire-Rajpaul et al., 2022).

[6] Accoring to Teye and Nikoi (2023), and Ould et al. (2004) colonial rules prefered production by smallholder farmers, because they were afraid that the accumulation of plantations and large land acquisitions turning into local oppositions.

[7] A system which was later classified as 'neoliberal governmentality' (Maguire-Rajpaul et al., 2022)

This, for example, was seen in the complete shutdown of the attempt of smallholder farmers struggling for fairer prices in the 1930s (Maguire-Rajpaul et al., 2022). To deal with the conflict over prices, colonial administrations suggested the formation of farmer cooperatives in the cocoa sector.

European traders were afraid that the cooperatives would eventually replace them in the cocoa trade. However, rising tensions from the cooperatives over price demands led to delays in the cocoa value chain. Therefore, in 1940, the cooperatives were dissolved, and the West African Produce Control Board was created and given the power to set farmgate prices for all West African cocoa-producing countries (Ton et al., 2008). Shortly after the Second World War, the board was replaced with the Cocoa Marketing Board (CMB), which took over the marketing of cocoa and price stabilisation. However, foreign firms were still involved in cocoa purchase while the CMB managed the exports (Teye and Nikoi, 2023). During the same time in the 1940s, the swollen shoot virus had a substantial and uncontrolled outbreak, spreading across cocoa forests in West African countries. Around the time the outbreak was contained through subsidised mass spraying, which inflicted damage to both human and soil health, Ghana also became the first Sub-Saharan country to gain independence in 1957. Just three years later, Côte d'Ivoire followed in its footsteps. The two nations established new governments; however, in the cocoa sector, governance continued to draw on existing sovereign and neoliberal governmentalities to regulate forests and the expansion of cocoa production.

Despite new boundaries and regulations now being set by indigenous political elites, the liberation of smallholder farmers remained absent (Maguire-Rajpaul et al., 2022). In the following years, between the 1960s and 2000s, the cocoa industry was marked by changes in marketing and export structures. Volatility in world market changes led to linked changes in local policies concerning pest control, use of fertilisers, and the development of higher-yielding species of cocoa trees. Furthermore, in the 1980s and 1990s, unstable prices were also linked to the demands of the IMF and the World Bank for economic liberalisations in African countries (Ould et al., 2004). Nigeria was the first cocoa-producing country to liberalise, followed by Cameroon and Ghana (only partial liberalisation), and then Côte d'Ivoire. The main objective of the cocoa market liberalisation in West African countries was to pass more of the world market prices to farmers and link the value chain more closely to global markets. However, the previously para-statal controlled price gap is now controlled by powerful private actors, widening the large gap between the farmgate price and the export price. Evidently, this left farmers at the mercy of unstable world market prices and multinational corporations

(Wilcox & Abbott, 2004). The IMF's and the World Bank's programs "continue to encourage neo-liberal economic reforms that reinforce global capitalist markets while reducing state interventions in social programs" (VanHook, 2015:22), resulting in rising disputes about the positive effects of the Structural Adjustment Programs (SAPs) (Wilcox & Abbott, 2004). In addition, the reforms have caused rising costs in production and costs of living for farmers. Regional farmers organisations such as the Réseau des Organisations Paysannes et de Producteurs de l'Afrique de l'Ouest (ROPPA) have expressed their opinions for local governments to take control of the global commodity trade and to better regulate the income of cocoa farmers (Athreya, 2011). Further voices from West African activists and governments have repeatedly claimed that unfair cocoa prices force cocoa farmers to rely on their children for farm work because they must reduce production costs. However, "repeated calls for a change in commodity policy, and better negotiating power for producers of cocoa" have never reached the inner circles of international development NGOs who are close to the chocolate multinationals (Athreya, 2011:54).

The inability of international institutions and NGOs to support these voices reflects not only an economic imbalance but also a political one, where the legacy of colonial exploitation persists under new forms of control. This economic dependency directly connects to wider critiques of neocolonialism that have been voiced by African leaders. For example, Kwame Nkrumah[8], Ghana's first president after independence, claimed that "neocolonialism is the worst form of imperialism" (Shabbir & Khan, 2025:302). The legacy of early anti-imperial resistance continues in African politics today, most visibly in the figure of Ibrahim Traoré. As president of Burkina Faso, Traoré has gained international attention through his unapologetic rejection of Western hegemony and his claims that Africa's resources belong to its people (Shabbir & Khan, 2025). His approach to how imperial powers control and extract resources resembles Nkrumah's concept of "economic arrangements in a neocolonial context where imperialist powers control the resources and wealth of developing countries by creating global aid institutions" (Shabbir & Khan, 2025:309). To Traoré and many other people, the concept of Africa's coexistence of rich resources and poverty is paradoxical. Therefore, he often

[8] Kwame Nkrumah, Ghana's first post-colonial president, is seen as a national hero due to his strong commitment of revolutionizing Ghana's independecy (BBC, 2021).

criticises multinational companies and global financial forums such as the IMF and the World Bank, which are “a primary tool of colonialism and imperialism” (Shabbir & Khan, 2025:308).

2.2 From state control to market reforms

In order to understand the historical development of colonised governments and the influence of market reforms, this chapter will elaborate on the presence of governments in commodity markets prior to the market reforms, as well as the evolution of market liberalisation in targeted countries.

The presence of governments in commodity markets before the reforms had several historical reasons. In many African countries, governments inherited systems of agricultural control from colonial administrations. These include marketing boards, government plantations, and state-run processing industries (Kolavalli & Vigneri, 2017). This government control commonly came in the form of marketing boards, but plantations and industries were also government-run. Therefore, marketing boards were often viewed as government instruments, which had the purpose of strengthening colonial interests (Teye & Nikoi, 2023). In African countries, the rise of marketing boards coincides with the views of developed countries after the Depression and World War II, which suggested that agricultural and commodity markets benefited from interventions (Harris-White, 1995). Such institutions often limited producers’ choices, as farmers were required to sell their produce through state-run mechanisms, leaving them with little autonomy. Similar to cocoa, such patterns were visible in the governance of coffee in East Africa and cotton in West Africa, where marketing boards and para-statals controlled prices and exports (Akiyama et al., 2003).

In response to the collapse of commodity prices, growing debts and widespread economic recession in the late 1970s, many producing countries in the global South were subjected to stabilisation programs promoted by the IMF (Crawford, 1997). Examples of international interventions include support provided by the IMF and European Economic Community (EEC) under the 1975 Lomè Agreement, OPEC’s 1973 initiative to raise crude oil prices, and the UNCTAD program of 1975, which attempted to stabilise the prices of commodities including coffee, cocoa, and natural rubber. These programs demonstrate that not all policy measures were domestically motivated; both commodity-producing and consuming countries sought to stabilise commodity prices (Akiyama et al., 2003).

Some interventions, such as the UNCTAD program, proved unsuccessful, which led to the dismantling of some programs. Simultaneously, commodity prices declined sharply in international markets, leading to financial trouble in countries that depended heavily on selling these commodities and for the government-run organisations that managed them. This was especially the case for coffee and cocoa-producing countries in Sub-Saharan Africa. And stabilisation programs of domestic commodity programs also came under pressure (Reinhardt & Wickham, 1994). When these measures alone failed to solve the problem, the World Bank introduced the SAPs in the early 1980s, which aimed at the reform or liberalisation of markets, including agricultural and food markets, as conditions for international loans (Crawford, 1997). These neoliberal reform programs meant two things: first, they effectively dismantled the foundation[9] of state-directed national development by reducing the state's power. And secondly, they mandated large-scale privatisation, ending subsidies and allocating credit (Naseemullah, 2023). For the state, this entailed reduced power, resources and autonomy, while privatisation shifted assets out of state control. Cameroon, Congo, Côte d'Ivoire, Ghana, Nigeria, and Togo moved to free internal trade, although the reforms were only partial in Ghana. The World Bank, IMF and the EU, formerly known as EEC, provided support in lending to Côte d'Ivoire, Ghana, Togo and Cameroon. Most countries, except Ghana, lifted state export monopolies and restricted licensing arrangements (Akiyama et al., 2003). After the implementation of the IMF's and the World Bank's SAPs, private interests and industries superseded previous governmental initiatives (Naseemullah, 2023).

Later on, many scholars focused on separating from the idea of the developmental state by focusing on 'good governance'. This movement emerged in response to the earlier emphasis of international agencies on market-oriented structural adjustment policies under the Washington Consensus, which focused on "getting the prices right" (Naseemullah, 2023:7).

While most commodity-producing countries (cocoa, coffee, and cotton) changed from state export monopoly to liberalised and private production and trade controls, Ghana remained with a state export monopoly. Similarly, while most countries with government-set prices changed to free market conditions, Ghana only partially privatised the domestic cocoa sector (Akiyama et al., 2003).

[9] The foundation of state directed national development policies included industrial policy and trade policy, which were both liberalized in the SAPs process (Naseemullah, 2023).

Cocoa-producing countries experience different temporal periods of reform, influenced by economic and political issues. For instance, in Togo, fiscal problems were caused during an extended general strike that lasted from 1993 to 1994. In Ghana, reforms were needed to address an economic crisis and improve cocoa farmers' prices, due to limited reforms in the cocoa subsector in the early 1980s. And in Nigeria, the cocoa subsector underwent an abrupt change in 1987 when the government dismantled all marketing boards overnight and blocked the cocoa board to prevent fiscal drain (Akiyama et al., 2003).

Similarly, coffee-producing countries in Africa experienced fast market reforms following the collapse of the International Coffee Agreement. Countries such as Cameroon, Côte d'Ivoire, Madagascar, and Uganda eliminated government export monopolies in coffee. In other cases, such as Ethiopia, the change of the political regime motivated reforms in the coffee subsector (Reinhart & Wickham, 1994). In most cases, domestic and export markets were completely liberalised with the influence of structural adjustment lending by the World Bank.

Many countries tried to resist these reforms because affected subsectors, such as cocoa and coffee, were key sources for governmental and foreign exchange revenue. Additionally, these subsectors employed many members of staff from parastatal cooperatives, and liberalisation meant abandoning those who had received government support for many years (Ollendorf, 2023).

In many countries that produce coffee, cocoa and cotton, it was thought that government revenues were diverted from producers to other beneficiaries. With effective market reforms, it was expected that producer prices would increase relative to border prices because of increased competition among traders and taxation. This assumption proved true in many cases. For example, cocoa producer prices in Nigeria and Cameroon increased from 20 to 40 percent of the Free on Board[10] (FOB) price before, rising to 70 percent of the FOB price after the reforms. Ugandan coffee producers experienced a 30 percent increase following market reforms. Despite low progress in cocoa market reforms and low producer prices in both Côte d'Ivoire and Ghana, cocoa production increased substantially between 1985 and 2000 (Akiyama et al., 2003).

[10] The Free on Board (FOB) price defines the cocoa's value at the time of export (Eurostat, n.d.)

2.3 Structures and dynamics of the global cocoa industry

Today, the structure of the cocoa industry can be broadly categorised into upstream and downstream sectors. The upstream sector consists of the production and marketing of cocoa beans and is predominantly operated by cocoa-producing countries, whereas the downstream sector is made up of the cocoa bean processing activities to obtain semi-finished and finished products. Downstream activities are executed in both producing and importing countries. The market is mostly driven by increasing global demand for cocoa-related products such as chocolates, chocolate coatings, and cosmetics (Kongor et al., 2024).

The global cocoa value chain begins with cocoa farmers in producing countries. When the cocoa pods have matured and ripened, they are harvested and processed to produce dried cocoa beans, which include harvesting, pod breaking, fermentation, drying, and bagging of dried fermented beans. This work of the upstream sector is carried out by around 5 to 6 million smallholder farmers globally who produce about 90 percent of the world's cocoa, typically on farmlands ranging from 2 to 5 ha with low inputs of technology (Kongor et al., 2024; Wessel & Quist-Wessel, 2015). An estimated 5 percent of global production is grown on plantations that are larger than 40 ha (CocoaNet 2022). The beans are then transported and sold to buyers, who resell them either domestically or further along the value chain for downstream processing (Prazeres et al., 2021).

Globally, the cocoa value chain is strongly influenced by a small number of companies dominating the control over where and how value is generated and distributed. There are five leading companies in upstream consumer markets, which have considerable purchasing and negotiating power, including Mondelez International (15 percent), Mars Inc. (14 percent), Nestlé (12 percent), Ferrero (eight percent), and Hershey Co. (seven percent). These five companies, accounting for 56 percent of the chocolate market, operate in consumer markets, control high-value functions in industrial manufacturing and branding, and dominate the supply of cocoa raw materials in consuming countries.

Furthermore, in cocoa processing, the largest companies dominating this part of the sector have spread their influence along the whole of the global supply chain by vertically involving themselves in processes reaching from rural production areas to main ports and processing facilities in Europe and North America. In other words, large traders, retailers and global manufacturers own production and processing plants, allowing them great power to govern their supply chains (Abdulsamad et al., 2015). Owning almost half of the processed cocoa in the world, these companies include Barry Callebaut (23 percent), Cargill (15.3 percent) and Archer Daniels Midland/Olam International (12.7 percent) (Prazeres et al., 2021).

Throughout the cocoa value chain, the sector is characterised by uneven power relations, with multinational corporations exercising disproportionate power over pricing, processing, and market access. Their dominance limits the bargaining power of producing countries and farmers. Price transmission along the cocoa value chain can be explained by asymmetrical power relations. As retail prices rise with increasing international cocoa prices, they do not significantly decrease when prices for cocoa go down. However, the fall of cocoa prices has different consequences for farmers. The decrease in international cocoa prices has immediate effects on farmers' incomes, while remaining actors in the value chain can increase their profit margins (Fountain & Huetz-Adams, 2018). A former president of the European Commission once argued that in agriculture "the price mechanism does not correspond very well to the ideal-typical neoclassical market concept" (Fountain & Huetz-Adams, 2022:27), as farmers are tied to the production capacity of their cocoa trees. Furthermore, the authors state that as a result, farmers are forced to accept prices with very little bargaining power, as they have very few options for alternative activities to generate income. Therefore, farmers will likely continue producing cocoa at a very low price. Given that the majority of cocoa comes from African countries, accounting for over 70 percent of the global production, this means that these companies have a major impact on the livelihoods of cocoa farmers (ICCO, 2023).

2.4 The cocoa economy

Smallholder farmers are responsible for 90 percent of the global cocoa production (Kongor et al., 2024; Wessel & Quist-Wessel, 2015), yet, despite an unprecedented rise in world cocoa prices in the last 16 months, many smallholder cocoa farmers live below the poverty line (Myers, 2025). A study conducted by SWISSCO, a multi-stakeholder initiative to improve living conditions of cocoa farmers, together with Ghana's governmental organisation COCOBOD, analysed the LIB in cocoa-farming households (Manu et al., 2024:4). The authors estimated the annual LIB, defined as the "costs of maintaining a basic and decent household standard", in Ghana at GHS (Ghana cedis) 52'970 (estimated $4'315) for a family of two adults and three children. However, in the study, SWISSCO and COCOBOD found that 90 percent of cocoa farmers surveyed earn an income below the benchmark. Using current numbers, Myers (2025) found that despite Côte d'Ivoire and Ghana increasing the farmgate prices, farmers were worse off due to declining production over the last three years. Several scholars identify cocoa prices as the most critical challenge in cocoa farming (Boysen et al., 2023; Kissi & Herzig, 2024; Manu et al., 2024; Voora et al., 2019). According to the Ghana Census of Agriculture, a collaboration between the Ghana Statistical Service and the Ministry of Food and Agriculture (MOFA), Ghana's agricultural sector faces several other challenges. For one, there is an over-dependence on rain-fed farming and outdated technological gear. In addition, farmers struggle with poor ecological conditions such as declining soil fertility, unpredictable rainfall, droughts, and the prevalence of pests and diseases (Djokoto et al.,2016; Ghana Census of Agriculture, 2019; Kongor et al., 2024).

While these challenges translate to all cocoa-growing areas, there is a significant difference between cocoa-producing countries in terms of farm size and production systems. In Brazil and Malaysia, for example, production is largely organised on a commercial, large-scale basis. There, cocoa is treated as a profit-driven crop. In these countries, farmers are more prepared to withdraw cocoa from exports when world prices are unfavourable (Lundstedt & Prässinen, 2009). In contrast, production in West African countries such as Ghana and Côte d'Ivoire relies mainly on small-scale, family-run farms (Monastyrnaya et al., 2016; Ross, 2017). While West Africa leads global production, with yields up to 2.2 million and one million tons annually in Côte d'Ivoire and Ghana, respectively, other cocoa-producing regions have changed notably over time. For example, Cameroon's cocoa production has risen significantly over the past two decades, from 122,600 tons in 2000 to 290,000 tons in 2020, more than doubling its cocoa output, mainly through expansion of cocoa-growing areas (Suh & Molua, 2022). Uganda has also seen steady growth, producing over 30,000 tons annually. By contrast, Ecuador's production remains relatively low, less than half of Ghana's and just one-fifth of Côte d'Ivoire's (Kongor et al., 2024).

Despite not being a major producer like Brazil or Ecuador, Peru's cocoa is highly valued in the European market (Cortez et al., 2024). Latin America leads the world in fine-flavour[11] cocoa production and export, accounting for 90 percent of global exports. Ecuador, the Dominican Republic, and Peru are currently the top three exporters of fine flavour cocoa, while Ghana

[11] Cocoa can be categorized into four broader groups, depending on origin, chemical composition, appearance, and flavour characteristics. "Forastero cocoa is commonly referred to as "bulk cocoa", whereas Criollo, Trinitario, and Nacional cocoa are classified as "fine flavour cocoa" on the global cocoa market" (Kongor et al., 2024).

remains the top global producer and exporter of premium-quality bulk cocoa, with its beans considered the benchmark for cocoa quality worldwide (Kongor et al., 2024).

The global chocolate industry is valued at around $130 billion. However, while smallholder farmers receive only approximately 5 percent of the final value, downstream sectors seize the majority (Prazeres et al., 2021). Globally, cocoa is a multi-billion-dollar industry, and its production provides direct and indirect employment for 40 to 50 million people across Africa, Latin America, Asia, and Oceania (Prazeres et al., 2021). Global annual production for the 2021–2022 cocoa season was estimated at 4.82 million tons, of which Africa contributed 74.5 percent, while Latin America contributed around 15 percent, and Asia and Oceania accounted for 5.5 percent (Kongor et al., 2024).

Of all cocoa producing countries, Côte d'Ivoire is the largest producer and exporter, with an export value of $3.33 billion in 2022, followed by Ghana ($1.08 billion), Ecuador ($937 million), Nigeria ($489 million), and Cameroon ($450 million) (Gakpe & Olekanma, 2024; Kongor et al., 2024). Worldwide, cocoa is grown on more than 11.5 million hectares of land, with the majority grown by West African smallholder farmers, each with about two to five hectares of land (Maguire-Rajpaul et al, 2022; Prazeres et al., 2021). Globally, cocoa production relies on 5 to 6 million smallholder farmers, including over one million in Côte d'Ivoire, more than 800,000 in Ghana, 600,000 in Cameroon, and around 300,000 in Nigeria. Many cocoa farming households rely heavily on cocoa as their primary source of income, which provides between 60 and 90 percent of their annual earnings (Donkor et al., 2023; Kongor et al., 2024; Voora et al., 2019). This structural dependence makes West African cocoa farmers particularly vulnerable to fluctuations in global market prices (Lundstedt & Prässinen, 2009).

Furthermore, decreased production, economic shifts, and policy changes have disrupted supply and demand, causing global cocoa prices to surge, especially between late 2023 and early 2024 (Kongor et al, 2024). Rising demand from Asia and Latin America has further pressured the already tight supply of cocoa. According to the International Cocoa Organisation (ICCO) (2024), these deficits stem from structural problems within the cocoa production sector, with the two key factors behind the recent surge in cocoa prices being decreased production and economic and political policy changes. One major reason for the reduced output is poor harvests, often linked to severe weather patterns such as the recent unusually strong El Niño (Van Huellen et al., 2024). Moreover, large parts of the cocoa-producing regions suffer from underinvestment, contributing to the spread of plant diseases like the swollen shoot virus and black pod disease, which threaten cocoa yields and the plants themselves, resulting in drastic reductions in output (Ameya et al., 2014; Brobbey et al., 2020). Such challenges have also forced many processing plants in Ghana and Côte d'Ivoire to scale back operations due to the high costs of cocoa beans (Bergmann & Markus, 2024). At a local level, farmers struggle to benefit from rising prices, as governmental policies on purchasing and exporting cocoa limit their ability to reinvest in production (Kpabitey et al., 2024). Furthermore, the lack of incentives, inadequate management of pests and diseases, youth migration, pollution of land and cocoa trees, low income and low government revenue are identified as challenges facing cocoa farmers and PCs, affecting the productivity and sustainability of cocoa in the Western region of Ghana (Gakpe & Oelkanma, 2024; ICCO, 2013). Meanwhile, further up the commodity chain, chocolate manufacturers pass on rising costs to consumers through smaller and more expensive products. Yet, these profits rarely reach the farmers, who continue to face low incomes and limited opportunities to intensify production (Bergmann & Markus, 2024).

2.5 Structural and socio-economic challenges in the cocoa sector

This chapter elaborates on structural and socio-economic challenges that the cocoa sector faces, including the invisible and unpaid cocoa workforce. Furthermore, the chapter dives into structural issues of ageing, both of farmers and cocoa trees, including youth migration.

Cocoa is a tropical crop grown on trees, with fruits and cocoa pods sprouting directly from the stems and branches. With proper care and suitable environmental conditions, cocoa trees begin to yield after just a few years after planting. A single cocoa tree can remain productive for around 30 years (Lundstedt & Prässinen, 2009). Because cocoa pods do not ripen at the same time, harvesting is carried out continuously throughout the year. In Ghana, however, there are two main harvest seasons, June and December, which together constitute a crop year (Singh, 2017). On small-scale farms, harvesting is typically done by hand to ensure quality. Farmers cut the pods down using machetes or knives, making the work highly labour-intensive (Lundstedt & Prässinen, 2009). Once harvested, the pods are split open with machetes to retrieve the beans. The beans are then fermented for about a week, dried for approximately three weeks, and finally packed into bags for export (Singh, 2017).

2.5.1 Ghana's cocoa workforce

Globally, cocoa provides a livelihood for around 50 million people (Grohs et al., 2024). In Ghana, the majority of rural households are dependent on agriculture as their main source of income (Kaschek, 2021). In addition to owning and working a cocoa farm, employment is generated across the cocoa value chain through activities such as weed control, pruning, fertiliser application, pest and disease control, harvesting, and pod breaking (Grohs et al., 2024). In many of the cases, these production activities are carried out by hired labour. In fact, Kissi & Herzig (2024) state that smallholder farms in the Global South employ millions of workers and, despite being invisible, they are a crucial part of the agricultural production networks. According to Mirza & Pringle (2024), cocoa farmers do not like to work on their farms and prefer to hire labourers, yet many hired labourers are not interested in manual labour in cocoa farming as well, and, therefore, it is difficult to engage hired labourers, in addition to not being affordable for farmers due to their low income. Nevertheless, smallholder farmers rely on hired workers as an important resource from the informal sector, who in turn work below a living wage. A study by the United Nations Food and Agriculture Organisation (FAO) (2024) found that in Ghana, Côte d'Ivoire, Cameroon, Colombia, Peru, Costa Rica and several other countries, the hired workers earn below a living wage. In Ghana, an estimated 51.8 percent of the active labour force is employed in the agricultural sector (FAO, 2011).

According to Ghana's MOFA (2011), the agricultural labour force in Ghana consists of almost 50 percent women. This is among the highest proportions when looking at global numbers of women in the agricultural sector (FAO, 2011). According to Kaschek (2021), Ghana is one of the countries in the Global South that experiences exceptionally high gender inequalities. Almost half of the female rural population earns their living income from agriculture. In the cocoa sector, only around one quarter of the cocoa farm owners or operators are women (Kaschek, 2021). However, the number of women engaged in the cocoa sector is considerably higher, since many contribute as unpaid family labour on the farms of the male head of the household. Despite making up a large portion of the cocoa workforce, women face barriers such as limited access to and control over land and other assets, as well as financial services, education, and technology, despite their significant participation in the agricultural sector (FAO, 2024). These inequalities are rooted in Ghanaian society, which is largely dominated by patriarchal norms that strongly influence power structures and decision-making. This is particularly perceptible in rural farming communities where men typically hold decision-making and leadership power not only at the household level but also in communities and politics. Consequently, women remain disproportionately underrepresented in local and national politics, communal groups such as farmers' organisations, and in leadership positions (Kaschek, 2021).

2.5.2 Frontier expansion and old trees

In West Africa, cocoa is one of the most important crops grown by smallholders (Kongor et al., 2024). The cultivation system is typically based on low inputs, relying heavily on forest soil fertility and the shade provided by previously thinned forests. This relatively simple method has allowed cocoa cultivation to spread widely across the region (Wessel & Quist-Wessel, 2015). However, lack of pest and disease management, combined with poor soil fertility management, contributes to nutrient depletion in cocoa fields. As a result, productivity remains low, and many cocoa farmers face poor livelihoods. This forces them to convert forests into farmland, negatively affecting the environment, the climate, and biodiversity (Kongor et al., 2024). Most cocoa trees typically reach peak yield around 20 years after planting and begin to decline in productivity between 20 and 30 years of age (Binam et al., 2008; Wessel & Quist-Wessel, 2015).

Therefore, cocoa farmers continually moved to new forest frontiers[12] where production was more profitable and less cost-intensive (Amanor et al., 2022). In Ghana, the Western region emerged as the major producer, while cocoa production in the Eastern and Ashanti region was marked by diseases and intensive labour. Instead of rehabilitating cocoa forests, farmers expanded cocoa frontiers in newly cleared forest areas, leading to extensive deforestation in Côte d'Ivoire and Ghana, and inadvertently destroying approximately 80 percent of Ghana's forest zone since the introduction of cocoa (Jagoret et al., 2018; Wessel & Quist-Wessel, 2015). From 2000 to 2010, cocoa production in West Africa increased from about 2 million to three million tons; however, yields per hectare remain relatively low, primarily due to ageing farms, extensive cultivation methods, and limited inputs. Since 2000, cocoa cultivation has been

[12] As a by-product, cocoa frontiers created booming rural-urban areas in former forest areas. Economic growth in the rural sector has shown to lead to urbanisation (Jewab, 2011). In his research the author (2011:38) observes how resource exports have "positive economic effects [on rural Ghana] in the short term, as producing [cocoa] regions accumulate cities". His research shows how in both Côte d'Ivoire and Ghana the expansion urban settlements correlate with cocoa producing regions.

responsible for more than 60 percent of agri-commodity-driven deforestation in Côte d'Ivoire, Ghana, and Cameroon (Kongor et al., 2024).

The United Nations Framework Convention on Climate Change has implemented a programme that aims to address a paradigm shift in land use towards forest protection. The program called 'reducing emissions from deforestation and forest degradation in developing countries' is used as one way to mitigate deforestation and support the transformation to a sustainable agriculture supply chain in Ghana. In addition, in 2023, a project by the United Nations Framework Convention on Climate Change in cooperation with the World Bank provided Ghana with $4.8 million for "reducing carbon dioxide emission by 972'000 tonnes, with 69 percent of the payment going directly to cocoa farmers" (FAO, 2024:95).

Today, with small forests and limited expansion area remaining, future production increases will depend on replanting unproductive farms and improving yields from existing mature trees (Wessel & Quist-Wessel, 2015). While the rehabilitation of old cocoa trees is debated, it is rarely adopted. This is especially prevalent in African countries where cocoa frontiers have expanded non-stop over the last few decades (Jagoret et al., 2018). Farms with a high proportion of overaged trees, therefore, face reduced yields and are more vulnerable to diseases. In Ghana, for example, in an official fact sheet by the MOFA, they recommended the rehabilitation of old cocoa fields; however, they acknowledged that this is a costly process, with many farmers not being able to afford it. Instead, they recommend the option of 'underplanting', meaning the replanting between old trees, while old trees remain as a source of income for farmers during the transition (MOFA, 2013). According to the source, the document was created in 1987[13] and revised and reprinted in 2013. This fact alone highlights the recurring cycle of ageing trees.

Alternative techniques to replanting have been recommended. Among these, agroforestry has been widely promoted as a sustainable alternative to monoculture systems. According to Kongor et al. (2024), cocoa agroforestry involves the deliberate integration of cocoa with other trees and crops, offering a more ecologically balanced approach to cultivation. This method is commonly practised in Central and South America, and also in African countries such as Cameroon, Nigeria, and Côte d'Ivoire, where farmers retain certain forest tree species, remove

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[13] Coincidently, Ghana was suffering from low yield and reduced production in the 1980s, which also factored into the restructuring of the IMFs SAPs (Akiyama et al., 2003).

others, and introduce fruit-bearing species into the system (Jagoret et al., 2011; Oke & Odebiyi, 2007). In contrast, cocoa monoculture systems, currently widely adopted in Côte d'Ivoire, Ghana, Ecuador, Peru, Malaysia, and Indonesia, rely on full sun exposure with minimal shade and high inputs of fertilisers and agrochemicals (Kongor et al., 2024).

2.5.2.1 Youth migration

Cocoa farming is labour-intensive and remains largely low-tech. This high-intensive labour becomes increasingly challenging to the average cocoa farmer, as the average age of cocoa farmers in major producing countries exceeds 50 years (Rikolto, 2023). Young people face barriers to entering cocoa farming, including limited access to land and finances, and inadequate agro-economic education or training (Löwe, 2017). These challenges are compounded by negative perceptions of cocoa farming, as many young people observe older farmers working hard with little financial return and conclude that cocoa does not offer a viable livelihood. Therefore, the youth migrate to urban areas in a quest for "white-collar jobs" or "quick money" (Gakpe & Olekanma, 2024: 24), raising concerns about intergenerational continuity in production (Adaku & Amanor-Bodau, 2022). Therefore, it is not surprising that over the last decade, cocoa communities have experienced youth migration to urban areas, which is mostly due to the cocoa sector's low financial reward. Kongor et al (2024), for example, express the importance of developing policies and incentive programs to improve access to land, credit, and training to attract the youth into cocoa farming. In 2020, recent policy changes in Côte d'Ivoire and Ghana implemented measures addressing low farmer incomes. The two countries jointly introduced the Living Income Differential (LID) policy, which aims to guarantee fair compensation for cocoa producers (Kongor et al., 2024). However, Boysen et al. (2021) and SWISSCO (2025) observed that the LID has not yet achieved its intended purpose. This can be attributed to structural and governance challenges within the cocoa sector, as well as a lack of transparency in cost distribution and LID policies (Adams & Carodenuto, 2023). The year 2025 demonstrates remarkable differences in farmgate prices across producer countries. Countries such as Peru, Ecuador, the Dominican Republic and Uganda have significantly higher farmgate prices than Ghana and Côte d'Ivoire. Farmers in Peru and Ecuador receive almost three times the price as farmers from Ghana and Côte d'Ivoire, despite importer prices being almost ten percent higher for the latter two. Some of this can be explained through forward sales at much lower prices; however, lower farmgate prices for Ghana and Côte d'Ivoire seem to follow a long-term trend even with the introduction of the LID (SWISSCO, 2025).

2.5.2.2 Crises in Ghana's cocoa sector

In the Western parts of Ghana, the practice of illicit small-scale gold mining, known as "galamesy", has broadened its impact on the cocoa sector (Gakpe & Olekanma, 2024). A dramatic increase in price led to a gold rush in many cocoa-growing regions, drawing in foreigners as well as cocoa farmers themselves. The expansion of mining has led to environmental destruction, particularly affecting forests once used for cocoa cultivation. Beyond the purchase of land for mining, galamsey has become an increasing threat to the health of cocoa trees (Bryant & Mitchell, 2021; Ollendorf, 2023). According to COCOBOD (2023: iii), "gold mining has taken precedence over cocoa farming due to the higher and quick returns". Galamsey causes cocoa farms to become polluted, with soils and trees getting infiltrated by heavy metals such as cyanide and mercury (Gakpe & Olekanma, 2024). Furthermore, illicit gold mining activities have generated tension between local communities and Chinese migrants, particularly due to the prevalence of unregistered galamsey activities by Chinese operatives (Aidoo, 2016). According to Bryant & Mitchell (2021:355), much of this tension arises from the "«free-for-all» and «out of control» nature of galamsey, which was facilitated by opportunistic and corrupt state actors and local authorities who reaped financial benefits associated with the spoils of this sector". As a result, parts of Ghana's cocoa sector are now heavily overshadowed by concerns over land scarcity, difficulty in securing labour, and the politicisation of migration.

Furthermore, cocoa production in Ghana has been severely affected by Cocoa Swollen Shoot Virus Disease (CSSVD), which can reduce yields by up to 80 percent and kill cocoa trees within a few years. It is estimated that around 300 million cocoa trees have been destroyed by the disease in Ghana, leading not only to economic distress but also to the displacement of many early cocoa-producing communities, particularly in the Eastern Region, where the disease was first identified (Andres et al., 2018; Amon-Armah et al., 2021; Kongor et al., 2024).

More recently, cocoa output in West Africa, especially Côte d'Ivoire and Ghana, declined during the 2023–2024 season, resulting in a global supply shortfall and soaring cocoa prices. One major climatic factor behind this shortfall is the El Niño phenomenon, which has brought drier weather conditions to West Africa due to an unusually strong occurrence, further intensified by climate change (Kongor et al., 2024). Climate change poses broader threats, including rising temperatures, unpredictable rainfall, and extreme weather events that directly undermine cocoa cultivation, particularly in Ghana's transitional zones (Monastyrnaya et al., 2016). Further challenges due to climate change come in the form of pod withering or early maturation. According to Gakpe & Olekanma (2024), farmers need to sow certain crops and plant others before the rainy season, which requires the organisation of farming activities, which become increasingly challenging due to changing weather patterns. Optimal climatic conditions are required to enhance the quality of beans at every stage. For example, precipitation has a high impact on cocoa yields, making the crop vulnerable to soil water scarcity. With that, the authors imply that cocoa farming is a seasonal crop, which means that income is not guaranteed all year round.

2.6 Theoretical framework

The previous chapter discusses socio-economic and environmental factors influencing cocoa production in Ghana to generate a contextual understanding of the cocoa sector's challenges and issues. This context situates the thesis's focus on producer-buyer relationships. In this chapter, an overview of the basic concepts of the Exchange Theory and the Relational Contract Theory is provided.

In the literature, there are several ways to understand the farmer-buyer relations in Ghana's cocoa sector. Some scholars approach the perspective of the Global Value Chain Governance Framework (GVC), which analyses the cocoa sector as a classic global value chain, in which smallholder producers are linked linearly to global markets dominated by multinational processors and chocolate manufacturers. Nabhani et al. (2015) use the GVC to understand the expansion of inequality due to issues in governance and power symmetry. Glavee-Geo et al. (2020:110) explain the GVC as a "useful concept for describing and analysing the international and geographical fragmentation of contemporary supply chains". They further state that, from a broader perspective, the cocoa value chain is a typical example of a global commodity value chain, marked by a network of labour and production processes. Glavee-Geo et al (2020) use the concept of the GVC perspective to highlight how governance structures, whether buyer-driven, producer-driven or relational, are shaped by the distribution of value. In the case of Ghana, the state is involved in the form of its governmental organisation, COCOBOD, creating a hybrid governance structure that combines hierarchical coordination (in quality control and pricing) with relational elements at the local level (between farmers and LBCs). The GVC, however, is more of a structural approach, mostly focusing on governance, and fails to support the understanding of how producer and buyers negotiate their relationships. Some scholars criticise the GVC for neglecting "the interactions among a wide variety of political, economic, social, and cultural, technological and natural phenomena that extend across localities, regions and nations that together define globalisation" (Busch&Juska, 1997 in Glin et al., 2015:45).

The role of trust is largely overlooked within the GVC framework, and in a wider aspect, the GVC is ineffective in addressing negotiation factors beyond market relations. Producer-buyer relationships are mainly based on communication and trust; therefore, the GVC framework will not be relevant in understanding producer-buyer relationships beyond the market context. According to Monastyrnaya et al. (2016), few studies have been conducted on the topic of communication and trust within the cocoa value chain in Ghana. Studies by Baah et al. (2012) and Roland et al. (2013) show that the communication between small-scale farmers and other actors in the value chain is limited. Farmers' main communication is with COCOBOD; however, Roland et al. (2013:131) observe that farmers have "little to no access to information on market demands and price fluctuations". This, however, also means farmers can easily be cheated by LBCs through adjusted scales or payment below the fixed price. As most farmers' communication and negotiation for cocoa runs through representatives of LBCs, trust for sustainable business relationships becomes essential in the internal Ghana cocoa market. Therefore, this thesis relies on two theoretical frameworks, the Exchange Theory and the Relational Contract Theory. While the Exchange Theory explains social interactions as exchanges of costs and rewards among individuals (Tsai, 2023), the Relational Contract Theory challenges "traditional" contracts as non-discrete and one-off transactions and argues that "real-world" contracts are embedded in long-term relationships, promoted by norms, trust, and ongoing obligations. (Gray, 2023). Thus, these two concepts were chosen because they provide a useful framework for analysing and interpreting the role and relationship of and between LBC and farmers in Ghana's cocoa sector.

2.6.1 Exchange Theory

Suhendi et al. (2024:116) state: "Trust is the main foundation of any successful business relationship", meaning that when trust is established among business partners, it encourages long-term relationships that support sustainable growth, lasting profits, and positive societal benefits. Furthermore, "the essence of exchange theory is that social interaction is a form of exchange in which both material and non-material goods, such as moral values, awards, symbols, prestige, and achievements, are the subject of exchange" (Suhendi et al., 2024:118). This exchange is driven to obtain optimal rewards while minimising costs. In many cases, when someone receives something, it creates a feeling of obligation to return some sort of reward;

therefore, there is usually an expectation of receiving something back when someone gives something to someone (Suhendi et al., 2024). This perspective aligns closely with the non-monetary incentives provided by LBCs to cocoa farmers, which aim at promoting forms of loyalty and commitment beyond market transactions. Therefore, the Exchange Theory will be applied in this thesis.

2.6.2 Relational Contract Theory

In Glavee-Geo et al. (2020), the authors emphasise the importance of relational contracting as an important theoretical foundation for understanding exchange transactions and business relationships. In comparison to the Exchange Theory, the Relational Contract Theory "extols the role of relational norms as a key governance mechanism by relying on behavioural features such as trust, commitments, reputation, and social norms" (Glavee-Geo et al., 2020:111). This theory further adds value to the perspective applied in this thesis, as business relationships between LBCs and farmers strongly rely on trust and reputation, as well as social norms.

3 Context: Ghana’s cocoa sector and institutional framework

This chapter introduces the context of Ghana’s cocoa sector and how it was established. The first section provides an overview of how cocoa production was established in Ghana and how Ghana’s cocoa sector underwent several reforms and regulations until it reached today’s form. After introducing the reader to Ghana’s institutional and regulatory framework, the next section explains the financing system of cocoa and producer prices. In the last part, this chapter establishes the development of organic cocoa in Ghana, in order to set the specific scene in which this research has taken place.

3.1 Ghana’s cocoa production

In Ghana, an estimated one million smallholder cocoa farmers are spread over six of the sixteen regions, and approximately 30 percent[14] of Ghana’s population depends on cocoa for their income (Donkor et al., 2023; Ofosu-Asare, 2018). Today, cocoa is (still) Ghana’s largest cash crop and one of its main export commodities after gold and oil (Ollendorf, 2023). After gold, cocoa makes up the second biggest exchange earner in Ghana. The crop brings in about $2 billion in foreign exchange annually (which is about 40 percent of the total foreign exchange), and majorly contributes to government revenue and Gross Domestic Product (GDP) (Ofosu-Asare, 2018). In 2021, cocoa contributed GHS 3.1 billion to the GDP (around eight to 12 percent), which is around $533 million. In the 2020/21 crop season, more than one million metric tons of cocoa beans were produced (GCB, 2022). As the second largest cocoa producer in the world, Ghana is responsible for almost one third of the global cocoa supply (Gapke & Olekanma, 2024; Kongor et al., 2024) and is followed by Indonesia (third), as well as Brazil, Malaysia, and Ecuador (SWISSCO, 2025).

[14] This includes about 10 million people, including the number of farmers. Ghana’s total population is around 34 million (Donkor et al., 2023)

3.1.1 The evolution of cocoa production in Ghana

Although the cocoa plant and its cultivation originate from South America's tropical humid forests, the crop is now cultivated across the Caribbean, Asia, Africa, and the Pacific (Kongor et al., 2024). The global spread of cocoa production was initiated by Portuguese imperial ventures, which brought the cocoa tree to the coasts of West Africa (Ross, 2017). Over time, countries along the West African coastal belt gradually replaced Central and South America as the dominant producers for the global cocoa market (Ollendorf, 2023). Cocoa consumption and production rose significantly in the late 19th century. During the 1880s, the expansion of global transport networks and increased purchasing power in Europe facilitated rising demand. Another key driver was the transformation of cocoa consumption from a cocoa drink into solid chocolate, which broadened its appeal among European consumers and further spurred global production (Ross, 2017).

In Ghana, cocoa production began in the 1870s in the Eastern Region, making it the country's oldest cocoa-producing area (Brobbey et al., 2020). The crop quickly expanded into new frontiers, and by the early 20th century, Ghana had established itself as a leading global cocoa producer. By the 1930s, cocoa production in Côte d'Ivoire, Ghana, and Nigeria had expanded so rapidly that West African farmers and smallholders were responsible for around two-thirds of the world's cocoa output (Ollendorf, 2023). World exports of cocoa rose from 40,000 tons in the 1880s to over 700,000 tons by the late 1930s (Ross, 2017). While production increased almost seventeenfold and was located closer to European import markets, the oversupply led to a two-thirds decline in prices.

At that time, Europeans consumed around 330,000 tons of cocoa annually, accounting for nearly half of global imports (Ross, 2017). During these colonial and early post-colonial times (1960s), smallholder cocoa farmers in Ghana faced precarious conditions. They were compelled to sell their produce to CMB at prices significantly lower than those available on the world market (Bryant & Mitchell, 2021). In the 1960s and 1970s, cocoa production expanded further into the Western Region (Brobbey et al., 2020). However, widespread dissatisfaction with low producer prices in Ghana encouraged many farmers to smuggle cocoa across the border into Côte d'Ivoire, where prices were higher. Estimates suggest that between eight and ten percent of Ghana's annual cocoa yield was sold illicitly in Côte d'Ivoire and Togo (Ould et al., 2004).

The smuggling crisis, combined with ageing cocoa trees, widespread cocoa diseases, and Ghana's broader economic difficulties during the 1970s, due to falling cocoa prices, inflation, and large fiscal deficits, caused a severe decline in the sector. Between 1970 and 1980, it is estimated that Ghana lost around 20 percent of its cocoa output to smuggling alone (Ould et al., 2004). And by 1978, Ghana had lost its position as the world's largest cocoa producer to Côte d'Ivoire (Maguire-Rajpaul et al., 2022). To reverse this decline, the government introduced new incentives and policies in 1983, marking a second expansion phase of cocoa production. International pressure through the SAPs implemented by the IMF and the World Bank in the 1980s compelled Ghana to restructure its economy, including undertaking reforms in the cocoa sector (Nukumana & Adjei-Mantey, 2025). Farmers from the Ashanti and Eastern Regions migrated to the Western Region in search of new farmland. Although this expansion raised concerns about deforestation and the loss of valuable timber resources, Ghana's cocoa sector gradually recovered (Brobbey et al., 2020). Producer prices were increased, reducing incentives for smuggling and ensuring that Ghanaian farmers could earn more from selling domestically than through informal cross-border trade (Nukumana & Adjei-Mantey, 2025; Ould et al., 2004).

In the 2000s, favourable producer prices, combined with continued expansion into forest areas, contributed to rising cocoa output. Additionally, Côte d'Ivoire experienced a 15 percent decline in its share of total cocoa exports due to a civil war, whereas Ghana increased its share by four percent in the same period (Lundstedt & Prässinen, 2009). This political instability in Côte d'Ivoire also reversed the direction of smuggling, with cocoa flowing into Ghana rather than out of it (Bryant & Mitchell, 2021).

3.2 Ghana's cocoa marketing system under partial liberalisation

In 2003, Akiyama et al. (2003:109) noted that "Ghana has yet to abolish its export monopoly in cocoa". Until today, Ghana is still the only major cocoa-producing country without a fully liberalised marketing system (Van Huellen et al., 2024). This monopoly goes back to the colonial era. Until the end of World War II, the colonial government played a minimal role in the cocoa sector in Ghana, which was dominated by international private manufacturing and processing companies. After the war, however, the British government took over cocoa purchasing, deliberately consolidating its control in the cocoa trade alongside international companies (Lundstedt & Prässinen, 2009). In 1947, the CMB was established, which was then given the sole responsibility for the country's cocoa exports. Through CMB's subsidiary Cocoa

Marketing Company Limited (CMC), which is a para-statal organisation, the government was able to control all cocoa exports and receive a large share of the money. Under CMB's guidance, prices were fixed and continued to suppress producer prices even after independence in 1957 (Van Huellen et al., 2024). During the post-independence era, "cocoa farmers were heavily over-taxed through the fixing of cocoa prices far below world market prices" (Teye & Nikoi, 2023: 853). The government argued that the surplus of the revenues would be used to stabilise producer prices in case of declining world market prices. The cocoa management guidelines, which justified the over-taxation, however, were never implemented. The over-taxation, which functioned as a tool for the collection of patronage resources, allowed the governments to remain in power. Supporters of the government were offered profitable jobs and high seats in the cocoa marketing sector. "This is a clear situation of political settlements whereby political parties captured resources for their clients who, in turn, helped them to remain in power, even though such activities were damaging the economy" (Teye & Nikoi, 2023: 853).

In the 1980s, marketing boards across cocoa-producing countries were removed and reduced with the beginning of the SAPs (Kolavalli & Vigneri, 2017). In 1993, contrary to the recommendations of the IMF and World Bank, Ghana refused to dismantle its cocoa marketing board, COCOBOD. Instead, the country adopted a "meso-model" of partial liberalisation of its cocoa sector (Ofusu-Asare, 2018:115). This partially liberalised marketing system allowed LBCs to enter the market and compete for share with the PBC, though price competition remained restricted. Before this reform, the PBC[15] held a monopoly on cocoa marketing, meaning it was the only company purchasing cocoa on the domestic market. COCOBOD, however, retained a regulatory role over the LBCs and kept exclusive rights to supply cocoa beans to processing or value-adding companies. With governmental approval, COCOBOD continues to fix the farmgate price nationwide and maintains control over quality, grading, and sealing of cocoa for export through its Quality Control Division (QCD) and CMC (Ofosu-Asare, 2018). Following these changes, since the 1992/93 cocoa season, LBCs have actively competed to purchase cocoa from farmers (Anang, 2011).

[15] The PBC replaced the CMB in 1979 and took over the cocoa buying and marketing until 1993 (Anang, 2011).

3.2.1 Effects of liberalisation

Different scholars have widely criticised the SAPs, as Western hegemony has been imposed on the Global South (Escobar 1995). Countries such as Zimbabwe and Ethiopia, Haiti and Argentina are often mentioned as examples of countries that suffered negative political, social and environmental consequences of the SAPs (Brunelli, 2007; Edwards, 1989; Oliver, 2006; Onyeiwu, 2022). "Following a history of Western colonisation, many countries in the Global South were left unable to develop stable political and economic solutions" (Syster, 2022: para. 2) as years of resource depletion and colonisation have taken away the possibilities to develop their own political and economic governance. The author further states that the SAPs resulted in negative effects as many countries ended up with short-term social, economic and political development instead of long-term stability (Oberdabernig, 2010).

In Ghana, the SAPs had both negative and positive effects according to local scholars (Eduah, 2014; Ofosu-Asare, 2018). Eduah (2014), for example, discusses how the SAPs severely undermined governmental subsidies in education, leading to numerous school dropouts because families could no longer afford the new program. Furthermore, the reforms also introduced new programs in the healthcare and manufacturing sectors, making health services unavailable to Ghanaian citizens and making Ghanaian products experience extreme volatility on world markets. In contrast, Ofosu-Asare (2018:116) expresses that the partial liberalisation has contributed to the revitalisation of Ghana's cocoa sector, with "cocoa producers [benefitting] from [LBCs'] competition through an increase in prompt payment, cash rewards, and incentives". Additionally, Anang (2011) claims that the entry of more competing firms into the internal cocoa market has led to a gradual reduction in market concentration. In his study, he provides evidence of increased industry competition and a loss of market share for previously top buyers. Therefore, Anang (2011) argues that there are no monopolistic tendencies in the Ghanaian cocoa market, and cocoa-buying firms are free to compete for market share. On the other hand, scholars, such as Laven (2007) and Owusu Ansah et al. (2017), argue that the partial liberalisation does not fully benefit cocoa farmers. They suggest that the internal market competition disadvantages smaller LBCs with a lower market share compared to more dominant LBCs. The absence of price competition has, however, fostered producer-buyer loyalties, which have become crucial in securing market share.

3.3 COCOBOD’s institutional role and regulatory framework

According to Van Huellen et al. (2024), the new partial liberalisation in Ghana reintroduced a system similar to the one in colonial times, now with LBCs handling the internal marketing on behalf of CMC, except with farmers receiving a higher share of the FOB price. Today, COCOCBOD still holds a monopoly over cocoa bean exports in Ghana. It also sets the annual price for a bag of cocoa beans (farmgate price), controls and pays subsidiaries and supports cocoa farmers with direct input in cultivation and production. This includes providing free seedlings, pollination, pruning and fertiliser. Such programs are financed through cocoa export revenues, and their costs serve as the basis for determining the farmgate price for cocoa beans. These prices are set annually by the COCOBOD-owned CMC. On the internal market, LBCs purchase cocoa beans from the farmers at the fixed price set by the CMC. LBCs can only buy the beans using loans provided by CMC. The LBCs then return the beans to the CMC, which sells them to international buyers and processors. Since the CMC is owned by COCOBOD, it holds the exclusive right to purchase cocoa beans from LBCs and retains the monopolistic right to export them internationally (Grohs et al., 2023). The loans provided by CMC are made possible through forward sales conducted ahead of the harvest season. CMC sells approximately 70 percent of the following season’s cocoa bean production in advance. On the global market, Ghana is known for high-quality cocoa beans, enabling CMC to secure above-average prices in future markets. To maintain this high quality of cocoa beans internationally, CMC selects only premium beans for export, while lower-quality beans are sold to domestic processors at a discounted price. (Grohs et al., 2023).

COCOBOD, formerly known as the Ghana Cocoa Marketing Board, was established in 1947 and renamed under the Ghana Cocoa Board Act in 1984. COCOBOD regulates processes regarding pre- and post-harvest through divisions such as the Cocoa Research Institute of Ghana, Seed Production Division (SPD), Cocoa Health and Extension Division, CMC, Quality Control Company Limited and the Producer Price Review Committee (PPRC). Pre-harvest activities include research, distribution of planting material, pest and disease control and farmer extension and education services. Post-harvest functions include regulation of internal marketing, purchasing, grading, sealing and certification of beans, marketing and export of beans, enforcing quality standards and price setting (Ndikumana & Adjei-Mantey, 2025).

Regulations for LBCs are stated in COCOBOD’s ‘Acts of Ghana’ and ‘Ghana Cocoa Board Act’ document (see **Error! Reference source not found.**).

Table 1: COCOBOD regulatory framework in Ghana's cocoa sector

"Cocoa Market Regulatory Framework: The cocoa trade is regulated by the Ghana Cocoa Board Act of 1984. 13 The Act mandates that COCOBOD exercise centralized control over the sale and trade of cocoa, with powers over the purchase, inspection, grading, sealing, certification, export and sale of cocoa. Only COCOBOD, or persons or organizations authorized by the board, can purchase cocoa" (Acts of Ghana, 1991 in Taylor et al., 2025:12)
"The Board issues licenses to cocoa buyers. No person shall market or sell cocoa unless authorized by the COCOBOD. The Government sets the minimum farmgate price to be paid to farmers, at the beginning of each season. Cocoa produced in Ghana is graded under the Cocoa Industry (Regulation) (Consolidation) Decree, 1968" (Ghana Cocoa Board Act 1984 in Taylor et al., 2025:12).

3.4 Cocoa purchasing

Since the introduction of LBCs, many companies have entered the cocoa purchasing business. Despite Anang's (2011) argument that LBC market concentration has decreased, there were four LBCs accounting for almost 60 percent of bean purchases in the last few years. Nowadays, 48 active LBCs are involved in Ghana's internal cocoa marketing. The largest LBCs are OLAM Ghana Limited (currently 19 percent market share), the PBC, AgroEcom Ghana Limited and Nyonkopa Commodities Buyers Limited (each around ten percent). Further LBCs are FEDCO (eight percent), Kuapa Kokoo Limited (around six percent), FLUDOR (five percent), ELIHO (seven percent) and CARGIL (four percent) and some smaller LBCs (constituting about 22 percent) (COCOBOD, 2021; Ndikumana & Adjei-Mantey, 2025). Of the overall mandated and 48 active LBCs, only one, the PBC, is primarily government-owned. Because the price per bag of cocoa is fixed, LBCs cannot compete on price but have to differentiate themselves based on operational efficiency, purchasing volume, reliability, speed and quality.

LBCs are commissioned by COCOBOD to purchase cocoa beans from farmers and then sell them to COCOBOD (Ndikumana & Adjei-Mantey, 2025). From the start in 1993, COCOBOD had provided LBCs with so-called 'seed funds' at the beginning of each cocoa season, enabling them to finance their cocoa purchases. LBCs, in turn, hire district officers and PCs, who operate in cocoa-growing regions. PCs collect and purchase beans directly from farmers at one of the 3000 buying stations located in villages near cocoa farms. After being gathered, the beans are transported to LBC warehouses before being moved to national warehouses near Tema, Takoradi and Kumasi. This transportation is handled by LBC-hired hauliers, who pass the beans to CMC for the final export (Grohs et al., 2023). The seed fund system, however, was discontinued by COCOBOD. Very recently, before the 2024/25 cocoa season, COCOBOD has announced that it will no longer borrow loans from international banks, and therefore, discontinue the provision of seed funds to LBCs (Taylor et al., 2025).

3.4.1 COCOBOD and its syndicated loan system

The ‘seed funds’ were given to LBCs to fund cocoa purchases from farmers. In order to pay the government-set farmgate prices to cocoa farmers each season, Ghana’s government established a syndicated loaning system that had been in place since the emergence of LBCs in 1993. COCOBOD would loan individual amounts to LBCs based on their recorded annual cocoa purchases, in a way prefunding the cocoa purchases from farmers. Then COCOBOD received the cocoa beans through the LBCs and sold them to international buyers. Under the Ghana Cocoa Board Act of 1984, COCOBOD has been and is the authorised government organisation responsible for purchasing, marketing, enforcing quality control, and exporting cocoa beans, as well as regulating the cocoa sector (Ndikumana & Adjei-Mantey, 2025). Since the 1992/93 cocoa season, COCOBOD has annually secured a receivables-backed syndicated loan from the international money market to finance Ghana’s cocoa sector operations. The funds from these loans were primarily used to purchase cocoa from LBCs, thereby financing the cocoa purchases from the farmers (GCB, 2022). Each year, COCOBOD signed syndicated loan agreements with foreign and local financial institutions, backed by forward sale contracts with cocoa buyers (Van Huellen et al., 2024). According to a study by Doku et al. (2022), loan syndication has been an important factor in cocoa production, significantly contributing to long-term increases in cocoa output.

In August 2024, COCOBOD announced that it will no longer continue the three-decade-old, syndicated loan system (see **Error! Reference source not found.**). The organisation confirmed that it would no longer seek funds from international banks to finance the 2024/2025 cocoa season and had no plans to do so for the 2025/26 season (Adombila, 2024; COCOBOD, 2024). In previous years, syndicated loans had reached up to $1.8 billion, at an eight percent interest rate, resulting in approximately $150 million in interest costs (Bruce, 2024). However, these loans did not always fully cover the costs of cocoa purchases. For example, in 2020, the syndicated loan covered only 66 percent of cocoa purchases (Ndikumana & Adjei-Mantey, 2025). COCOBOD identified fluctuating exchange rates, high interest rates, delays in funds disbursement and rising global financial uncertainties as reasons for the change. It appears that the new financing model will rely on forward sales, spot sales, and the pre-financing of cocoa purchases by LBCs (COCOBOD, 2024). According to Jerome Kwaku Sam, head of public affairs at COCOBOD, the global cocoa shortage was a key factor in the decision to abandon syndicated loans (Tetteh, 2025).

Given that the syndicated loan system had been in place since 1993, understanding its operation and how cocoa buyers navigate the new financial system remains crucial to this study. The syndicated loan was not only essential for the cocoa sector but also served as the primary source of foreign currency for the Bank of Ghana (BoG) (Bruce, 2024).

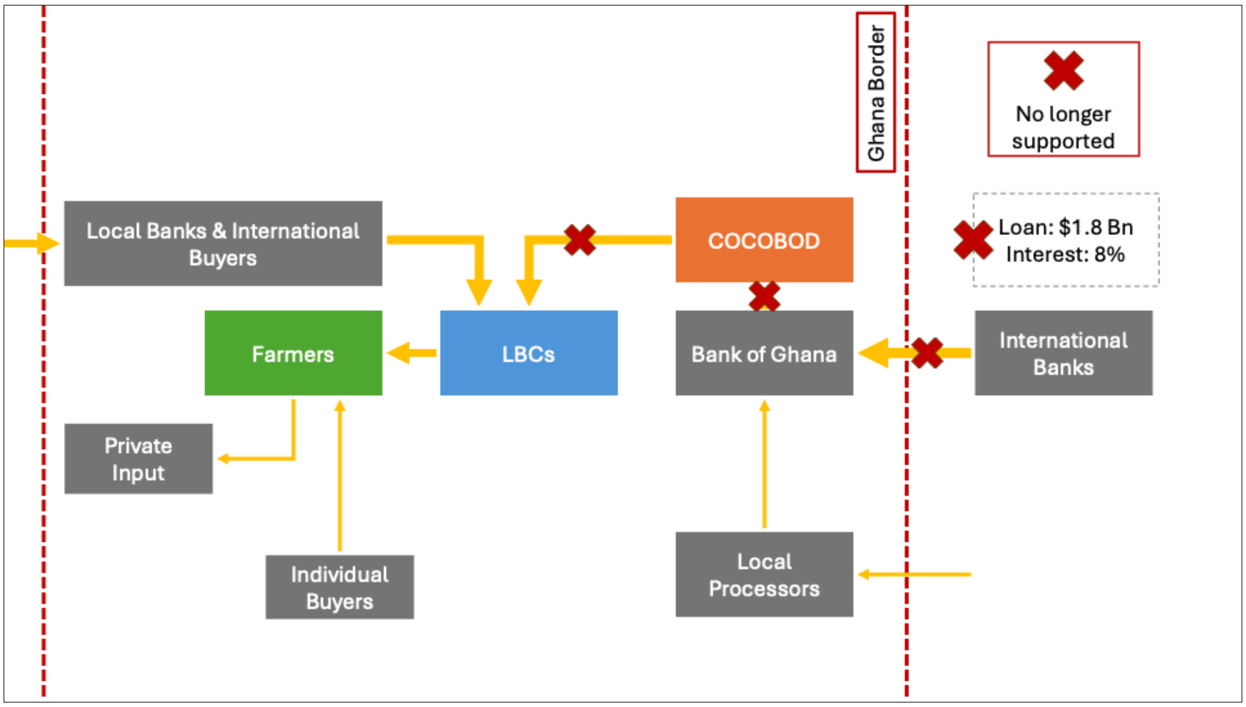

Image 1: Financial flow map of Cocoa's value chain in Ghana with the discontinuation of the syndicated loans (created by author in PowerPoint)

Just before the main cocoa crop season, CMC sells forward around 50 to 70 percent of the predicted harvest. The exact percentage depends on crop forecast, global reference prices and pre-negotiated premiums (Van Huellen et al., 2024). These forward sales are fixed-price contracts referencing the London Intercontinental Exchange cocoa futures price, with a country premium and the LID added. Large international buyers, such as Barry Callebaut, Olam, Touton, and Cargill, purchase about 65 percent of all cocoa through these contracts (Van Huellen et al., 2024; Owusu Ansah et al., 2017). COCOBOD then used the forward sales as collateral to secure syndicated loans in US dollars. The funds were transferred to the Ghana

International Bank, which forwarded them to the BoG. The BoG then converted the funds into Ghanaian cedis and transferred them to COCOBOD for internal cocoa marketing operations. On behalf of COCOBOD, LBCs are responsible for buying cocoa beans directly from farmers. In this process, COCOBOD acted primarily as a credit provider, especially for Ghanaian-owned LBCs that may lack access to international capital markets (Van Huellen et al., 2024). The PPRC negotiates and sets the margins for LBCs and hauliers, and, most importantly, determines the farmgate price paid to cocoa farmers each crop season. COCOBOD's loans provided vital support to different links in Ghana's cocoa value chain. However, now, disparities emerge between multinational-backed LBCs and smaller Ghanaian LBCs. According to Van Huellen et al. (2024), the domestic banking sector is too small to provide the sums required for cocoa sourcing. While larger LBCs backed by multinational buyers can access international funds easily, smaller Ghanaian LBCs now face significant challenges securing banking loans, creating an unequal competitive environment.

3.5 Cocoa producers

Globally, the upstream sector of the cocoa value chain consists of an estimated five million small-scale farmers (Prazeres et al., 2021). Despite accounting for the majority of the global cocoa production, they hold the weakest bargaining position in the value chain, are geographically scattered, and are financially the least able to face the risk of price volatility. Consequently, they receive the smallest portion of the value created within the cocoa value chain (Glin et al., 2015). In addition, farmers are dependent on local trade intermediaries, and their purchasing dealers, agents or clerks representing the international confectionery corporations who suppress prices and extract disproportionate profit at the expense of producers. In fact, cocoa farmers receive only five percent of the final confectionery product, while downstream companies claim the profits (Prazeres et al., 2021).

3.5.1 Producer prices

The producer price, or farmgate price, meaning the amount of money farmers receive for one gross 64-kilogram bag of cocoa, is set by the governmental PPRC. According to COCOBOD, the PPRC-set producer price provides farmers with a degree of protection against the extreme volatility of world market prices. However, it limits their bargaining power at the same time. Farmers are unable to directly benefit from favourable price increases, as profits are distributed along the value chain through OCCOBOD and other stakeholders. The PPRC, established in

1984, comprises of head farmer representatives, government officials, local research organisations, members of the Ministry of Finance, LBCs, and hauliers (Bannor et al., 2019; Glin et al., 2015). Each year, at the beginning of the main crop season, the PRPC sets the producer price for farmers as well as the profit margins of other industry stakeholders. The calculation is based on the net FOB price, which is derived from the gross FOB price for the season as a starting point. The gross FOB is based on CMC's forward sales, spot sales during the season, and exchange rate forecasts of USD/GHC averages. Industry costs for services provided by COCOBOD are deducted to obtain the net FOB price (Grohs et al., 2023; Van Huellen et al., 2024).

Setting producer prices has become increasingly difficult due to international price volatility. Over the last three years, cocoa prices have fluctuated dramatically: in March 2023, the spot price was at around $2'000 per tonne, while in February 2024 the spot prices had spiked to $12'000 before dropping to roughly $7'000 in September 2024 (COCOBOD, 2024; ICCO, 2025). Such volatility complicates the PPRC's role, as prices set at the start of the season risk becoming outdated within months.

Regional dynamics further complicate Ghana's pricing strategy. Sudden discrepancies with neighbouring Côte d'Ivoire illustrate how fixed pricing mechanisms can unintentionally foster smuggling and destabilise the domestic sector. In Côte d'Ivoire, the cocoa price is controlled by the state-run board 'Conseil du Café-Cacao', often setting higher farmgate prices, in addition to the cocoa being paid in franc CFA, which is a stronger currency than the Ghanaian cedi, meaning Ghanaian farmers receive more Ghana cedis when exchanging the currency (Amankwah-Amoha et al., 2018).

In 2023, Côte d'Ivoire announced a 20 percent increase in its farmgate price, making cocoa GHS 72 higher per 64-kilogram bag than in Ghana. This disparity incentivised smuggling across borders. According to Manu (2024), Côte d'Ivoire lost an estimated 200'000 metric tons of cocoa to smuggling in the 2023/24 season, while Ghana lost around 160'000 metric tons. The problem was especially acute that year when Côte d'Ivoire's farmgate price was GHS 490 higher than in Ghana, strongly encouraging cross-border smuggling. To counter this, Ghana increased its farmgate price by 45 percent for the 2024/25 season, from GHS 2'070 to GHS 3'000 per bag (Manu, 2024). For the 2025/26 season, producer prices reached record highs. Responding to rising international prices, Ghana set its cocoa price at $5'040 per tonne, translating to GHS 3'228 per 64-kilogram bag of cocoa. This represents the highest farmgate price ever recorded in Ghana. By comparison, at the start of the previous season, farmers received \$4’515 per tonne of cocoa, equivalent to GHS 3’000 per bag. Only two years earlier, at the beginning of the 2023/24 season, the farmgate price had been around GHS 1’300 per 64-kilogram bag (COCOBOD, 2025).

While producer prices are central for stabilising farmer incomes, other issues continue to limit farmer bargaining power. Concerns about equity, sustainability, and ethics in cocoa production have long attracted international attention. Apart from the pricing mechanisms, global concerns have shifted the discourse beyond pricing mechanisms towards sustainability and certification schemes.

3.6 Organic cocoa production

According to Scialabba & Müller-Lindenlauf (2010:159), the definition of organic agriculture is:

> *“a holistic production management system that avoids use of synthetic fertilisers, pesticides, and genetically modified organisms, minimises pollution of air, soil and water, and optimises the health and productivity of interdependent communities of plants, animals and people”.*

Similarly, the Food and Agriculture Organisation & World Health Organisation (1999, in Obeng, 2025:11) describe organic agriculture as:

> *“a comprehensive approach to agricultural production that aims to improve and sustain the health of agroecosystems. This includes fostering biodiversity, supporting natural biological cycles and enhancing soil biological activity”.*

In practice, organic farming relies on natural materials such as compost and soil-covering crops while avoiding synthetic pesticides, fertilisers, and genetically modified organisms (Obeng, 2025). At the moment, only an average of three percent of farmers in Côte d’Ivoire and Ghana together use organic fertiliser (Krumbiegel & Tillie, 2022). Based on data from ICCO, some scholars estimate that West African producers would have the capacity to produce up to nine percent of organic cocoa. However, scholars also stress the need for better planning, organisation and certification, so that cocoa is not sold as conventional due to the lack of market access (Prazeres et al., 2021; Willer & Lernoud, 2019).

In Ghana, organic cocoa remains a niche activity. Despite its recognised environmental and social benefits, adoption is extremely limited, and most cocoa continues to be produced conventionally (Obeng, 2025; Pay, 2009). According to Banson (2013:3), much of the organic sector in West Africa, as exemplified in Ghana, is still relatively “underdeveloped”. Ayenor et al. (2004:263) note that organic cocoa was still a new concept in the 2000s, though forms of ‘organic by default’ have long existed. According to them, some farmers avoided pesticides simply because they could not afford them, while others rejected them due to health concerns. The authors stress that Ghana had potential for organic cocoa, but this required greater organisation, capacity building of interest, and the provision of research and support for farmers. Gibbon et al. (2009) similarly argue that the absence of governmental subsidies, credit, and saving schemes prevents farmers from transitioning. In short, stronger institutional backing was necessary in the early stages to enable organic production.

Some of the earliest experiments in formal organic production were in the Central Region and Brong-Densuso in the late 1990s. Here, farmers rejected participation in the government’s mass spraying programme and spread the idea of organic cocoa. Inspired by one farmer who had heard about organic production with the possibility of premium markets, they founded the Traditional Organic Farmers Association (TOFA) (Glin et al., 2015; Obeng, 2025). However, the reintroduction of COCOBOD’s Cocoa Diseases and Pest Control programme (free mass spraying) significantly limited the spread of organic production in most of the cocoa-growing areas (Ayenor, 2004). According to Glin et al. (2015), the first certified organic cocoa from Ghana was exported in 2005. By that time, over 5’000 farmers were engaged in organic cocoa, supported by a network of actors, including Agro Eco, NGOs, young farmers associations, governmental research institutes, and private companies.

Today, the organic cocoa market makes up only 0.5 percent of production, consisting of a very small share of the world cocoa market (Prazeres et al., 2021). According to the authors, the demand for organic cocoa has been increasing over the last decades, and “farmers have been sacrificing their few resources to produce organic cocoa, mainly in the least developed countries” (Prazeres et al., 2021:69). In the organic cocoa market, the main driver for cocoa is the demand for chocolate (contrary to products like cocoa powder, paste, butter and grains). According to Willer & Lernoud (2019), around 384’000 hectares of land were under organic cocoa cultivation globally in 2017. In 2019, the main organic producers were the Dominican Republic with 159’178 ha, followed by the Democratic Republic of Congo (51’905 ha) and Sierra Leone (43’307 ha) (ICCO, 2018 in Willer & Lernoud, 2019:102; Prazeres, 2021). The FAO notes that trade data on organic cocoa is difficult to obtain, as production volumes are extremely limited and data sources often fragmented or incomplete (Pay, 2009). Moreover, the authors Willer & Lernoud (2019) caution that existing figures may not be entirely accurate due to incomplete data reporting. Nonetheless, its economic value is significant, estimated at over $10 billion annually (Obeng, 2025). Yet policymakers and producers often face trade-offs between the immediate economic benefits of conventional farming and the long-term benefits of organic farming. Organic farming is frequently associated with lower yields and higher production costs, while certification and compliance impose additional barriers. Limited consumer demand for organic cocoa further discourages widespread adoption (Voora et al., 2019). However, the lack of information and market links hinders small-scale organic producers from providing high-demand products to regions such as North America, Western Europe, and the Asia-Pacific (Prazeres et al., 2021). While North America and Western Europe remain the primary markets for cocoa consumption, Asia is projected to become the second-largest consumer market, driven by the growth of the upper middle class and increasing demand in countries such as China, India, Japan, and the Philippines, which have large potential for the emergence of organic cocoa (Voora et al., 2019).

Although there is growing recognition of the need for sustainable agricultural policies, the implementation faces challenges, including the lack of farmer education, weak institutional support, and limited investment in research and development (Avane et al., 2022; Obeng, 2025).

3.6.1 Certification practices

The initial form of sustainability in Ghana's cocoa sector emerged in response to concerns over child labour. In the early 2000s, reports on child labour drew attention to sustainability and environmental issues in cocoa-producing countries for the first time. Furthermore, rising concerns about long-term supply security due to low production and increasing demand for cocoa resulted in the promotion initiatives aiming at productivity and sustainability issues (Prazeres et al., 2021; Voora et al., 2019). International Platforms and Initiatives, such as the World Cocoa Foundation and the International Cocoa Initiative, have made some efforts to introduce the Voluntary Sustainable Standards, known as Rainforest Alliance, UTZ certified, and Fairtrade. These standards are mostly aimed at providing more sustainable cocoa purchasing options through distinctive labels for consumers (Voora et al., 2019). It was expected that LBCs would promote such certification to achieve socioeconomic sustainability in the cocoa sector (Grohs et al., 2023). COCOBOD installed an institution called Cocoa Extension Public Private Partnership (CEPPP), which provided a platform for international actors and LBCs to promote such sustainability-aimed partnerships. However, CEPPP was avoided by many private organisations in order to pursue self-coordinated partnerships. In Ghana, for example, some of the most important stakeholders, such as the major LBCs Armajaro and Akuafo Adamfo or UTZ (certification organisation with the highest certification rates in Ghana), were not part of CEPPP, showing the frail position of the program due to it being on a voluntary basis (Ollendorf, 2023).

In recent years, however, awareness of the importance of sustainability and ethical sourcing has been growing in the chocolate manufacturing industry. As a result, some LBCs have adjusted and taken over the responsibilities of promoting fair trade practices, such as Fair Trade and Rainforest Alliance, which encouraged cocoa farmers to adopt sustainable certification methods (Tuffour et al., 2023). Up until today, less than 40 percent of LBCs have fully adopted certification schemes, and many only pilot them in selected districts. The limited promotion of certifications contributes to farmers continuing conventional farming practices, which may in turn hinder efforts to achieve sustainable cocoa production (Abu et al., 2020). However, Kwarteng (2025) challenges the proclamation of certification, creating a more ethical supply chain, as many farmers remain in poverty today. According to the author, certification and labels function in favour of multinational cooperation instead of providing financial improvement to cocoa producers. Furthermore, the added costs and often highly labour-intensive nature of producing certified cocoa frequently disadvantage farmers more than they benefit them (Kwarteng, 2025). Therefore, an important element for building a sustainable global food value chain has been recognised in farmers' self-organisation. However, in Ghana, formal cocoa farmers' organisations exist to a very small degree. In contrast to its neighbouring country, Côte d'Ivoire, where formal farmers' cooperatives are widespread, historical circumstances in Ghana have fostered scepticism towards institutionalised cooperatives (Glin et al., 2025).

The first organic networks were formed between TOFA and the American company Organic Commodity Products, which was interested in investing in organic cocoa in Ghana. In the absence of a strong domestic institutional framework, OCP mobilised stakeholders and initiated the development of an internal control system for organic certification. In 2005, the Dutch agency Agro Eco joined the Ghanaian network, helping TOFA transition into the Cocoa Organic Farmers Association (COFA) while supporting farmer training in organic practices and fundraising. Despite these efforts, production volumes remained small, ranging between 27 and 37 tonnes of organic cocoa per year between 2006 and 2008 (Glin et al., 2015).

Today, organic cocoa farming areas are scattered across cocoa-producing regions of Ghana (Ayenor et al., 2004; Bandanaa et al., 2016; Djokoto et al., 2016), and the sector continues to face considerable obstacles. Government subsidies still favour agrochemicals and are not supportive of organic alternatives. Agricultural education rarely incorporates organic techniques, and public perceptions remain sceptical, with many associating organic farming with traditional agriculture or lower (Banson, 2010). In addition, Ghana lacks a domestic market for organic produce, meaning the future of organic farming depends almost entirely on export demand, particularly in Europe (Banson, 2010). By 2010, organic farming in Ghana cultivated about 19'200 hectares, representing about 0.13 percent of the country's agricultural land. Thus, as Glin et al. (2015:54) state:

> *"While the international markets and the overall trend towards sustainability in the global cocoa sector provided a fertile ground for green innovations in this sector, it is notable that the organic cocoa idea and projects were mainly driven by agencies, businesses and civil-society actors."*

In other words, so far, the growth of Ghana's organic cocoa sector relies heavily on external initiatives and markets, rather than government- or farmer-led actions. Currently, there are three bigger cocoa cooperatives and a few smaller ones operating within the organic cocoa subsector. The Ghana Cocoa, Coffee, and Shea-Nut Farmers Association, established in 1980, is the oldest and local one. The two other important cooperatives are Kuapa Kokoo Farmer Union, formed in 1993, and Abrabopa, established in 2008. Kuapa Kokoo has over 100'000 members and is one of the major LBCs in Ghana, while Abrabopa accounts for 7'000 members (Ollendorf, 2023). In addition to the major LBCs purchasing organic cocoa, smaller companies such as the Aponoapono Biakoye Organic Cocoa Famers Association (ABOCFA) and YGL, active since 2009 and 2007, also focus on organically produced cocoa. (ABOCFA, 2025; Yayra Glover Limited, 2010).

According to ABOCFA, they are the only Organic Fairtrade Certified cocoa cooperative in Ghana, with a total of 1'156 registered farmers today working with multinational partners such as Tony's Chocolonely, MIA, TCHO, Uncommon Cacao, and more. They are located at Aponoapono near Suhum in the Eastern Region of Ghana (ABOCFA, 2025).

YGL entered the cocoa sector as Ghana's first LBC, pioneering the production of organic cocoa. After long negotiations and legal procedures, YGL, COCOBOD, and MOFA concluded on a public-private relationship. The company was founded as a joint venture between the

Swiss company Pakka Trade Ltd. and a local Ghanaian investor, Mr Glover, who had attended University in Switzerland. In agreement with the Cocoa Research Institute of Ghana, YGL established operations in Suhum, Eastern Region. Initially backed by financial support from the Swiss government, the company institutionalised pre-existing informal farmer groups and supported the certification process for both organic and fairtrade standards (Swiss Agency for Development and Cooperation, 2017; Glin et al., 2015). The company primarily works with partners from Switzerland and Germany, including Swiss chocolate confectioneries Felchlin, Sprüngli, Cru Riche, and more. YGL itself proclaim that it empowers farmers to transition to organic cocoa and further promotes the diversification of crop production in the cocoa off-season (YGL, 2025).

Thus, while local cooperatives such as ABOCFA and YGL have established pioneering roles in building organic farmer networks and certification schemes, organic cocoa production, just as conventional cocoa, still relies heavily on external partnerships and private sector initiatives.

4 Research setting and methodology

This chapter provides comprehensive information on the geographical, demographic, and socio-economic contexts of the research area in Suhum, Eastern Region, Ghana. Furthermore, the chapter elaborates on the methodology of the data collection and analysis, including the description of the procedure of selecting the participants, the use of semi-structured interviews, and the process of coding and theme generation of the collected data.

4.1 Research setting

The following section will describe the geographical and demographical contexts of the research area. The case study for this thesis was conducted in the Suhum District, Eastern Region of Ghana (see Image 2), where cocoa is one of the major cash crops cultivated by smallholder farmers (Kaschek, 2021). Ghana’s main cocoa cultivation is carried out in the forest belts of the Western, Volta, Ashanti, Eastern, Central and Brong Ahafo (newly split into Bono, Bono East and Ahafo) regions, where high rainfall levels and dual seasonality provide ideal growing conditions (Gakpe & Olekanma, 2024; Taylor et al., 2025). The Eastern Region is the fourth largest region with regard to cocoa production. Of the cocoa-producing regions, the Western region is the leading producer, with 60 percent of Ghana’s output, followed by the Ashanti, Brong Ahafo and Eastern regions (GCB, 2022; Ofosu-Asare, 2018).

Interviews were conducted among five different farmer communities and registered farmers with YGL, which is based in the Suhum District, in the Eastern Region of Ghana. YGL, one of Ghana’s LBCs, identifying as a cooperative at the same time, focuses on high-value organic cocoa production, which also provides agricultural practice inputs and incentive services. YGL has currently partnered with around 5’000 farmers in the Suhum District in Eastern Ghana. These farmers are registered and certified organic cocoa farmers (YGL, 2025). Suhum, one of the districts located in the south-central part of the Eastern Region (see Image 2), was formerly part of Suhum Kraboa Coaltar District; however, since the decentralisation of the districts, it is its own functioning Municipality. Suhum is divided into three zones, Suhum, Nankese, and Akorabo, of which Suhum is the only urban one (Ministry of Food & Agriculture, 2025). Suhum has a tropical climate with 24 to 30°C, relative humidity of 87 to 91 percent in the rainy season and 48 to 52 percent in the dry season. With two rainy seasons, April to July, September to November, the annual rainfall ranges between 1’270 and 1651 mm, which is ideal for crop cultivation (Ministry of Food & Agriculture, 2025).

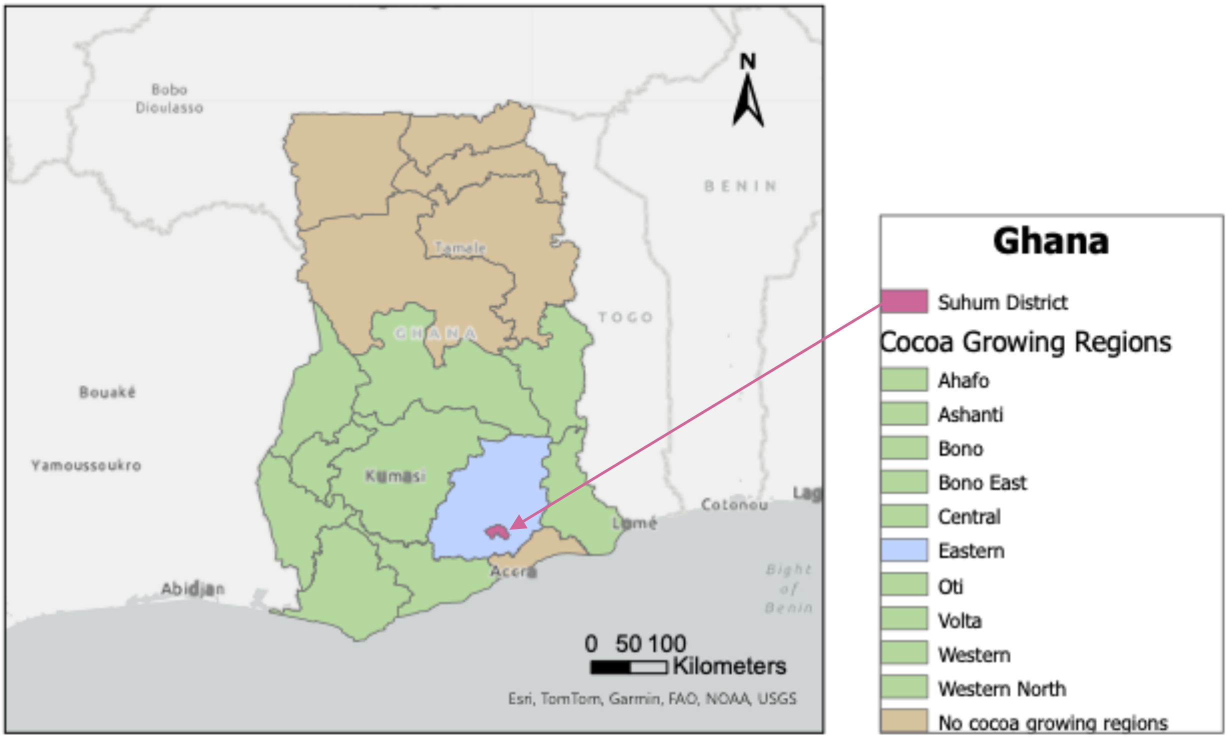

Image 2: Map of cocoa growing regions in Ghana, the Eastern Region, with the study area Suhum District marked in lilac and purple (created by author in ArcGIS Pro). Source for cocoa growing regions: Grohs et al. (2025) & Taylor et al. (2025).

The municipal capital, Suhum, lies about 60 kilometres north-west of Ghana's capital, Accra, linked by the Accra-Kumasi-Tamale-Ouagadougou Highway. Being located at a highly frequented highway, Suhum is strategically located for trade and market access (Suhum Municipal Assembly, 2024). The municipality has a population of around 90'000 (data from 2014), with a high concentration of youth, with 70 percent under 35 years. According to the MOFA, this reflects high potential for labour-intensive agriculture. Yet, there is a low growth rate, which the Ministry explains is due to the closeness to Accra, leading to the loss of young people due to rural-urban migration. Major ethnic groups include Akan (37.4 percent), Ga-Dangme (25.6 percent), Guan (17.4 percent) and Ewe (17.4 percent) (MOFA, 2025).

Settlements are mostly formed nucleated villages around Suhum, with Suhum town and adjoining areas themselves accounting for around 52 percent of the population. For smaller hamlets, which are found along bush paths, are less accessible to schools, electricity and water boreholes (MOFA, 2025). Suhum was once covered by semi-deciduous forests, however, the vegetation is now mostly covered by post-deforested secondary forests. This shift in ecology has affected soil fertility and increased soil erosion. However, still fertile, soils support the cultivation of cash crops such as cocoa, oil palm, citrus, coffee and rubber. Further food crops include maize, cassava, cocoyam, plantain, yam, vegetables and potato (Suhum Municipal

Assembly, 2024). Suhum and Akorabo host two main markets per week for inter-community trade. However, the location of Suhum along the Accra-Kumasi Highway also links local farmers to larger markets in Accra and Tema (MOFA, 2025).

4.2 Data collection

This case study adopts a qualitative research methodology. Qualitative interview methods are based on the hermeneutic understanding of science, which views humans as meaning-constituting beings who produce their life plans and interpretations of situations in social relationships and change them in ongoing social negotiation processes. Qualitative interview methods, therefore, allow for flexibly adapting the interview to the respective situation and the varying subjectivity of the respondent. And they often yield new, unexpected information about our subject matter (Hohl, 2000). Building on this methodological approach, this case study applied qualitative interviews to explore the experiences of organic small-scale cocoa farmers in Ghana. Data was collected in the District of Suhum in the Eastern Region of Ghana in April 2025. More specifically, the case study focusses on YGL and its registered cocoa farmers.

First contact with YGL was established in May 2024 through the CEO's daughter, who introduced me to her father, Yayra Glover, at an event called "African Voices Lucerne" in Switzerland. After a short conversation, Mr Glover invited me to visit YGL and conduct interviews for my master's thesis. Throughout the following year, I prepared for the field research and organised further steps through email exchange with Mr Glover and Benjamin Oska. At the end of March 2025, I flew to Ghana for a four-week stay to conduct interviews. During the stay in April, it was low season in cocoa production in Ghana. In terms of field observation, the low season was less practical as there was little to no cocoa production and transaction processes to be observed.

For this thesis, interviews were conducted with several actors from Ghana's internal cocoa value chain. In total, 14 interviews were conducted (see Table 2). The core of the study focuses on the experience and lived reality of organic cocoa farmers. Therefore, ten different farmers were interviewed in five different cocoa communities in the Suhum District. For further context, one PC, one field officer, the managing director of YGL, and one government official were interviewed. The interview with the government official was the only interview conducted in the COCOBOD office building in Accra, the capital city of Ghana.

For the selection and sampling of participants, I used a non-probability purposive sampling strategy to create a somewhat homogenous group of male and female organic cocoa farmers. This was appropriate since the study aims to explore the experience and lived realities of organic cocoa farmers regarding producer-buyer relationships, using in-depth interviews with a small number of farmers (Neuman, 2014; Ritchie et al., 2013). In order to answer the research questions, a purposive sampling strategy is required that defines certain characteristics of the target group and excludes farmers who do not meet those criteria. Using this strategy, I was not able to recognise how many of the participants would meet the criteria until during the interview, since I have limited knowledge about the larger part of the population from which the interview samples were taken. To ensure farmers were certified organic cocoa producers and maintained some form of contractual relation with YGL, this study included three main criteria for the target group: being an organic farmer, being registered with YGL and receiving premiums. The target group of the LBC are exclusively small-scale organic certified cocoa farmers with landholdings smaller than ten ha, therefore, one of the set criteria for the farmers within the cooperative was small-scale farming. Overall, YGL buys organic from around 15 communities where they provide premiums for organic cocoa. Further individual selection criteria were applied to identify respondents, as follows. The sample should include an equal number of male and female farmers. Farmers should produce organic cocoa and sell it to YGL. Despite the sampling criteria being open for all age groups in organic cocoa farming, the people interviewed were on average between 50 and 80 years old. Socio-economic factors such as ethnicity, religion or educational level were flexible. The selected criteria specifically included farmers from long-standing relationships with YGL, who therefore had some understanding of the LBC's operations. Upon completing the first few interviews, I also included the criteria for interviewing a couple of farmers who have newly established relationships with YGL in order to explore different levels of younger and older relationships. The sampling strategy was aided by an LBC member, who also chose specific farming communities with well-established and newly established relationships.

Interview criteria for the PC, field officer, managing director and government official were also following along a purposive sampling strategy. For the PC and field officer, the criteria included that they are working as intermediaries between organic cocoa farmers and YGL. The gender was given due to an all-male team. The managing director was a given, as there is only one position. For the government official, I was initially given a contact by YGL CEO Mr Glover, who described the person at COCOBOD as “supportive of the cause”. Upon arriving at the office, however, I was redirected through a chain of different people until an interview was finally conducted with a government official whose identity I did not know, other than that he worked for COCOBOD.

Table 2: 13 Interviews conducted in the Suhum District, Eastern Region and Accra.

Cocoa District	**Selected Communities/ Company**	**Interview participant**	**Source of data**	**Number of respondents**
Farmer				
Suhum	Community A	Farmer 1 Farmer 2	Interview 1 & 2	2
Suhum	Community B	Farmer 3 Farmer 4	Interview 3 & 4	2
Suhum	Community C	Farmer 5 Farmer 6	Interview 5 & 6	2
Suhum	Community D	Farmer 7 Farmer 8	Interview 7 & 8	2
Suhum	Community E	Famer 9 Farmer 10	Interview 9 & 10	2
Purchasing Clerk				
Suhum	YGL	PC1	Interview 11	1
Field officer				
Suhum	YGL	Field Officer	Interview 11	1
Managing Director				
Suhum	YGL	Managing Director	Interview 12	1
Government official				
Accra	COCOBOD	Government official	Interview 13	1

4.2.1 Semi-structured interviews

For the data collection, semi-structured in-depth interviews with an interview guide were used (see Annex A: Interview guide cocoa farmers; Annex B: Interview guide LBC members;

Annex C: Interview guide COCOBOD official). It was the most suitable data collection method for both organic cocoa farmers, LBC members, experts and government officials. Some of the interview questions include more sensitive questions regarding income and the producer-buyer relationship, which participants might not want to talk about in a group setting, therefore, one-on-one interviews were more suitable for this study.

All interviews with the farmers were conducted in the local language Twi, and recorded. The translators during the interviews were local field officers working between farmers and YGL, who were familiar with the context and the language of the cocoa farmers' communities and could create a comfortable environment during the interviews.

For the semi-structured interviews with LBC members (YGL), LBC managing director (YGL), and government official (COCOBOD), I employed an interview guide that allowed flexibility in the content, creating space for unexpected findings, giving the interviewees the freedom to express their perspectives and the possibility for me to ask spontaneous follow-up questions. Interviews lasted between 40 and 80 minutes. Open-ended questions allowed to go into more depth, to inquire and assess what the respondent really experienced and to gain insight into unexpected topics and findings. The interview guide for the interviews with cocoa farmers was used as a checklist of topics to be covered. A key element for the interviews was guaranteed flexibility to follow a storyline for the interviewees to share their experiences, which covered aspects which were not always included in the interview guide. Some of these topics could not have been foreseen by me, but they were still relevant to the study. Experiences with the study topics differed largely between male and female respondents and between respondents of different communities, therefore, not every interview followed the same structure and was modified based on arising circumstances in the interview and additional probing questions. This allowed for the interview to be shaped by the interviewee and gave them more freedom to decide on what to share with the interviewer.

4.3 Data analysis

For the text analysis, the data were analysed using the program MaxQDA[16]. Following along the recommended coding steps by Robson and McCartan (2016) of (1) Familiarisation with

[16] https://www.maxqda.com/

data, (2) Generating initial codes, (3) Identifying themes, (4) Constructing thematic networks and making comparisons, and (5) Integration and interpretation. Following data collection in the field, the interviews were transcribed verbatim and translated into English. I transcribed the interviews in English with the assistance of the program called Whisper[17]. As the initial output generated by Whisper proved insufficient, it was necessary to review the transcripts line by line in order to correct inaccurately transcribed passages. Since I was not familiar with the local language, Twi, which is the most widely spoken language in the Eastern Region, the transcription and translation of the interviews conducted in Twi with farmers were carried out by a research assistant from the University of Ghana. The research assistant and translator is a male Ghanaian student with previous experience in audio transcription and translation. To ensure confidentiality, a non-disclosure agreement drafted with the help of templates was signed by both parties. Due to financial restrictions, it was agreed that the research assistant would transcribe only the sections of the recordings that were in Twi. During the interviews, the parts spoken in English consist mostly of repetitions by the interview translator of statements originally spoken in Twi. For the purpose of data analysis, the original words spoken by the interview respondents are of central importance, therefore, only the translation of Twi passages were considered relevant for the data analysis. In the familiarisation phase, the interview transcripts were read, memos were noted, and initial ideas for codes were formed. The coding system was mostly prewritten, based on insights formed during preliminary examination of the texts and guided by research questions. The coding system contains a hierarchical system containing parent codes with more detailed subcodes. Using maxQDA, the interview transcripts were then analysed according to this coding system (see Annex D: Coding system) (see sample of codes in Table 3). The coding system was further refined and extended during the coding process as additional coding segments emerged.

In total, 14 parent codes with 82 subcodes were created (see Annex D: Coding system). In a next step after the coding, the different codes were grouped, compiling all the relevant coded data extracts by combining some of them into a theme with respective sub-themes. Together with the codes and the research questions, four main themes with several sub-themes each emerged. Using the themes and interlinked networks, data were interpreted and discussed in Chapter 5: Navigating producer – buyer relationships in Ghana's organic cocoa.

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[17] https://www.whispertranscribe.com/

Table 3: Sample of codes for analysis in MaxQDA

Sample of Codes
- Mention of farmgate price
- Diversification & Alternative Crop
- Perceived benefits of training
- Alternative Sales & Switching
- Non-monetary Incentives (e.g. Cutlasses)
- Farmers motivation for organic production
- Environmental factors (e.g. Climate Change)
- Unsatisfied feedback about non-monetary incentives
- LBC operations (e.g. Cocoa buying)

4.4 Ethical clearance

This data collection was subject to ethical clearance of the Department of Political Geography of the University of Zurich (see Annex E: Ethical clearance). Informed verbal consent was obtained from all participants prior to the interviews. As the local language in this study area is primarily spoken rather than written, the consent process and interviews were conducted verbally with a translator. For the purpose of confidentiality, data was anonymised to protect the participants' identities. I have approached interviews with cultural sensitivity and allowed participants to opt out of sensitive topics. Throughout the research process, I ensured that I did not impose my own perspectives or interpretations on participants, allowing their perspectives to guide the narratives. My research does not expose marginalised groups to increased vulnerability. To avoid potential harm, the research avoids publishing sensitive data and will be kept confidential. I will anonymise participants' identities as much as possible, using pseudonyms or omitting identifiable details where necessary. The research involves interview participants, such as cocoa farmers and members of the LBC YGL, as well as a government official. I presented and communicated the aim of my research transparently. By having access to accommodation with the LBC, I was constantly able to communicate my state of research, and was able to discuss further steps with local, knowledgeable people.

4.5 Positionality

My positionality is composed of our various, intersecting social identities (gender, race, class, ethnicity, sexuality, dis/ability, geographical location, etc.). “These identities combined shape how we understand and engage with the world around us, including what we know, our attitudes and perspectives and our work practices” (Homan, 2025: para. 3). This means it influences how I conduct research, as well as its outcomes and results.

Growing up *white* in a rural village in Switzerland, I had no associations with the lives of cocoa producers in Ghana. I come from a Swiss-Italian middle-class family, having been educated and socialised in Western-oriented schools. Therefore, I approach this research through a lens shaped by my perspectives growing up in the Global North, a *white*-dominated system structured around capitalistic principles.

In the Swiss village where I grew up, the local bakery and confectionery sells chocolate produced from cocoa beans from YGL’s cocoa project, as the Swiss chocolate company Felchlin has established a partnership with YGL and supplies Swiss confectioneries with chocolate mass made from their cocoa beans. Furthermore, YGL’s founder and CEO has lived in the same village, where part of his family still lives. This is also how I learned about YGL.

As a Swiss master’s student in Human Geography at the University of Zurich, I am trained in critical thinking and have studied global connections and power asymmetries within commodity chains. The discourse on development, which was discussed and reflected upon during the module ‘Critical Development Studies’ led by my thesis supervisor, Asebe Regasse Debelo, prompted critical reflection on the discourse. As a master’s student, my positionality is shaped by my privilege and access to the necessary resources to conduct my research. I am committed to improving my understanding and practice around decolonising research, guided by decolonising perspectives and by people with lived experiences different from my own. I also recognise that my academic training has shaped and influenced the preparations I made for this field research, affecting the types of questions I ask.

I am aware that this research only became possible through my engagement with YGL in Ghana, which supported me by helping me access and communicate with local cocoa farmers. This generated a particular one-sided perspective, as my accommodation was on the LBC premises. Despite their hospitality, I have not let this influence the critical view of the economic exchange between farmers and the LBC. Diverse respondents’ narratives and perspectives have been incorporated in the research analysis to create an accurate representation of the understanding generated in this case study.

As this was my first time visiting a country in Africa, I also encountered some cultural differences, generally having to adapt and navigate small changes in societal and infrastructural patterns that I was unfamiliar with. For example, it was the first time for me being introduced to an environment where I was identified as *Oboronyi*, the Akan word for foreigner, also translated to mean “white person”. The time spent in Ghana was a continuous learning period, whether it was regarding my research or social dynamics.

I also would like to reflect on the image of the “white saviour complex” usually applied in the context of white people working with, for example, missionaries, who provide short-term solutions “to save” the less fortunate. Often, development agencies perpetuate the image of *white* people “aiding” in certain ways, providing money or health services (Develop Diverse, 2024). Despite being a master’s student affiliated with no such organisation, locals sometimes asked me for cash aid and for help resolving problems I could not. I worried that this would affect how people perceived me.

The interviewer bias, which states a “distortion of response related to the person questioning informants in research. The interviewer’s expectations or opinions may interfere with their objectivity, or interviewees may react differently to their personality or social background” (Oxford Reference, 2025). This bias definitely could have affected the data I was analysing. It is important to acknowledge that, as an outsider to this process, I did not know the social and personal backgrounds of the interviewees, which may have affected how and why I asked certain questions.

My positionality strongly affects how I read the interviews and how I formulate claims regarding the findings; however, this is also part of the research process, reflecting on how my own lens influences this research.

4.5.1 Fieldwork challenges

For field research, Swiss medical experts recommended taking malaria prophylaxis. The medication, which is required to be taken daily, was affecting my concentration and sleep habits for the first two weeks. Furthermore, having a so-called “European belly”, the adaptation to local food sometimes affected my energy levels for conducting field work.

In Suhum, before conducting interviews, I met a Swiss citizen who has been living and practising cocoa farming in Ghana for over 20 years, who told me that cocoa farmers are unlikely to openly talk to (white) strangers about their problems and challenges in cocoa production, and that my expectations should not be too high. For the interviews, I was accompanied by local field officers, familiar with the cocoa communities being interviewed, who also translated the interviews. On the one hand, this facilitated my entry as a stranger, while on the other hand, it also limited interview participants' answers due to possible power structures within their existing relationships.

On another note, I would like to add my observation that I was in exchange and working with men most of the time during the process of this thesis, apart from the interviews with female farmers. The rest, from thesis supervisor to information and email exchanges, hosts, managers, field officers, translators, transcriptionists, up to taxi drivers, were all male. The few exchanges I had with women were with the company's staff for human resources, the cooking team, and the nieces of the CEO. Most likely, this influenced how I framed, gained access to, and perceived this research topic.

And lastly, the discussion and analysis (chapter 5) are shaped by my subjective understanding and interpretation of the narratives I was told. It's important to note that, in an unrecorded conversation, I was told that some farmers might have told untruthful stories or given incorrect numbers to avoid losing their public image. This might also affect the outcome and interpretation of this research.

4.6 Limitations

According to the research assistant who translated the interviews from Twi into English, some limiting incidents occurred in the line of translation by the translators themselves. For example, the research assistant remarked that sometimes the English translations included details that were not given by the respondent. However, this also might have been because I needed some extra explanations of terms and settings I did not understand. Therefore, the added details seemed rather reasonable, as they appeared to be information the translator could attest to themselves, since they work in the cocoa sector. Nevertheless, the translators' responses were a major influence on how I shaped my follow-up questions because I only knew what the translator told me. Another example of a limiting factor was that the translators often interrupted the flow of conversation by the respondents, which may have influenced the natural progression of the interviews.

Therefore, to limit the influence of such occurrences, the data analysis was conducted only using the actual answers voiced by the interviewees in Twi and translated into English. This, of course, led to the dependency and limitation of the translator and transcriptionist to translate correctly.

Due to logistical and financial constraints, I was unable to hire professional translators from Accra. The cost of hiring someone who would have to travel from Accra, find accommodation in Suhum, and cover local transportation would have been too high for the scope of this master's thesis. Therefore, local field agents from the LBC assisted me with the translations during the interviews.

Fieldwork was further limited by several contextual and environmental challenges. It was not cocoa season at the time of the field visit, and many communities were located inside forested areas, which were difficult to reach without a car. I was also unable to visit certain communities due to transportation difficulties, as the roads leading to some communities were not fit for a car. Additionally, I was told that I would always need someone to introduce me to the farmers, otherwise, it would be difficult to find interview participants. A further limitation concerns the scope of the research. I did not fully explore the producer-buyer relationship, as PCs were not included in the study to the extent initially planned. It later became evident that they make up a much larger part of these relationships than anticipated.

Furthermore, it was also observed, and later confirmed by the local guide and driver, that cocoa farmers generally do not like to share personal information such as income or amount of cocoa produced. When asked about numbers they were sometimes not comfortable with, or did not know precisely, some farmers would produce figures spontaneously. For example, in one case, the reported number of cocoa bags and the stated annual income from cocoa differed by a considerable amount.

Lastly, external factors in the cocoa sector also shaped the broader research context. The syndicated loan system had recently been discontinued, and since it had changed only recently, it was too early to draw any conclusions about its effects on LBCs and, therefore, farmers.

5 Navigating producer – buyer relationships in Ghana's organic cocoa

This chapter analyses and discusses the empirical results of the qualitative data analysis according to the research questions. During the coding process, several sub-themes emerged from the data, reflecting the complex dynamics of producer-buyer relationships in Ghana's organic cocoa sector. To analyse these themes in further detail, this chapter is organised along three overarching topics. One, the pricing environment and its influence on producer-buyer relations; secondly, farmers' perception of extension services and organic production and thirdly, the strategies that were used to secure loyalty between producers and buyers. These themes together provide insight into how structural, relational, and institutional factors influence the everyday realities of organic cocoa farmers in rural Ghana.

In the sub-chapter about the pricing environment and its influence on producer-buyer relationships, the discussion explores how Ghana's regulated cocoa pricing system, set by COCOBOD, affects the distribution of value and the agency of smallholder farmers within the partially liberalised market. This is followed by an examination of farmers' perceptions of extension services and organic production, where the focus lies on farmers' experiences with organic certification, training, and their understanding of the benefits and limitations of organic farming. The final sub-chapter analyses the strategies used to secure loyalty between producers and buyers, illustrating how companies like YGL employ both monetary and non-monetary incentives to maintain stable producer relations.

The following sections will be structured according to the different sub-themes. However, no sub-theme is isolated or stands on its own. The sub-themes are interrelated, meaning that aspects from one sub-theme will inevitably come up in another.

5.1 Pricing environment and its influence on producer-buyer relations

This chapter begins by demonstrating the pricing environment in which the organic cocoa sector in Ghana was established and operates today. Furthermore, this chapter highlights different perspectives on the ongoing discussion of the farmgate price and premium paid for organic cocoa.

5.1.1 Living income differential

The findings of the study reveal that the main challenges for smallholder cocoa farmers in Ghana's cocoa sector are a lack of financial assets. Despite being the backbone of the cocoa industry and accounting for 90 percent of the global production, smallholder cocoa farmers are still severely underpaid, and they face challenges such as limited access to financing, agricultural inputs and fair market prices (Myers, 2025). Ghana and Côte d'Ivoire decided to implement an amount, which would help achieve the LID, on their cocoa exports and raised the price by a $400 premium per tonne on top of the FOB export price of cocoa beans, which started in the 2020/21 harvest season. This is a new attempt to increase the farmgate price and increase the share of what their cocoa farmers would receive of the value of the global cocoa market, and simultaneously stimulate cocoa production (Boyson, 2023). This was confirmed in the interview conducted with a COCOBOD representative, as he stated that:

> *"[Ghana and Côte d'Ivoire] have a premium that they have lobby and that one is paid to Ghana COCOBOD by the international consumers, that any cocoa that they buy from West Africa is now within Ghana, I think Ghana and Côte d'Ivoire went into that agreement that those consumers should pay extra money as premium if they have agreed. But COCOBOD add that one to the price of cocoa, you don't pay that one separately."*

However, as this price increase is based on a voluntary commitment and willingness to pay prices above international market prices, there are speculations that several cocoa buying companies have since increased their cocoa purchases from non-LID implementing cocoa-producing countries. Some speculators also assume that this might lead to a redistribution of cocoa purchases from international buyers and cause a counteracting decrease in the amount towards LID implementing cocoa-producing countries (Boysen, 2023). According to COCOBOD (2022), the three years following the 2020/21 harvest season have seen a combination of low cocoa prices on the international market and the attempts of multinational buyers to avoid the added LID have resulted in reduced inflows for producing countries and, therefore, also farmers' incomes.

In 2024, Manu et al. (2024) found that, on average, smallholder farmers' households still face a living income gap of GHS 28'132 ($ 2'291) per year, which is about half of the calculated LIB for 2024. The distribution of household income gaps shows that cocoa farming households earn between 45 and 70 percent less than what the benchmark amount says is needed to earn a basic, acceptable standard of living. Furthermore, the study estimated a Living Income Reference Price (LIRP) at the farmgate level, which is at GHS 51.29 per kilogram, which is significantly higher than the regulated 2023/24 farmgate price of GHS 33.12 per kilogram.

To support their farmers in getting closer to the LIB, YGL, together with Elucid, has implemented the Akwaaba project, which is a healthcare project which aims to provide financial access to healthcare for 1'600 cocoa farmers who are registered with YGL. A study conducted by SWISSCO and COCOBOD explored outcomes of the Akwaaba project and observed income changes in relation to the LID. The study reveals that farmers reported "increased income since participating in the Akwaaba project and collaborating with Yayra Glover" (Manu et al., 2024:21). According to the study's report, this improvement can be linked to organic farming practices and a reduction of health-related insurance expenses. Furthermore, organic cocoa farmers have stated that the adoption of organic farming has led to a higher total income, with increased yields and the premium paid for organic cocoa. The authors of the study also state that despite literature suggesting lower yields from organic farming, farmers stated that they experienced higher yields due to gained access to organic fertilisers, which were unavailable before joining organic practices. (Manu et al., 2024).

5.1.2 Premiums and farmgate price

In addition to regular incentives, LBCs can pay premiums for sustainably produced cocoa. Listed in COCOBOD's regulations for farmers, premiums are defined as "funds payment to a registered farmer for sustainably produced cocoa in addition to the actual price for equivalent cocoa" (COCOBOD, 2023:5). In the interview, the COCOBOD official defined organic cocoa the following way:

> *"For the specialised cocoa, that's how we call it. For the specialised cocoa, like the organic cocoa and those things, they produce it under certain conditions. All the tests come around to make sure the producer developed or made under certain conditions. […] So the extra effort the farmer is putting in not to use any other conventional means in producing the cocoa, but the standards that the certification bodies have come up with, […] that is what they use in paying them extra amount of money"* (Interview 13)

Furthermore, the premium is not constant across different types of certifications. LBCs can choose to promote and pay premiums for sustainably produced cocoa. YGL, for example, pays the cocoa farmers registered with them a certain premium for organic and for Rainforest Alliance, as long as the farmers produce in accordance with the standards. The premium for these two certifications is not a unified price and is yet again different from other certification types, such as Fair Trade. According to the COCOBOD respondent, the premiums depend on the negotiation the farmer-unions or the leadership of the farmers have with the LBCs, and then the LBCs also depend on negotiations they have with international cocoa buyers for organic or Rainforest Alliance. In the interview with YGL's managing director, he explained the difference between the certification bodies they support and what premiums they pay per bag of cocoa within their LBC:

> *"We are doing organic and then Rainforest Alliance. However, with the organic premium, […] we are paying the highest premium in the country. As it stands now in terms of organic […], the standard has set a peg of $70 per metric ton. So most of the companies are paying $70, but we are paying between $75 and $80 per for… the farmer. So a little is still above what most of the companies are paying."* (Interview 12)

In this discussion, the managing director of YGL explains the premium prices for organic cocoa per metric ton. In order to understand the price per bag, I asked to break it down to the bag. For Rainforest Alliance, the premium is $70 to the farmgate price per metric ton. So, according to YGL's managing director, the company pays the farmer around $4.3 (GHS 57) in premium per bag of cocoa produced under Rainforest Alliance. For YGL, cocoa certified under Rainforest Alliance is a smaller part of the cocoa they purchase from farmers. For organic cocoa, according to the managing director of YGL, there is no standard price set for the premium.

The amount of the premium is mostly influenced by what international partners and buyers, such as Felchlin, agree on with YGL. According to YGL, they have annual meetings with the farmers when it comes to the premium. *"We communicate to the farmers how much premium we are receiving from the clients. And this is the amount we are paying cash. So, we give them the premium policy. We meet"* (Interview 12). However, from the premiums received from international buyers, YGL deducts a portion of the premium to cover certification and operational costs, as well as to pay its extension officers, who are specifically educated in certification standard processes and train the farmers. The remaining amount is paid in cash to the cocoa farmers.

During the interviews with the farmers, I asked how YGL's price for cocoa differs from that of other companies. A farmer then explained that *"[...] the price they pay is in accordance with COCOBOD pricing. But after we sell our cocoa, they give us premiums"* (Interview 3). It turns out that, in general, premiums are paid at the end of the cocoa season (Bonnieux, 2019), so LBCs, including YGL, pay the premiums for certified cocoa after most of the cocoa is sold. The directing manager of YGL argues that this is because the premium then also acts as a supporting means, at the beginning of the off-season, when there is no steady income from cocoa. At the time of the interview, YGL had not decided on a premium for organic cocoa for the 24/25 season yet, therefore, the YGL managing director used the number from the 2023/24 season. For that season, COCOBOD released the official information that the farmgate price would be GHS 2'070 per bag of cocoa. According to the managing director, the company paid $80 premium for organic per metric ton last season, which is roughly $5 (GHS 70) premium per bag.

YGL is currently paying between GHS 70 and GHS 100 premium per bag of cocoa, which is roughly GHS 1.6 (calculated from GHS 100) in premiums per kilogram of cocoa. Despite the fact that organic cocoa farmers are paid more by getting paid a premium for producing organic cocoa, they still do not achieve the LIRP. To illustrate the difference between the actual living income of cocoa farmers and the GHS 51.29 LIRP estimated by Manu et al. (2024), YGL would have to pay around GHS 18 in premiums per kilogram of cocoa or GHS 1'135 per bag of cocoa to achieve the estimated LIRP by Manu et al. (2024).

As premiums differ between different LBCs or cooperatives, there is some competition over who pays higher premiums. During the interviews, some of the farmers have also mentioned another small cooperative called ABOCFA, which also pays premiums for organic cocoa and operates in similar areas in the Suhum District. The ABOCFA cooperative can be linked to Agro Eco, an advisory organisation for sustainability, regarding training practices and business contacts in Europe. According to an interview respondent, the cooperative is also involved in some of the cocoa communities and previously worked with YGL to sell cocoa to COCOBOD. Since 2013, the cooperative sells its purchased beans to the LBC Armajaro, which then exports the cocoa via COCOBOD (Bińkowski, 2014). According to a cocoa farmer interviewed, ABOCFA at one point paid higher premiums compared to YGL:

> *"When ABOCFA started the difference was 50 Ghana cedis and Yayra's is about 50 cedis lower. So, if they give us one million [old value of 100 cedis], these*

people will give us 1.5 [old value of 150 cedis] or sometimes 1.2 [120 cedis] or even 190. But last year, both paid the same price." (Interview 2)

In an unrecorded conversation, I was told that YGL later on negotiated with ABOCFA to agree on a union price. However, Bandanaa et al. (2021) found that some farmers in certified markets sometimes sell their organically produced beans as Rainforest Alliance or conventional because the premium received for organic is often delayed. The authors link this to the fact that the organic market in Ghana is not well established. Other scholars have observed similar patterns in organic coffee farming in Ethiopia, where farmers sell their coffee as conventional to private buyers (Winter et al., 2020), but then have to accept receiving only conventional pricing. In the interview, the managing director of YGL confirms that some farmers who are registered with them sell their cocoa to different LBCs if they need quick payments. Furthermore, he states that the ground price, or the farmgate price, is too low in comparison with neighbouring countries: *"COCOBOD can be better in terms of the farmgate price because if you look around and neighbouring countries, their prices are far better than ours"* (Interview 12).

When asking farmers about the farmgate price and premiums, their answers are all very similar in expressing that they wished for increased farmgate prices and premiums. Exclamations such as *"I wish they would increase it"*, *"the money is small"* and *"the premiums we get are not enough"* (Interview 4, 6 & 7) were constant during the interview process. When asked about what changes had been observed with the premiums, one farmer discussed: "*We started small. [...] They increase it every year. Last year, they paid 100 Ghana [cedis] per a bag"* (Interview 7). At the same time, the interviews revealed that premiums are quickly exhausted due to household obligations, as one farmer explained: *"The premium amount depended on the quantity of cocoa harvested. But because of children and school and family responsibilities and other things, when you get it, it is easily exhausted"* (Interview 2).

This confirms the observation in literature that sustainability premiums are not enough to compensate for income deficits in the sector (Barrientos, 2019). Despite this, Bandanaa et al. (2021) claim that, in terms of investment, organic farming is economically more profitable than conventional farming. However, even in organic cocoa chains where premiums are comparatively higher than in other certification schemes, the gap to a living income remains significant (Manu et al, 2024). These observations not only illustrate farmers' dissatisfaction with existing prices but also show the economic vulnerability of farmers' situation in the value chain. These findings highlight that farmers remain economically vulnerable, despite premiums and certification schemes, and the financial benefits intended to support sustainable livelihoods are often insufficient to address the underlying inequities. Certification schemes driven by actors in the Global North often frame themselves as solutions to poverty and sustainability, while farmers continue to be underpaid. Often, these issues lie within the value chain, where intermediaries deduct certain amounts of the payments for themselves, creating a continuation of historical patterns of exploitation, in which underlying structural inequities remain largely unchallenged.

The lack of access to money creates one-sided relationships. The ability to access cash becomes vital in certain moments, leading farmers to have to make short-term economic decisions by focusing on LBCs with prompt payments rather than prioritising long-term partnerships.

This is also confirmed by YGL's managing director, as he stated, *"it is about money"* (Interview 12). Once farmers could receive payment for their cocoa, they would sell to the first company that offered to pay. However, since organic cocoa farmers have higher production costs through adhering to organic production standards, selling to different buyers means that they get paid a lower price since they will sell organic cocoa as conventional cocoa.

Therefore, farmers sometimes wait for the money to come in, if they can afford to wait. One farmer clearly explained that he is waiting to sell to YGL in order for him to receive the premium:

> *"Sometimes when organic is short of money, they could say another company can come for the cocoa [...] [but] the cocoa that does not go to organic, their premiums don't come. Because the companies they may be sent to, do not pay premiums. So, as it did not go to [YGL], [they] cannot calculate and pay for those premiums"* (Interview 7)

Other organic cocoa farmers supported this statement by uttering similar statements. However, there are cases where farmers are pressed for money and have to sell their cocoa for conventional prices to LBCs, which don't pay premiums.

Unlike in organic cocoa, in conventional cocoa, there are instances where certain buyers abuse these precarious financial situations. A study by Asamoah & Annan (2012) depicts how conventional cocoa farmers' financial predicament leads to certain buyers taking advantage of such circumstances and purchasing the cocoa beans at a much lower price than what the PPRC defined farmgate price would be. Thus, if money is short with LBCs, farmers are often the most vulnerable ones, having to deal with the consequences. At the same time, these challenges are not only a local issue but are part of a much larger system. COCOBOD plays an important role since all prices, payments, and export arrangements are controlled by the governmental organisation. This means that when delays in payments occur at COCOBD's level, the effects are felt all the way down to the farmers. This structure is, as Van Huellen et al. (2024) put it, a continuation of former colonial marketing structures where cocoa was organised to serve global markets rather than focusing on local needs. Today, this structure, these colonial entanglements, are visible as both farmers and LBCs remain tied to a system that keeps them dependent and limits how much they can benefit from the cocoa they produce.

5.1.2.1 Change in the syndicated loan system

As previously established, LBCs, on behalf of COCOBOD, are responsible for buying cocoa beans directly from farmers. In this process, COCOBOD acted primarily as a credit provider, especially for Ghanaian-owned LBCs that may lack access to international capital markets (Van Huellen et al., 2024). This loaning system has been in place since the establishment of LBCs in 1993. However, last year in 2024, COCOBOD decided to abandon this system due to too high interest rates and cocoa shortage in recent years (COCOBOD, 2024; Tetteh, 2025). YGL's managing director explained, for example, that an LBC could *"[…] apply for a ten million seed fund with a guarantee. Then COCOBOD gives you this ten million and then you used to buy the beans and then they take from you with some interest"* (Interview 12).

Previously in Ghana, the 48 registered LBCs all received step-by-step loans from COCOBOD to purchase cocoa. This loaning system has now been changed, as COCOBOD decided to implement a new financing model, cutting pre-financing support to the LBCs. In informal conversations, I was informed that COCOBOD had major issues with paying these loans to LBCs, which led to many LBCs, including YGL, having to prefund the cocoa buying already. Therefore, COCOBOD might also have different reasons for changing the loaning system. The new financing system is summarised by YGL's managing director as follows:

> *"[…] this new season it was kind of like a pre financing arrangement from the LBC. You buy a cocoa, you have your clients, so like Felchlin. […] The client pays 80 percent and then they ship the rate. So once the client is paying 80 percent of the cost, COCOBOD is also paying part of the amount. […] They are also paying 80 or 60 percent, I don't have the figures of it. […] And then when the client receive the beans, they pay the remaining 20 and then COCOBOD pays you. So, this year there's nothing like a COCOBOD pre financing debate.*

Rather it's the LBC pre financing and then we have paying when the beans is sold." (Interview 12)

The new system is very much unexplored, as COCOBOD's representative clearly articulated in the interview:

"So [we will]see if we can mobilise money internally and buy our own cocoa and [then] see how things will turn out to be. But I cannot, I cannot explicitly say it has gotten either positive or negative effect on us because the season is still running.[…] So when we get to the end of the season, maybe management will sit down and then, and do some kind of evaluation and then find out whether it was helpful or not." (Interview 13)

Thus, the system is still in an unofficial test phase, as COCOBOD's management will evaluate the new system at the end of the season and decide if it is worth further pursuit (COCOBOD, 2025).

5.1.3 Payment environment

Farmers depend on the money paid for cocoa, and despite low farmgate prices in Ghana, the PPPRC announced price at the beginning of the season, is sometimes adjusted to movements on the international cocoa market mid-season. According to COCOBOD, they never decrease the amount announced at the beginning of the season. It sometimes happens, however, that the price will be increased slightly, leading to higher producer prices than at the beginning of the season (COCOBOD, 2025).

This adjustment of the farmgate price is a necessary step to adjust internal market prices to international market prices, in case they increase. If the international prices decrease, the function of COCOBOD is to shield cocoa farmers from lower prices. However, the adjustment to higher prices mid-season plays into the hands of buyers who will abuse the situation, leading to farmers being stuck with earlier, lower prices. This often happens because farmers are either not properly informed or can't sell to anyone else. As a result, PCs pay them a lower price, claiming it to be the official rate, while keeping the differences for themselves (Asamoah & Annan, 2012)

Besides these issues, farmers often face delayed payments. Farmers' narratives from field observation show that cocoa is one of their most important income sources, however, the timing of payments is also crucial. Interviewees repeatedly reported instances where payments were delayed by weeks or months, especially mentioning the 2024 season. One farmer described the experience as follows:

> *"Our problem is, when it gets to the cocoa season, and we go to sell the cocoa and they say [YGL] has not released the money. So, we could be in a difficult situation for up to a month. […] During the season, we could even get our money around December, even though we harvested our cocoa around October. And sometimes, school [fees] becomes a problem for us."* (Interview 5)

And the following statement by one farmer represents similar reports which have been given by other farmers:

> *"It depends on the situation with the money. If money is readily available at the buying centre, once they have finished the win, then they'll pay you immediately. But if money is not there, then you have to wait for three or four days or sometimes a week or beyond"* (Interview 1)

Sometimes farmers had to wait longer for money to come in, but in most cases, farmers told me that they experience timely payments, and if the money delayed a bit, it was immediately reimbursed in bulks as one farmer pointed out: *"In the 2024 main season, the money delayed a bit but when they paid, they paid all the arrears[18] in bulk"* (Interview 1). These delays are not exclusive to organic cocoa farmers, but in the context of YGL, it is relevant to mention, because farmers who produce organic cocoa face higher labour and opportunity costs compared to conventional cocoa farmers. Some respondents even admitted that when delays became too severe, they turned to other cooperatives such as ABOCFA, which sometimes was ready with cash payments when YGL was not: *"[…] when ABOCFA has the money to pay for cocoa, we sometimes smuggle our cocoa to them to receive the payment"* (Interview 2). Another farmer spoke of selling cocoa to other companies when payment was delayed: *"I sold some to Abrabopa and Cocoaekuapafuor bought some too"* (Interview 10). This illustrates one of the ongoing challenges of the cocoa market, as LBCs were dependent on COCOBOD for payments, they sometimes did not have the money ready to pay. Some larger LBCs have the possibility to rely on company funds. As a small company, however, YGL might experience

[18] Arrears definition: “money that is owed and should aleardy have been paid” (Cambridge Dictionary, 2025).

more cashflow issues in comparison to other companies or cooperatives such as ABOCFA, which might be backed by larger LBCs such as Armajaro.

Sector-wide "side-selling" is well documented in West African cocoa markets, where farmers sell to alternative buyers when their primary LBC or cooperative cannot provide timely payment (Barrentos, 2019). One of the interview respondents gave examples of other LBCs that are in the Suhum area, providing possibilities for side-selling: "*We have Armajaro here, ABOCFA is here and Akuafoadanfo*" (Interview 5). The consequences of delayed payments are particularly severe because farmers' incomes are not only low but also dependent on the cocoa season. A common theme in the interviews was that school fees and medical expenses often coincide with periods where cocoa payments are not yet available, which creates critical circumstances. One farmer stated that *"if you are a farmer and you have to pay school fees because by the time the sale starts, the fees have been due for a long time. So, you have to find money to pay that since the money is not coming anytime soon"* (Interview 6).

Other literature supports such observations, showing that regulated cocoa markets, such as in Ghana, often result in issues in payment delays (Bannor et al., 2022; Tuffour et al., 2023). Despite COCOBOD's price regulations and relatively high price stability, the timeliness of payments is an issue not only for farmers but also for LBCs. Compared to liberalised markets such as in Nigeria, Ghana's centralised marketing structure means that the money flow is being bottlenecked at the level of COCOBOD and trickles down to LBCs and then farmers (Williams, 2009). This clearly shows a hierarchical dependency order representing a top-down system, disadvantaging actors at the level of buyers and producers.

However, to mitigate these issues of financial difficulties at the farmer level, LBCs sometimes provide loans as incentives to farmers. Farmers must often depend on LBCs and PCs for payment and loans, as their income is often too low to acquire loans, however, credit facilities are lacking (Kpabitey et al., 2024). Many farmers struggle to (1) get access to banks and (2) find banks that are willing to provide credits or loans, and if they do, the interest rates are often too high (sometimes up to 30 percent) (Monastyrnaya et al., 2016). LBCs, therefore, not only act as business intermediaries between farmers and export entities, but they also assert the position of financial caretakers for farmers, generating power dynamics between these two stakeholders, with the latter being at a significantly disadvantaged position. However, LBCs in conventional cocoa have often experienced issues with loans that were not returned by farmers, which led to most LBCs not providing credit and if they did, then only to large-scale farmers (Owusu Ansah et al., 2017).

During my field observations and interviews, the narratives of the interviewed farmers were different. In the case of organic cocoa, YGL provides short-term loans to farmers via their PCs, who act as financial intermediaries between farmers and the company. In fact, several interview participants noted they were able to borrow money for school fees or household expenses, which was later deducted from cocoa sales*: "When my child completed school, I did not have money. When he was going to secondary school, [the PC] gave me money when I went to him"* (Interview 7). Another farmer explained: *"We work with [the PC]. So, when we need anything, we go to him and he gives it to us. If he doesn't have he says «wait, when I get some I will bring it to you»"* (Interview 6). In both statements, farmer and PC relationships are depicted positively. These examples illustrate how YGL secures loyalty by providing loans and actively managing its relationship with them, an approach that is rarely observed among small-scale cocoa farmers in conventional cocoa production (Owusu Ansah et al. 2017). This pattern shows once more how the system systematically disadvantages especially small-scale farmers in conventional cocoa production, who lack access to official loans from banks, exposing farmers to the dependence of private loaning mechanisms, where farmers' situations are continuously used for corruption. In the case of YGL, however, the provision of loans appears to function as a mutually beneficial mechanism that fosters trust and ensures a stable supply chain, rather than as a means of exploitation.

Despite not providing every farmer with loans, YGL is one of the few LBCs paying credits to small-scale farmers. By providing more than payments and premiums, YGL has added incentives that make them attractive as an LBC and therefore promote loyalty between their registered farmers and themselves. According to Kpabitey et al. (2024:2), "a good farmer–buyer relationship encourages the provision of loans and credit to cocoa farmers". With this, YGL creates a feeling of trust and discourages farmers from fully abandoning them when delays in payments arise. This finding correlates with other findings from studies in certification, where farmer loyalty is maintained through non-monetary benefits despite premiums alone being insufficient to bridge the living income gap (Fountain & Huetz-Adams, 2023). However, providing loans is also a means used by LBCs to bind farmers financially to them and further deepen the dependency of farmers, as they are linked to one LBC through owing money or, in this case, cocoa.

5.2 Experiences and perceptions of training and organic production

This chapter will elaborate on the operational activities of the LBC, how YGL established organic cocoa production in the Suhum District and how these activities influenced the perception of farmers towards organic cocoa production. Furthermore, this chapter discusses in more detail how organic extension services are provided by YGL and how farmers received such services.

5.2.1 Attracting farmers and the transition period

In the early stages of YGL, the project first consisted of a two-man team until the operation became big enough to employ more people. The introduction of organic cocoa in Ghana required first convincing farmers to join the project. According to the managing director of YGL, the strategy began with approaching chiefs and opinion leaders in selected communities. Once permission was granted, meetings were held with the wider community where the company explained the benefits of producing cocoa organically and invited farmers to register within a one-month period. As the managing director explained in the interview:

> *"We identify potential communities; we look at the risks around. We mostly look at areas that have low usage of conventional chemicals. We go to these communities and then we sell our project to the opinion leaders. We talk to them about the impact and benefits of organic production of cocoa. And if the opinion leaders are okay [...], [they] give us [the] opportunity to engage the entire community where we again tell them the impact and profits of the project."* (Interview 12)

This method of attraction is not always straightforward. The managing director described it as the *"most difficult aspect"* (Interview 12) of the project, since farmers are very cautious of changing practices. However, over time, word of mouth promotion and especially the visible results from earlier adopted communities encouraged neighbouring communities to join. This is reflected in findings from other studies on farmer adoption of organic practices, where demonstration effects play an important role (Meemken & Qaim, 2018). Once the farmers agree to join, YGL then takes a closer look at the farms of the farmers who are interested. They visit the farms to identify the current situation and take GPS data before beginning the transition period. This period lasts about three years and, from YGL's perspective, includes a so-called *"income transition"* (Interview 12) for farmers. The farmers are trained in organic production and provided with organic inputs; however, the cocoa is not labelled as organic throughout this period. YGL's managing director explained to me how their approach to farmers is undertaken, once farmers have agreed to join the project:

> *"[…] during the transition period we provide constant training to them. We also provide them with inputs like chemicals that we used and then we also buy the beans as conventional beans. However, we pay half the organic premium to them during that period. […] And we also give them some social amenities that they have spray machine that they need to spray their farms, cleaning machines. We give them all this support."* (Interview 12)

After completing the three years, the chemicals that were previously used have left the soil and plant systems, and external certification bodies are invited to inspect the farms, which then test them according to the expected standards of the chosen label:

> *"So, for example, we do EU organic, LOP organic and then just organic. So, the certification body then comes to confirm what we say we are doing. They run some residue analysis on the beans and once we pass through this stage, they give us the go ahead or the accreditation to sell the beans as organic."* (Interview 12)

On one side, these certification practices provide farming communities with premiums and an outlook on somewhat more economic stability. However, there is more to this statement. For LBCs such as YGL, compliance with external certification requirements also means adhering to Eurocentric standards in order to access organic cocoa markets in Europe. This creates both opportunities and limitations. While the LBC is able to pay relatively higher prices to farmers, these payments remain insufficient to fully achieve the LIRP. Viewed through the lens of colonial entanglements (Walsh, 2010), the imposition of standards reflects a continuation of colonial hierarchies in which customer demand, expectations and final buying decision lie within the power of the Global North.

Moving on with the transition to organic cocoa production, farming communities are given the opportunity to select their buying committee, which consists of the PC, the treasurer and the chairman, who are then trained on how to handle the purchasing procedure within the communities. Some of their registered farmer, who have a long-standing relationship with

YGL, recall the earliest days of the operation: *"When they first came, I don't remember the year, we were the first people they came to see, and we accepted them after their explanations"* (Interview 2). The farmer further explains that before they joined YGL, they had already been using non-organic chemicals. That was one of the reasons he states that YGL appealed to them, by providing non-poisonous chemicals. The chemicals other interviewed farmers had been using for cocoa were hazardous to the crops planted beneath the cocoa, which raised health concerns about eating these crops without knowing what was in these chemicals. The statements from this farmer also provide insight that farmers, in a way, 'accept' an LBC, giving them the agency of deciding whether they want to join a (contractual or verbal) agreement with an LBC or not. However, most interviewed farmers reported that the decision to join organic production was not individual but rather community-based, as YGL often introduced organic practices through group meetings and demonstrations. One farmer, for example, remembered:

> *"They [...] announced at the church that anyone who wants to join the company should come. So, I joined to be taught how to develop my cocoa [farm] and benefit from it in the future. So, they came to announce it here and we went to the church. That is how I joined to participate."* (Interview 9)

Another farmer explained how YGL came to their community to spread organic production:

> *"This is like a farming community, so when they came and met us all together, we also understood how they taught us and decided to test it. So, by and by we saw that it was helpful and adopted it till now."* (Interview 5)

Other farmers explained that they saw that their neighbour was practising organic, and they saw the good results, which prompted them to change to organic as well. Another farmer explained that the bible was an additional motivational factor:

> *"When we were children, it was cutlasses they used to weed with. [...] So, when the organic company came, it made us remember that even the bible says we should look to the past and look at the good ways of doing things. And the good way is to weed with a cutlass, not with chemicals. So, with that I had to give myself to [organic farming]."* (Interview 10)

Most farmers talked about how the transition was a gradual learning process, as farmers adopted new practices such as pruning, regular weeding and abandoning COCOBOD's mass spraying and chemical spraying in general. For some farmers, it was also the case that they inherited the farm and that it has always been the case for her: *"Oh, it has always been organic* *since I started my cocoa farming as I inherited from my mother. Where I sell my cocoa, it is organic"* (Interview 1). Yet another respondent (Interview 5) explained that *"the motivation I got was that we received money from them [...] Yes, money, we get money, cutlasses, chemicals and more"*. This statement explicitly mirrors broader literature on certification schemes where social premiums and input support function as powerful incentives for farmer participation (Laven, 2007). The LBC used incentives such as premiums, healthcare (this is fairly new), and input provisions such as cutlasses, Wellington boots, and organic pesticides to make the transition more appealing. A farmer asked about the premiums from other LBCs, for example, about Armajaro, returned: *"No, [...] that is even the reason why I came to this place. They [meaning the PBC and Armajaro] don't give us anything at the end of the year. Only about 2 cups of rice. That is why I even left that place"* (Interview 5).

Once agreed to join YGL, the transition required a lot of patience from farmers, as the transition period is also a testing phase for the farmers, evaluating if they like to remain with YGL. As it was stated in the interview with the managing director, new transitions are difficult for the LBC as well, as farmers have to invest more effort to change their way of production, which includes more labour-intensive practices than conventional production, while they only receive half of the premium. Therefore, the managing director stated that YGL needs to tread this path carefully in order to gain the trust of the newly joined farmers and communities. One of the interviewed farmers who joined YGL recently claimed that the challenge was to adapt to the new practices and wait for certification. When I asked about the difference from the previous LBC, the farmer talked about why they changed to YGL:

> *"Because there were [previous] companies that did not teach us some of these things. But when I joined [YGL] and they taught us to cut our cocoa, do pruning and in the dry season, treat your farm like a house, don't allow rubbers to be lurking around. I have seen that all of these have helped me."* (Interview 9)

Farmers in similar positions have described the transition period as both challenging and rewarding. Several farmers mentioned that at the beginning, it was difficult to understand the new procedures and to accept the amount of manual work required. As one farmer explained:

> *"The organic production we are engaging in is a bit tedious. The stress in it is because we don't spray under the cocoa with weed killer, we always have to use cutlasses. So, we incur losses when we hire labourers."* (Interview 3)

In another interview, there seemed to be some tension between the translator and an interview respondent, as the translator was a field officer. In this interview the farmers expressed uncertainty towards the reliability of YGL and the field officer stated: *"When we first came, we said we will support you with chemicals and other things. And you remember we said, with regards to the premium and other financial issues within the three years, we will..."* and later *"What makes you think we will fail you and we will not fulfil our promise?"* (Field officer and translator), to which the farmer responded: *"The assurance is you give us free chemicals without us paying anything for it. If someone does that and promises you that "if you do what I instruct, I will also do this", then we have to believe you"* (Interview 10). This conversation was only gained access to through the later translated interviews by the research assistant. For newly joining farmers, one of the biggest challenges is establishing trust in both the organic practices and the company offering the promise of premiums.

Building up trust takes time. From the perspective of the Exchange Theory, this relationship in attracting farmers and gaining their trust needs to be developed gradually. The rewards are promised but not immediately effective (full premiums are paid after three years), and farmers must invest effort. Furthermore, from the Relational Contract Theory, the transition period illustrates the essence of relational contracting, as newly established exchanges are not automatically there but need to be earned through consistent, repetitive, reliable behaviour.

One of the aspects of the transition period includes increased effort in farming practices. According to farmers interviewed, they had to rely more on family labour or spend additional money to hire workers during their transition periods, which made the process financially demanding as well. However, farmers have also mentioned what they perceived as benefits from transitioning to organic production. Some mentioned that the soil condition improved, that their health was better since they stopped using chemical sprays, and that the quality of their cocoa beans increased. As one farmer stated: *"When I used weedicide some time ago, it killed the cocoa at that place, so now I don't like those chemicals again. I don't spray underneath the cocoa anymore"* (Interview 5).

Health considerations were repeatedly emphasised as a motivating factor. Farmers explained that YGL's training made them aware of the toxic chemicals they were previously being provided in conventional practices: *"They taught us that the chemicals we were using to spray the cocoa was poisonous. It can enter the pods and also the crops underneath. So, we should stop the spraying and weed around our cocoa"* (Interview 2). Another farmer described a personal experience with skin burns after spraying chemicals, stating it as a reason for abandoning conventional farming practices: *"The last time I sprayed and some of it touched my skin, it burned me for about a week. So, I know they are bad"* (Interview 7). Furthermore, a farmer explained in detail how the toxic chemicals affected them and why they chose to switch to organic:

> *"Yes, what I see is that the chemicals mostly make us sick, but we did not know that. So, if someone comes to teach us that "if you do this you could get sick or it could have some repercussions on you", and you observe that that is true, you have to stop. Say, we don't eat cocoa here, but when we grow the food crops [below the cocoa], we eat them. So if someone teaches us not to use chemicals so that we live long, I understand and I live by it. That is why I follow the company"* (Interview 3)

Other scholars confirm that pesticide exposure in cocoa farming has serious long-term health consequences, including skin and respiratory illnesses, which are disproportionally under-researched in Ghana (Baah & Anchirinah, 2011; Ingram et al, 2014).

5.2.2 Organic production and hired labour

"[...]COCOBOD should let the organic sector expand such that we all produce organic so that we on the land will be healthier" (Interview 10).

When I asked about how often the interviewed cocoa farmers converse with cocoa farmers who are not selling to YGL, the answer was often that they don't know any. However, one of the interviewed farmers I asked stated that they were talking to farmers who sell their cocoa to the PBC. When inquiring if he knew why some farmers produce conventional if they had the opportunity to produce organic for a premium, he explained that: *"One thing is, some people like pesticides, and the other places will bring them pesticides. But for me, because I am practicing organic, and I have seen the difference, I do not spray pesticides"* (Interview 5). This statement reflects a common narrative among organic producers that health concerns and visible environmental improvements motivate them to change to or stay in organic production. Similar observations have been made by Meemken & Qaim (2018), who note that non-monetary motivations, such as health and soil quality, often complement financial incentives in farmers' decisions to adopt organic practices.

In the interview with the COCOBOD official, he stated that: *"Organic farmers are few compared to conventional, but what they are doing is good because it brings value. It's just* *that it takes more time and work, and not every farmer is ready for that"* (Interview 13). According to YGL's managing director, the transition to organic production requires a fundamental change in both mindset and farm management. He explained that *"with organic, it's not just about not using chemicals, it's a system. We train them to manage their farms differently, to prune, to weed, to ferment properly. It takes more work and more supervision"* (Interview 12). Moreover, the field officer described organic production as more labour-intensive: *"Organic farms require more labour and care, because we don't allow weedicides. The farmers have to weed by hand or hire people to do it. That's the main difference"* (Interview 11). In the cocoa sector, smallholder farmers often rely on hired labour to manage the demanding tasks of cocoa farming. This was also reflected in the farmer's experiences. One farmer explained: *"The cocoa business is capital intensive. You have to engage labourers to harvest and break the pods, and you have to make food and buy alcohol for them. It requires a lot of labour. So, if you don't have money, the job tends to delay"* (Interview 2). Another said, *"because it is organic, we want labourers. All the organic labourers need to do is weed, and they spray with the chemicals they give us, the Pyrethrum"* (Interview 1). In the interviews, some farmers often talked about the difficulty of finding and paying labourers. One farmer said:

> *"These days, if you hire a day labourer to weed under your cocoa, one person will charge 100 Ghana [cedis]. Some people weed fine, to your satisfaction, others do not. But because we have already hired them, we have to pay them when the time comes. So, it's stressful"* (Interview 3)

Another explained that the premium helps them afford this: *"When the money comes, we pay for the work. That's why the premium is important. It helps us do the farm work and pay the labourers"* (Interview 6). This statement is further supported by another farmer who explained that most labourers are employed by the rope[19]: *"If you hire a labourer here, they weed by a rope. So, when they weed [the length of] one rope, it's 70 Ghana [cedis]"* and after asking about day labourers: *"You hardly find day labourers here. They also take 70 cedis. Some of them take 100 [cedis]"* (Interview 7). This aligns with findings from Kissi & Herzig (2024), as in many of the cases, these production activities are carried out by hired labour. Smallholder cocoa farmers hire labourers to do activities such as pruning, harvesting and pod breaking,

[19] By the rope is a term used for a certain distance of measurement (a rope is about a meter long).

however, it is difficult to engage hired labourers, as it often is not affordable for farmers due to their low income.

One of the reasons for farmers relying on the work of hired labour is that Ghana's cocoa sector experiences increasingly aged farmers (The Living Income, 2025). The ageing demographic of cocoa farmers further complicates labour dynamics. As farmers age, they may find it increasingly difficult to perform the physically demanding tasks. One such case I encountered during the interviews where one farmer shared that she gave the management of her cocoa farm to someone else: *"I give it to somebody to do it for me. […] Sometimes I hire [someone] as a labourer and other times I ask [someone] to do it then I share it with [them]"* (Interivew 8). This statement also leads to the challenges of the lack of youth in cocoa farming. Young Ghanaian people often perceive cocoa farming negatively, as many observe older farmers working hard with little financial revenue and conclude that cocoa does not offer a reasonable livelihood. When asking the COCOBOD representative, he confirmed:

> *"So that is what is happening. We have other competing economic activities in the landscape. And when the Galamsey, the illegal small scale mining, was at its peak, the youth wanted though like they prefer going there than coming to cocoa. […] because there you can get an instant money cocoa you have to start, and then from you you will start harvesting after three years […]. And the youth of today, they like quick money"* (Interview 13)

Thus, the youth today prefer to relocate to urban areas or even switch to galamsey practices in an effort to earn more money more quickly (Gakpe & Olekanma, 2024: 24). This was also the perspective given in the interviews with farmers. One farmer stated: *"These days, the young guys starting life, when they wake up, they say "I am going to the city to find a job". Because when cocoa seasons are over, there are no jobs available here again"* (Interview 1) And another farmer explained their view: *"Some are engaging in it well. Some don't like it [because] they are lazy. […] And those interested in it also need help"* (Interview 9). This is a general sentiment observed across cocoa-producing countries, which raises concerns among farming communities about intergenerational continuity in production (Adaku & Amanor-Bodau, 2022).

5.2.3 Training and inputs

Upon asking at YGL how activities such as the input from extension officers are provided for the farmers, the managing director explained that such services are free for farmers. However, he further explained, not the full amount of the premium is paid to the farmers. He further clarifies that the idea at YGL is that *"what we do is that we have what we call the premium policy. And in the premium policy, we stated that we are giving them, I think, about 30% of the premium [...]"* and *"instead of putting the premium together to do a project, we pay them individual. However, we have some dedicated portion of the premium for corporate social responsibilities"* (Interview 12). The managing director further elaborates that Mr Glover's and therefore YGL's philosophy is:

> *"[...] for example, if you look at the project like fair trade, the community will have to decide, maybe we want a public toilet, and they use a premium to build the public toilet for them. But I think the philosophy of Mr Glover was that it is not right to work and bring the money together to build a public toilet. [...] But rather he believes that each and every farmer must have his toilet in his house."* (Interview 12)

With this statement, the managing director points out that YGL doesn't just build sanitary facilities for the community but that the company aims to support the individual farmer. The organic premium that YGL is paid by international partners and buyers is partially used for direct farmer payments, while another part is used for corporate social responsibility, such as social and infrastructural investments in the community. Through this model, YGL provides services such as regular training sessions, farming inputs, and health insurance for farmers participating in organic cocoa production. The managing director described the training inputs as one of the core elements of YGL's operations. He stated that, for example, *"during the transition we provide constant training to [the farmers]"* and that after the certification, training remains a regular and repetitive process because *"farmers need to be reminded"* (Interview 12) to maintain the standards of organic production. A farmer confirmed this by stating: *"We have discussions on the promises they made to us, and they check to see if we are working in accordance with the agreement we have, so we meet them often"* (Interview 7).

However, these trainings are not limited to the technical aspects of production alone. During field research, I had the opportunity to accompany the field officers to one of their own sessions. In this particular case, the field officers from YGL received practical input from a member of COCOBOD's local division on how to apply pruning techniques on cocoa trees. This technique includes the act of cutting off specific cocoa branches to strengthen the cocoa tree and allow more sunlight to infiltrate into smaller plants. Such sessions are held periodically as refresher training to reinforce existing knowledge. The field officers, in turn, transmit this knowledge to cocoa farmers within their respective communities. Such training practices are an essential element of extension services in cocoa farming, which is elaborated on in Gockowski (2006).

In another case, I was invited to sit in on a meeting a field officer held with women from one farming community where the company introduced a female-only intercommunity-loaning system. Several women were entrusted with keys to different locks for accountability, and one community member was voted to be assigned to bookkeeping. According to the field officer, this project is in partnership with a partner company from Germany and is being established across different farming communities. This way, YGL's extension services go beyond agronomic training to include financial self-regulations in communities. This practice aligns with findings in Bitzer et al. (2008), who argue that training and empowerment initiatives within certification schemes can strengthen farmers' organisational capacity and reduce dependency on intermediaries.

From the perspective of YGL's field officers, training input delivery is a central part of their daily work before and during the cocoa season. One field officer explained that the company distributes inputs such as pruning saws, spraying machines, and organic pest-control products to YGL's registered farmers. These materials are provided free of charge, though indirectly financed through the premium mechanism. The field officer emphasised that training sessions are conducted repeatedly each year to ensure that *"farmers produce according to standard*" (Interview 11), reinforcing the notion that maintaining organic compliance requires constant reinforcement. This observation is also reflected in Meemken and Qaim (2018), who highlight the importance of continuous technical assistance in sustaining compliance with certification requirements.

These inputs for organic cocoa rely on LBCs' initiatives only, as the COCOBOD representative indicated that training and input for organic farming fall outside the governmental organisation's area. He clarified that *"for organic, we don't have a direct hand in it. COCOBOD doesn't do organic. We only make sure that the beans meet the [standard] quality before they are exported"* and added that *"we don't monitor organic certification, that is for the companies and their buyers"* (Interview 13). From the farmers' perspective, COCOBOD's limited engagement in organic production becomes evident. One farmer remarked: *"The officers from YGL come here often. But the COCOBOD people, we don't see them much"* (Interview 4), while another farmer noted, *"When it comes to training, it is the YGL people who come. COCOBOD does not come to teach us organic"* (Interview 6). However, when I asked the opinion of one of the field officers in the interview, he stated, for one, that COCOBOD does not provide organic farming inputs, however, for two, the field officer remembers that COCOBOD also gives education on organic farming to farmers. However, according to the COCOBOD official I interviewed, the organic teachings are on a limited scale, and COCOBOD still provides non-organic chemicals to all farmers.

Training and capacity building have long been recognised as central components in improving productivity and sustainability within Ghana's cocoa sector. Studies show that farmers who participate in regular extension or certification trainings demonstrate better understanding of farm management practices, including pruning, sanitation, and pest control (Asare et al., 2020; Gockowski et al., 2006). From the organic farmers' point of view, training and inputs from YGL are perceived as both beneficial and necessary. Several farmers described how YGL's training changed their understanding of farm management. One farmer explained, *"When I joined [YGL] and they taught us to cut our cocoa, do pruning and in the dry season, treat your farm like a house, don't allow rubbers to be lurking around. I have seen that all of these have helped me"* (Interview 9). Another added that the training had improved not only the productivity of the cocoa but also their health: *"We saw it was good during the training because we did not mix it with chemicals and other things. Our health is important"* (Interview 1). Furthermore, a farmer, who is also the PC of a community, stated his approval of the training in combination with why he changed to organic:

> *"What convinced me to abandon the old style of farming is, initially, we used to weed our farms once in a year. We did not know we were supposed to weed twice[...] We sprayed once in a year. [...] And the time to cut the cocoa, I did not know all that. It was when Glover came that he taught us that if your cocoa farm is bushy, your yields will be low. So, we always have to uproot crops that are not cocoa and weed twice. So, the training I participated in has helped me a lot as compared to my earlier practices. That is why I have always followed Glover."* (Interview 11)

Such perceptions are further confirmed in the findings by Laven (2007) and Chiputwa et al. (2015), who argue that access to training and inputs through certification schemes contributes significantly to farmers' motivation to remain within a programme.

Since there is another cooperative in the area paying premiums and providing non-monetary incentives, I asked some farmers who knew the cooperative what they thought of ABOCFA and their performance regarding inputs, since they operate in similar areas as YGL. One farmer stated, *"Since they both started, I think ABOCFA has done a lot. And we have been communicating with [YGL] for more. I think ABOCFA is a little ahead of us. And they also pay ahead of us.* (Interview 2). This shows how differences in payments and benefits can influence farmers' evaluation of competing buyers (Amankwah-Amoah et al., 2018). Despite this, this farmer exclaimed that he enjoys a long-standing relationship with YGL, however, he is also using this established relationship to voice the community's concerns and demands. These different processes, including training sessions, community-based financial schemes, and material inputs, contribute to shaping farmer-buyer trust and commitment.

5.2.1 Diversification and alternative income

During the interview phase, YGL's managing director repeatedly emphasised that diversification is an important part of the company's long-term vision for its registered farmers. He explained:

> *"We are kind of looking at something like an agroforestry system. So, we encourage our farmers to do [...] a lot of intercropping, organisation, banana and plantain. So, we sometimes provide these farmers with seedlings to plants. We also educate them on things to do like for example, avoid the use of dangerous chemicals, how to rejuvenate the soil, how to protect the biodiversity to ensure that the climate is protected"* (Interview 12)

These activities show that YGL's approach to organic cocoa goes beyond cocoa itself and aims at improving the environmental conditions and the overall resilience of farmers' livelihoods. Such diversification strategies are also supported in literature. Research shows that crop diversification and agroforestry systems contribute to improving soil fertility, reducing pest pressure, and enhancing ecosystem resilience, while also providing alternative sources of income during the cocoa off-season (Asare et al., 2020).

During the interview with the COCOBOD official, we also talked about alternative livelihood income for farmers, mainly in regard to cocoa farms that have been destroyed by CSSVD, so COCOBOD is supporting farmers during the replanting of the affected cocoa forests. For this, the COCOBOD official stated:

> *We have the extension agents in the landscape that are training the farmers in additional livelihood support systems, the cocoa farm is there, but we also teaching the farmers and other sources of income. So gari processing, soup making, snail, […] honey, beekeeping, and then animal, and then production of vegetables and other arable crops or cereals. So they teach all of them so that they have other income streams"* (Interview 13)

This is further contributed to by COCOBOD's SPD, which provides cocoa farmers with cocoa seedlings to plant for free (COCOBOD, 2025). With this, COCOBOD aims to multiply high-quality cocoa in the country, supporting farmers whose farms suffer from the CSSVD, or where the cocoa trees are more than 30 years of age.

Similarly, in support of alternative livelihood, YGL's managing director mentioned that the company has started to promote alternative income sources for their registered farmers, especially during the periods when cocoa is not in season. According to field observations and informal conversations, I was told that YGL has plans to buy plantain and banana from farmers to produce banana and plantain chips, supporting alternative livelihoods during the cocoa off-season. I was also able to visit their finished chips factory, for which they are planning to start production in the coming year. This further promotes local value addition through food processing, which is also discussed in literature as a means to stabilise smallholder income and reduce dependence on a single crop (Gockowski & Sonwa, 2011; Vaast & Somarriba, 2014). Of course, banana is already planted by many cocoa farmers because the banana leaves are used to ferment the cocoa.

In the interviews, some farmers confirmed that they were already practising intercropping within their cocoa farms. One farmer stated: *"We grow plantain and banana among the cocoa. It helps us for food and shade"* (Interview 5). In another interview, the translator explained that the farmer said, *"Yeah, she plant banana that she sells and get extra income to support her livelihood here. She also plant plantain and she gets something and to support her livelihood here"* (Interview 9). Similarly, another farmer explained: *"We have other crops too, like yam and maize. When we harvest these, it supports the house"* (Interview 6). This statement reflects how these crops are integrated into household food systems, providing sustenance and minor income during periods when cocoa income is not available. Thus, intercropping is a practice farmers are already familiar with, however, with YGL's new chips factory, intercropping might become more deliberate and bring in additional livelihood.

5.3 LBC strategies to secure loyalty and alternative market options

This section provides context about loyalty and trust in producer–buyer interactions, relationships and incentives in conventional cocoa production in Ghana.

While securing farmers' confidence is a major factor in conventional cocoa, the literature reports opportunistic behaviour in many producer-buyer relationships. Research by Vigneri & Santos (2007) and Glavee-Geo et al (2020) shows how, in conventional cocoa farming, relationships between LBCs and farmers are heavily marked by mistrust in communication. In such a context, factors such as prompt payments in cash play a vital role in who farmers sell their cocoa to (if they have a choice), as it is often the case that villages have several PCs from different LBCs, and conventional farmers can choose whom to sell to, based on who has the money to buy the cocoa promptly. According to Tuffour et al. (2023:4), in conventional cocoa farming, some farmers change the LBC they sell their cocoa to, however, once "they are comfortable with a particular company, it becomes quite difficult to change unless they are enticed with bigger incentives.". Yet, according to Kpabitey et al. (2024:2), the competition between different LBCs can also weaken "the effectiveness of relational contracts to keep the farmer-buyer relationship" as cocoa farmers might fail to remain loyal to one LBC because there are many other companies to sell to. In organic cocoa production, on the other hand, the relationship with LBCs is a bit different.

In Ghana's regulated cocoa marketing system, trust and commitment between producers and buyers are essential to ensure long-term cooperation. In the case of YGL, the company's relationship with its registered farmers goes beyond just market transactions in cocoa purchases. According to Glavee-Geo et al. (2020), trust and relational commitment are central determinants of cooperation between buyers and smallholder farmers in Ghana's cocoa sector. The authors further emphasise that in Ghana's conventional cocoa sector, supplier and buyer opportunism remains a major concern for both sides. Examples show that opportunistic behaviour from the farmers' side includes side-selling[20] to breach of agreements, resulting in unstable trust and increased transaction costs. While buyers worry about farmers' loyalty, farmers express worries about PC's opportunism, such as adjusting scales, paying lower prices, and favouring their friends. These mutual suspicions create a cycle of mistrust that weakens the efficiency of the supply chain.

However, one of the most important aspects is to secure the confidence of farmers, including being able to swiftly pay for the cocoa beans upon delivery. This was also confirmed in Vigneri & Santos's (2007) survey with farmers concluding that cocoa production increases with competition, and that the availability of cash remains a major factor for farmers' decisions of whom to sell to. Therefore, delays in the disbursement influence the choice of farmers to whom to sell their cocoa. In conventional cocoa production, relational factors are crucial in shaping farmers' choice of LBCs (Tuffour et al., 2023).

5.3.1 Incentives

Given that LBCs cannot compete based on price, they had to find ways to secure the cocoa in different ways and for farmers to sell to them preferentially. As a result, relationships with producers are very important for establishing producer-buyer loyalty. LBCs offer incentives such as prompt payments, provision of service, particular incentives, and cash rewards (Anang, 2011). Further incentives include LBCs involving farmers' community representatives in selecting their PCs or involving themselves socially in farming communities by attending funerals or weddings. These strategies create a dynamic interaction between cocoa producers and buyers, where loyalty becomes a decisive factor in competition. These non-economic motivations and incentives make LBCs more preferred than others by some farmers (Laven, 2007; Tuffour et al., 2023). In the case of YGL, farmers also mentioned such incentives as key reasons for their loyalty. Farmers constantly mention incentives such as bonuses, cutlasses, chemicals and health insurance as reasons for loyalty (Interview 1, 5, 7). Such benefits reinforce what Glavee-Geo et al. (2020;113) describe as relationship marketing in agribusiness, where non-monetary incentives enhance trust and commitment more effectively than a short-term price increase.

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[20] At this point it is important to remind the reader that this procedure is completely legal for farmers, it just is financially inconvenient for LBCs.

Upon asking the PC whether material incentives arrive, he stated: *"They always get. Last year for example, [YGL was] giving cutlasses, all the farmers got cutlasses. Those whose names are in the list, they got cutlasses"* (Interview 11). Furthermore, YGL provides organic training inputs as another incentive, which was confirmed by several farmers interviewed: *"When we sprayed weedicides, it was burning the flowers. When we started weeding, the flowers come more, and the cocoa came more"* and *"We were taught to prune so that air could pass through the trees"* (Interview 9). When comparing to previous or other LBCs and buyers, farmers often remember that other LBCs didn't provide material incentives as frequently as YGL. One farmer, for example, said: *"We were getting some chemicals […] like cutlasses and fertilisers, they made us buy it. […] [and trainings] but it wasn't as consistent as the organic"* (Interview 9). Furthermore, the same farmer stated that YGL also pays quicker than the previous LBC that they sold their cocoa to. Upon being asked about developmental projects, farmers stated that they have not seen any, however, one farmer observed developmental inputs from another LBC: *"It is Kuapa that came to do some water [maybe tap or borehole] here. But it is spoilt and they have not come back"* (Interview 9). Another farmer, comparatively, stated how YGL has benefited their community:

> *"[…] We were in a difficult situation because of the water body over there. It was because of [YGL] that some foreigners came to construct a bridge for us. So, those are all benefits."* (Interview 7)

According to this statement, YGL also provides some benefits, which are in cooperation with external companies, most likely buyers, working together in developmental interventions in some of the communities, such as building a bridge to facilitate crossing the river.

Another larger incentive provided by YGL is the health insurance some of their registered farmers receive: *"They give us insurance for hospital care. We don't buy medicine"* (Interview 1, Farmer). This statement shows how farmers also appreciate non-monetary incentives. Especially the farmers who receive health care seem to be content to have reduced costs regarding sickness:

> *When we are sick and go to the hospital, they pay for it. But initially, we paid for our own drugs when we went to the hospital, and if you didn't have money, you may stay at home when sick and anything could happen. But because of their insurance, when you feel a little sick, you can go see a doctor for a prescription and go there for the drugs to get better*. (Interview 2)

Through a partnership with SWISSCO and Elucid, YGL provides health care services for some of its registered farmers, particularly those in long-standing partnerships with the company (YGL, 2024; Felchlin, 2024). Most of the farmers who joined newly do not yet benefit from this project, however, farmers who have been in a long-standing relationship with YGL have benefited from this incentive. With this ‘intervention’ project, SWISSCO aims to support farmers who follow organic practices, who often suffer from a larger income gap. However, the SWISSCO study found that the adoption of organic farming in combination with premiums and reduced health expenses has resulted in increased gross incomes (Manu et al., 2024). Viewed through the lens of both the Exchange Theory and the Relational Contract Theory, health insurance is a time-dependent reward, which is gained through trust and long-term benefits.

Beyond the non-monetary incentives already described, farmers often emphasised the social and relational aspects of their relationship with YGL. One interview respondent elaborates on YGL’s approach and how it also goes beyond economic transactions:

> *“They made arrangements with us to give us premiums, and when the time demands, something to weed. And if you have a child in school, and you need help, they give you something to pay their fees till you harvest enough cocoa to get back on your feet. So, they help us.”* (Interview 2)

These findings also align with Laven’s (2007) observation that non-economic motivations and social incentives are strong factors in shaping farmer preferences for what LBC to sell to. According to the author, in 2003, the top reasons for farmers to select an LBC were prompt payment, followed by the farmer having a social relationship with the PC and the provision of credit. In 2005, the authors found that social relationship was mentioned as the main reason for choosing an LBC, followed by prompt payment and trust. Therefore, apart from payment, trust and social relationships become important aspects in understanding producer-buyer relationships. This was further confirmed by several organic cocoa farmers interviewed in this study. During the interviews, one farmer, for example, explained how his relationship with the PC affected their selling decision: *“The PC was my friend [...] I go to him every day to converse. And we go to church together”* (Interview 5). According to the farmer, the PC was also the reason to change to organic: *“[...] he came and we had a conversation [about changing cocoa farming practices to organic]”* (Interview 5). Thus, while incentives play an important role in forming loyalties for LBCs, interactions with farmers proceed through PCs, who are important LBC representatives in farming communities.

5.3.2 Purchasing clerks and their power

Within this network of intermediaries that connect farmers to LBCs, PCs are the most immediate and influential. PCs are employed by LBCs and, on the farm level, function as the visible face of LBCs, buying beans on behalf of LBCs, but most importantly, they are the farmer's primary point of contact. Apart from being responsible for grading, weighing, and purchasing beans, their role, however, extends beyond transactions. Farmers depend on them for information, technical advice and logistical support, which promotes strong interpersonal bonds. It was shown that this relationship can determine the farmer's loyalty, satisfaction, and long-term cooperation with an LBC in conventional farming (Tuffour et al., 2023). In YGL's case, PCs were frequently mentioned by farmers as crucial links between them and the company. One farmer noted: *"For the company, we hardly speak to them directly. Because when we need help, [the PCs] are the people we talk to. [They] are the ones we bring our problems to move forward with it"* (Interview 1, Farmer).

Tuffour et al. (2023) have shown that PCs sometimes engage in activities that are not strictly formalised practices, including pre-financing, offering farm inputs or credit, or household items. This was also reflected in the organic cocoa system as one farmer told: *"Three days ago, I didn't have any money, and when I went to see the PC, he gave me something, so when it is time for payment, he can deduct it"* (Interview 5). In this case, the organic cocoa farmer received credit support from the PC, later the loaned amount will be deducted from the farmer's income from the produced cocoa bags. However, PCs are not the only ones involved in these prefinancing practices. If the amount a farmer requests supersedes the decision-making power of the PC, YGL's management gets involved. To further understand this, the field officer interviewed talked about their job to know the farmers and the farms:

> *"[...] if [the PC] think[s] that [the decision is] above him, then he must turn it to the company management. So the field officer is supposed to also know. Because he must know the farmer's farm, know the yield, the health of the farm, so that he can also come to advice management that with this amount of money, if you give that fund, [that the farmer] can pay back. Because the farmer will not pay the money by bringing cash, but he will pay by giving the cocoa."* (Interview 11, Field Officer)

As cocoa income is dependent on harvesting seasons, access to credit is vital, and LBCs, and therefore PCs, fill in this gap in the absence of formal financial institutions (Adaku & Amanor-

Boadu, 2022). Besides the PC, field officers play a complementary role by mediating information and ensuring compliance with organic standards. The field officer further explained how information flows through the PC to the company and vice versa:

> *"Sometimes, when you have certain information that you want to disseminate to the farmers, you can also channel it through the purchasing clerk because most of the farmers will come to him maybe on a daily or weekly basis. So, most of the information is given to him. He also reports the farmers' complaints and needs to the company."* (Interview 11, Field Officer)

Furthermore, the field officer elaborated that this system also works the other way:

> *"[Farmers] tell the purchasing clerk. The purchasing clerk tells the company and then the company know what to do. So his job is very vital and also involving a lot of social aspects in the community like farmers. Once a farmer passes away, he's supposed to tell the company, then maybe they come"* (Interview 11, Field Officer)

This process can be viewed from two perspectives. For one, field officers and PCs have to know their registered farmers well, as they must know the farmers' cocoa farm scales, in terms of size and yields, in order to provide them with credits. This shows that YGL prioritises having more than just a buyer-seller relationship with farmers in order to support them beyond paying for organic cocoa. However, in terms of credits and loans, the relationship is rather one-sided as the decision-making lies within the power of the PC and field officers. Of course, these kinds of arrangements often occur due to farmers facing financial constraints during and between harvests. This can be attributed to Ghana's cocoa sector in general, as it is marked by pervasive rural farmer poverty and income seasonality (Abubakari et al., 2023).

5.3.2.1 Information as a source of power

Moreover, beyond incentives and credits, literature shows that PCs also control an equally important resource, and that is information. Despite today's technological advancements and almost every cocoa farmer possessing a smartphone, a study has observed that there is still limited access to agricultural and extension information for cocoa farmers in Ghana (Abubakari et al., 2023). Therefore, PCs are the primary source of information, and farmers rely on PCs for actualities. In the interview, the field officer confirmed such dynamics when he explained that *"farmers come to the PC first for everything, even when they have personal problems, before they go to the company"* (Interview 11, Field Officer). Thus, PCs seem to have a powerful position in the cocoa buying network. As Ahoa et al. (2020:1) observe, “information is a source of power”. With this statement, the authors express the importance of information distribution in the Ghana cocoa value chain. According to the authors, there is a lack in the literature of any explicit modelling or documenting of business processes in the Ghana cocoa sector.

During the interviews, when farmers were asked about price transparency one farmer answered: *“They tell us how much the one kilo and two kilo is selling for. Now the cocoa... you don’t even see how they are counting it. I don’t know how to say it”* and after asking who tells them the price for cocoa: *“[The PC] tells us”* (Interview 8). This is a very clear aspect in cocoa selling, exemplifying how PCs hold both power and the potential for opportunism simply by controlling access to critical information.

The lack of farmers’ ability to monitor buying companies provides space for self-interest-seeking behaviour (Amankwah-Amoah et al., 2018). Especially when farmers bring less cocoa than what accounts for a bag, PCs calculate the percentage of the price farmers receive. When farmers are not fully informed about pricing, PCs could influence transactions to their advantage. In fact, this creates similar circumstances compared to studies from conventional cocoa farmers, where they express their concern of being dependent on LBCs, and therefore the PCs, for information, resulting in an unequal distribution of power (Ahoa et al., 2020).

Furthermore, several studies in conventional cocoa have shown that relationships between farmers and PCs are vulnerable to opportunism and tension. For example, Monastyrnaya et al. (2016:21) have revealed cases of “unfair treatment of farmers by PCs, and lack of monitoring activities of cocoa purchases from third party organisations”. Similarly, one of these aspects was also observed in the organic cocoa chain, as some of the farmers explained that PCs take a share of the cocoa that farmers produce (Tuffour et al., 2023). In fact, during an unofficial conversation, a farmer told me that they had to produce more than the net 62.5 kg per bag of cocoa due to the PCs claiming some of the cocoa. I recall one farmer telling me that they had to add more cocoa beans per bag to receive the full price. When rising this issue with the COCOBOD representative he claimed that he had no knowledge of such happenings: *“[For the] bags themselves, for that I don’t know. What I know is that […] we have supplied [PCs] with electronic weighing scales. So, I don’t see how the PC is going to cheat the farmer”* (Interview 13). He further explained that farmers receive less payment when they produce less than the full bag, but of course, that is not what I was talking about.

The fact is that in conventional cocoa production, farmers have reported dissatisfaction with PCs, listing issues such as adjusting the scales to their own preference, delayed payment, and opportunistic practices such as underreporting bean volumes. These may include making false quality claims (selling uncertified cocoa as certified) or diverting inputs intended for farmers. The unequal distribution of information heightens these risks. As the PCs often live in the same communities as the farmers, this can create dynamics which favour those who are friends with the PC (Tuffour et al, 2023). Furthermore, farmers' concerns about lack of access to fertiliser and chemicals show how the value chain in conventional cocoa farming poses challenges that constantly disadvantage producers (Asamoah & Annan, 2012; Tuffour et al., 2023).

This asymmetry of information can be related to the concept of the colonial present by Gregory (2004). Despite the end of colonial rule, power is still exercised through control of knowledge and pricing rules, depicted in the bottleneck at the position of the PC, taking advantage of farmers and constraining their agency in what knowledge can be accessed or trusted. According to Amankwah-Amoah et al. (2018), there is a growing realisation that this has motivated some to follow the desire for self-enrichment at the expense of producers. In this case, the PC's control over extension or price information is more than an operational fluke, it is structural marginalisation.

5.3.1 Trust in economic relationships

Trust becomes a critical element in organic cocoa producer–buyer relationships, as the network of LBCs reaches as far as inside the communities. However, opportunistic behaviour leads to marginalising structures even within communities, as sometimes farmers are easily cheated due to a lack of information. Often, farmers fall victim to such structures as they have no choice but to be dependent on PCs, as they are the only source for information and selling option (Amankwah-Amoah et al., 2018).

According to Mpinganjira et al. (2017:428), trust influences economic satisfaction, meaning that in the absence of trust, "the presence of economic benefits does not necessarily lead to a commitment to a business relationship". Scholars conceptualise trust along social and economic dimensions, showing trust as a mitigating factor of opportunism. Research by Dadzie et al. (2018) observes that trust has received considerable attention among other scholars due to factors linked to producer-buyer relationships. In their study, the authors try to analyse how trust enhances the duration of exchange relationships in Ghana's export market system.

Their findings argue that farmer-buyer trust can be conceptualised along two dimensions. One, 'cognitive trust', which is based on perceptions of competence and reliability, and two, 'affective trust', which is grounded in social bonds, empathy and goodwill. According to the authors, both of these dimensions are critical in reducing transaction costs, minimising conflict, and encouraging long-term collaboration. Their survey results indicate that affective trust plays a stronger role in relationship satisfaction, while 'cognitive trust' is more strongly associated with relational performance. Therefore, 'affective trust' is seen as a crucial element for promoting long-term relationships. This shows that interpersonal trust is essential even in formal market structures existing under institutions such as COCOBOD.

Despite existing power dynamics and hierarchies, YGL positions itself differently from conventional LBCs by attempting to build and maintain trust-based relationships with farmers. As the managing director explained:

> *"After paying premium, we give them health insurance. We also carry out corporate social responsibility like building boreholes, building ICT labs, engaging in health screening [...] and we give them incentives like cutlasses, wellington boots, pruning saws, pray machines... Just to help them achieve their specialty status. So beyond buying cocoa, we carry out these other activities. But in terms of other LBCs, it's just the buying of beans and paying the farmers, but we are also buying things [for them]."* (Interview 12)

This statement illustrates YGL's attempts to go beyond transactional exchange by supporting farmers in several aspects of cocoa production and beyond. While hierarchical structures and information asymmetries exist, YGL's approach suggests an awareness of these structures and the effort to mitigate these through social involvement and continuous engagement, such as frequent training visits, which distinguishes them from the practices of conventional LBCs.

During the interviews, I asked the managing director of YGL about farmers' commitment to sell to them. He explained that maintaining loyalty among farmers is one of the company's challenges:

> *"That is one of also the biggest challenge we have in the sector because you know with farmers it's about money and once the business ready, whoever has money gets out because the project is not like binding the farmers to sell to only us. [...] Once the base is ready and you do not have money available to*

> *purchase, they sell to the next available LBC. But for them they just need money to take care of their family"* (Interview 12)

This statement captures a structural paradox: farmers' loyalty depends on immediate cash need rather than on contractual commitment. Carodenuto et al (2025) describe such dynamics as 'pragmatic loyalty' where relational ties are maintained as long as they fulfil short-term livelihood needs. In YGL's case, loyalty is rather cultivated through frequent engagement and non-monetary benefits than through binding contracts.

In the interviews, one of the questions for the managing director was how the company maintains the loyalty of farmers. He answered:

> *"I think mostly incentive and then the relationship, because we have officers on the ground all the time [...]. At least once in every month we meet the families, we tell them what the situation is and what is going on. So for example, the health insurance is a very good project that the families are, they appreciate so much because taking care of us sometimes be very frustrating"* (Interview 12)

With this statement, he clarifies how their company remains attractive to farmers. However, he also indicates farmers' frustrations with delayed payments, and the awareness that the situation of lacking payments is more than an annoyance to farmers. He further reasons that their company also provides premiums, health insurance, and corporate social responsibility, which also support that:

> *"[...] they also kind of have a sense of belonging to the company and they believe once you're able to buy more beans, you'll be able to do more to them. So these are some of the things that keep them close to us. The training, mostly they are happy about the trainings because it gives them a different idea of buildings. The health insurance, the premium is how we engage with the kids, of their children in terms of providing ICT facilities for them"* (Interview 12)

From the LBCs side, they are very clear about their relationship to farmers and acknowledge that it requires more than money and market transactions to gain someone's trust. The company recognises that it requires effort and trust to gain farmers' confidence. From the farmers' sides, they seemed pragmatic about the relationship. Most statements to the question why they sell their cocoa to YGL include: *"I am human and they're also humans. We have accepted the contract we have with them. But if they change their mind, we will also know what* *to do. So if they change their mind, I will act accordingly”* (Interview 4), while another farmer added:

> *“It’s an agreement we have. You cannot start any work without some form of agreement. The training they gave us and how we will do the work, and what benefits we will get from it, and we accepted that we would work with them. So, that is what we are still on”* (Interview 7)

While some farmers (as seen above) view their relationship with YGL from a ‘cognitive trust’ perspective, another farmer emphasises the trust relationship they have built with YGL more from an ‘affective trust’ perspective. When asked about why they don’t sell to anyone else, the farmer responded: *“It’s not about premiums I will miss elsewhere. I have been working with him for long. When I come and he has, he gives. So when I come and he doesn’t have, I have to give it so that when he gets, he gives me”* (Interview 6).

In comparison to conventional cocoa farming, organic farmers and PCs from YGL seem to have fewer problematic relationships. Despite existing dependency structures and the potential for opportunistic behaviour, there appear to be fewer conflicts between PCs and organic cocoa farmers. This might be due to the fact that YGL’s organic cocoa project happens on a much smaller and more manageable scale than some of the operations of the larger conventional LBCs.

Both cognitive and affective trust intertwine farmers’ willingness to remain loyal despite delayed payments, which mirrors Dadzie et al.’s (2018) theoretical distinction between cognitive and affective trust, being essential to non-contractual relationships such as the LBCs' relationship with cocoa farmers. However, the same trust which sustains long-term relationships can also conceal power dynamics. If farmers’ loyalty relies on affective rather than contractual trust, it can either reinforce dependencies and limit farmers’ agency, or it could also strengthen farmers’ agency, depending on reciprocal trust.

5.3.2 Communication and trust-building

While information asymmetries can reinforce dependence and limit farmers’ decision-making, the strategies employed by companies such as YGL illustrate that deliberate communication practices can help mitigate these effects. Research suggests that transparent and frequent information sharing not only enhances farmers’ capacity to comply with quality and organic standards but also fosters relational trust, which is critical in non-contractual market relationships. As YGL's managing director explained, internal communication between farmers, PCs, and company staff is continuous and sometimes even contested:

> *"So you realise that there are lots of communication when you are distributing chemicals. [Farmers would come and say] "You gave this community ten boxes, why are you giving us five boxes?" So, you can see that there are lots of communication between [farming communities]" (Interview 12).*

This statement shows that communication within the organic farmers' network is not only top-down but also horizontal, with farmers comparing and questioning distribution choices. Such interactions show that farmers take agency where they can, aligning with Adaku's (2020:98) research, in which they found that "increasing information availability leads to increases in the odds of participating" and therefore, promoting "transparency between farmers and buyers in relationships", a finding consistent with YGL's effort to keep farmers informed about input distribution and financial matters. Despite these communication structures in place, trust remains fragile when information is incomplete or payments are delayed. As the managing director explains, the company strives to maintain transparency with farmers to explain temporary shortages:

> *"[...] so with the farmgate price, whenever we don't really have money, we communicate to the farmers through our field officers that we are currently out of cash, and we'll inform them when we have that. Some farmers sometimes bring the cocoa to us that we should take [and] whenever we have the money, we should pay them"* (Interview 12)

This quote illustrates that while YGL attempts to maintain transparency, delayed payments are testing the patience and loyalty of farmers. Some farmers continue to sell their cocoa to YGL despite these issues, demonstrating relational commitment, others, however, resort to side-selling. Of course, farmers can remain loyal even while sometimes selling cocoa to different LBCs. YGL knows that, since farmers seldom like to give up receiving premiums.

Despite YGL's efforts, farmers' trust is not unconditional. Delays in payment or perceived inequality in benefit distribution can create tension. One farmer described how payment delays affected his household: *"Our problem is, when it gets to the cocoa season, and we go to sell the cocoa and they say [YGL] has not released the money. So, we could be in a difficult situation for up to a month"* (Interview 5). Others are more patient, pointing out the eventual reliability of the company: *"In the 2024 main season, the money delayed a bit, but when they* *paid, they paid all the arrears in bulk"* (Interview 1). Farmers who stated this often said they were able to live on small savings. This clearly differs from the literature in conventional cocoa, where farmers often live from payment to payment (Hashmiu et al., 2022).

That organic farmers can wait for payment by relying on their savings and trusting YGL to turn up with the payment shows loyalty and trust. Glavee-Geo (2020:117) identifies this as 'conditional trust', a form of belief in a partner's goodwill that is sustained only through continuous performance. For many farmers, the decision to remain with YGL despite challenges is rooted in moral and emotional reciprocity. When I asked farmers if they would sometimes sell their cocoa to other LBCs, one farmer answered, for example: *"No, I will not do that. [YGL] have given me chemicals to grow the crops, so I will be giving [cocoa] to [them]"* (Interview 8).

Nevertheless, such expressions of trust and moral reciprocity must be understood within broader structural and institutional constraints, in which asymmetrical power relations and dependency dynamics shape the forms and limits of farmers' loyalty. This becomes particularly evident given that YGL, for most of the time, depended on COCOBOD's centralised payment system and therefore lacked full control over payment timing and farmgate pricing. The PC interviewed (who also produces cocoa himself) expressed frustration at this: *"COCOBOD can be better in terms of the farmgate price because if you look around neighbouring countries, their prices are far better than ours"* (Interview 12). This frustration links to the structural limitations faced by YGL but also underscores how the local YGL and farmer relationship is set within a colonial reality, where former colonised structures continue to determine export-oriented pricing instead of focusing on local empowerment. As Carodenuto et al. (2025) argue, certification and sustainability programs may enhance trust and welfare at the micro level, yet they rarely alter the macro-structures that reproduce dependency.

In this sense, YGL's producer-buyer relationship reflects both progress and limitation. On the one hand, it is characterised by closeness, communication, and care, and farmers recognise that. On the other hand, the producer-buyer relationship operates within a broader system of asymmetrical interdependence shaped by Ghana's postcolonial political economy. Not even the relational trust promoted by YGL can fully overcome the structural distance between farmers and the global market, but it demonstrates how, within the constraints of this legacy, new forms of local solidarity and transactions beyond market aspects can continue to evolve.

5.3.3 Selling to someone else & the organic cocoa monopoly

As organic cocoa remains a niche sector in Ghana, only a few LBCs and organisations purchase organic beans and pay the agreed premiums. Consequently, farmers who commit to organic cocoa practices, often involving more labour-intensive production and higher compliance costs, can typically sell their cocoa to only one certified LBC. For most farmers in the study area, this company is YGL, which, according to them, offers one of the highest premiums for organic cocoa.

Premiums are paid exclusively to farmers who sell their cocoa directly to YGL during the cocoa season. If YGL faces liquidity issues or delays in purchasing cocoa during the cocoa season, farmers are faced with the decision to either wait for payment or sell their cocoa to other companies that do not offer organic premiums. In such cases, farmers who urgently need cash are forced to sell their organic beans as conventional beans, thereby losing both the premium and the recognition for organic compliance despite having produced according to standards. This situation unintentionally creates somewhat monopolistic tendencies within the organic cocoa value chain. Meaning that organic market access and premium availability are only available through one single cocoa bean buyer.

This phenomenon aligns with broader structural tendencies identified in the global cocoa sector, which is characterised by significant downstream concentration, where a few large multinational buyers and processors control cocoa purchases and certification schemes (SEO Amsterdam Economics, 2016). Within the organic and certified market, this concentration can intensify, where volumes are smaller, cocoa is more traceable, and production standards are stricter. YGL's position reflects these patterns on a local scale. As one of the few LBCs with access to the organic market in Europe, it creates a structural limitation for itself and the cocoa producers aligning with their certification scheme. When addressing this issue of farmers being "trapped" in organic production, the managing director of YGL answered:

> *"I know some [other companies] [...] that pay premium. However, they don't do trainings, they don't provide health insurance. Their engagements with the farmers are less so in that case the farmers might have the premium but still not be happy working with them. So sometimes the relationship is also the case because we quite have a number of LBCs that are paying premiums, but the relationship, the engagement with them. We have a lot of activities with the family, and we also put them in mind"* (Interview 12)

His statement emphasises their social engagement with farming communities, arguing for a dynamic which profits both farmers and the company. He further refers to the diversification projects and their plans to open up the banana and plantain chips factory, which will provide farmers with alternative livelihoods during the cocoa off-season:

> *"For example, if you look at the food and beverage factory, it was established because of the engagement with the families and the banana […] processing factory we are doing, [which] is being established because we went to community where they have a lot of banana that [are] going bad and then they even have a festival and then we discuss with them, they say if you can buy this banana and process. That said, okay, why not? Cocoa is not in season"* (Interview 12)

From the farmers' perspective, some respondents perceive the relationship as monopolistic. Many expressed satisfaction with YGL's support and benefits. One farmer explained: *"Because of their help. You see, now I have an organic health insurance that when I fall sick right now and take it, they will help me. No other company will give us health insurance […]"* and that this is also the reason they *"do not sell [cocoa] to anyone else"* (Interview 5). Others simply stated: "No" (Interview 10) when asked if it was a problem that they could not sell to another organic LBC. In another interview, a farmer explains that: *"Selling to one company does not mean I am left behind. It depends on the work I am doing. The more the work progresses, the more bonuses I get"* (Interview 7).

These farmers' narratives complicate the discussion of monopolies. While structural analysis and market data indicate concentration and dependency, the lived experience of farmers from this case study reflects relational trust embedded in long-term relationships. In this way, the producer-buyer relationship in this case study can be viewed from an Exchange Theory perspective, where trust was established among business partners, and exchange, in addition to trust, is based on a sense of obligation to provide cocoa to YGL in return for the non-monetary incentives provided. Furthermore, viewed from the perspective of the Relational Contract Theory, the relationship between YGL and their registered farmers is also based on a shared understanding of social norms and reputations. For example, this is the case with some of the company's staff, especially intermediaries between the company and the farmers, who are local to the area.

Nevertheless, the relationship is not isolated on a local level but can be set within a global scale where structural dependency becomes a major factor for both YGL and their registered farmers. Such structural dependencies can be viewed from Gregory's (2004) colonial present, where historical hierarchies between producers in the global South and market actors in the Global North persist under contemporary market forms. Similar to the statement of Van Huellen (2024), which states that Ghana's partial reforms reintroduced a colonial system, there is rhetoric behind the empowerment through certification. Behind the face of sustainable certification systems, they further reproduce conditions of control and dependency, imposing external standards on farmers while farmers receive a very small share of the rewards.

5.3.3.1 Partial market liberalisation

The persistence of structural dependencies and asymmetrical power relations in the cocoa sector is also shaped by contemporary policy frameworks. The effects of Ghana's partial liberalisation of the cocoa sector have been widely debated (Ofosu-Asare, 2011; Teal &Vigneri, 2004). The partial liberalisation can be connected to Gregory's (2004) colonial present as it reproduces asymmetrical economic relations which were established under colonial rule. While intended to promote LBC competition, it has paradoxically reinforced some of these dependencies, particularly for smaller and local LBCs and their registered farmers (Laven, 2007; Owusu Ansah et al., 2017).

The authors argue that the partial liberalisation does not fully benefit cocoa farmers and, at the same time, puts smaller and often local LBCs at a disadvantage. While liberalisation opened the internal market for more competition among buyers, it also created a system in which LBCs with limited financial capacity struggle to compete with larger companies that have access to international credit and established export relationships. This observation was also confirmed during the field research in Ghana. Several actors within the cocoa value chain mentioned that smaller LBCs face more challenges in maintaining liquidity and timely payments to farmers compared to larger companies such as OLAM and Armajaro. As YGL's managing director describes clearly:

> *"The system favours those who already have the money. When COCOBOD delays the funds, we, the smaller LBCs, struggle to continue buying because we don't have big reserves like OLAM or Armajaro. So, sometimes the farmers think we are not serious, but it's because the money hasn't come in from COCOBOD."* (Interview 12)

He further explained that in some cases, YGL had to pre-finance purchases from its own limited funds, which puts the small company under financial pressure. This aligns with observations from the field, where farmers often pointed out that they prefer to sell to buyers who have cash ready, even if this means selling outside their regular cooperative. Consequently, while liberalisation was intended to increase competition and efficiency, in practice it has created a system in which small LBCs compete with large LBCs. The benefits remain concentrated among those who already have the capital to sustain operations, leaving smaller LBCs and farmers in a cycle of dependency and financial uncertainty. This can be connected to Walsh's (2010) colonial entanglement, in which small LBCs and farmers continue to be subjected to both state regulation and private market forces. Therefore, when asked about whether the Ghana cocoa sector would have better perspectives if privatised, the managing director answered:

> *"Yes, I believe so. Because I think once it's privatised, the system is a bit cleaner and managed better. With that, most of the revenues that goes to, [...] areas are not important to come straight to the cocoa system and it's to help the farmers to earn more because once it's private, I think a lot of the costs will be cut so we can be able to pay the farmers well and then they can also live a better life" (Interview 12)*

6 Summary and conclusion

6.1 Summary

The global cocoa value chain is characterised by strong concentration of market power at the processor and manufacturer level in the Global North, while the market structure in producing countries across the Global South often remains fragmented and highly competitive (Abdulsamad et al., 2015; Schulte et al., 2020). Although cocoa is a highly valued commodity on international markets, cocoa farmers continue to face economic instability and marginalisation. Transactions within this chain are often dominated by one-sided negotiations and terms, defining where and how value is created and distributed, reinforcing asymmetrical power relations (Abdulsamad et al., 2015). At the very beginning of the cocoa value chain, farmers often lack bargaining power over the prices they receive. Furthermore, they have limited influence on decision-making processes, as their agency is weakened by structural and economic marginalisation (Carodenuto et al., 2025).

Several cocoa buying companies have introduced sustainability initiatives, such as Rainforest Alliance, Fair Trade and Organic, aiming at improving farmer livelihoods (Schulte et al., 2020). In Ghana, however, organic cocoa is still viewed as a niche production, with only a few LBCs offering to pay premiums to farmers who comply with organic production practices.

Therefore, the primary aim of this study was to explore the experiences of small-scale organic cocoa farmers in rural Ghana, focusing on how producer-buyer relationships are negotiated within an economic and political landscape that is marked by post-colonial governance and structural dependencies. The main objectives of this study were to identify factors influencing the relationship and how cocoa farmers' experience and perception of producing and selling organic cocoa are shaped by these relations. Another objective was to explore how the government-regulated pricing system affects the producer-buyer relationship in Ghana's unique partial-liberalised marketing system. Lastly, the objective of how organic certification schemes establish unintentional monopolistic tendencies due to organic being a niche production in Ghana was explored. The research questions were analysed through the theoretical lenses of Exchange Theory and the Relational Contract Theory in the context of emerging markets, set against the broader backdrop of colonial entanglement and colonial reality.

The study was conducted among organic cocoa farmers registered with the cooperative and LBC YGL in the Suhum District, a rural area in the Eastern Region, Ghana. YGL is the only cooperative that is also an LBC, focusing on organic cocoa production by providing inputs, extension services, and training for organic cocoa production. Through this process, YGL links cocoa farmers to high-value markets with access in Europe. At the time of date collection, YGL was working with roughly 5000 farmers in roughly ten to 12 communities. From five of these communities, ten farmers were asked to participate in the study according to a non-probability and purposive sampling strategy. Additionally, one PC, one field officer, the managing director, and an official from COCOBOD were interviewed as key informants.

6.2 Conclusion

The research shows that the regulated pricing system in Ghana, shaped by COCOBOD's farmgate prices, significantly influences producer-buyer relations in the organic cocoa sector. While policies like the LID and the payment of premiums for organic cocoa aim to enhance farmer income, findings show that smallholder cocoa farmers continue to face substantial financial vulnerability. On average, households experience a living income gap of about GHS 28'132 ($2'291) per year, earning only around 50 percent of the benchmark needed for a basic standard of living (Manu et al., 2024). Organic cocoa farmers benefit from premiums, with YGL paying between GHS 70 and 100 per bag depending on certification type (Rainforest Alliance, organic) and negotiations with international buyers. However, even these higher premiums for organic are insufficient to close the living income gap. The payment structure, in which premiums are paid at the end of the cocoa season, partially supports cocoa farmers in the cocoa off-season. But narratives from cocoa farmers indicate that these elongations of their income period are not sufficient. Despite welcoming the extra financial support, farmers' explanations show that these funds are often quickly consumed for household obligations. Due to previous delays in payments, farmers sometimes engage in so-called "side-selling", selling the cocoa to other companies at the conventional price. With this, organic cocoa farmers are forced to forgo receiving premiums from YGL. However, in the interviews, some of the farmers also stated that they had enough savings to wait for the payments.

Despite these challenges, YGL employs relational strategies to maintain producer loyalty. For one, YGL provides common non-monetary incentives such as organic chemicals, protective gear, and tools. The company also goes beyond regular incentives by offering incentives such as premiums for organic cocoa, organic farm training, healthcare and small loans. During the interviews, farmers consistently identified incentives such as health insurance, organic premiums, farm inputs and training as the main factors for their commitment to remaining with the company. During interviews, farmers have stated they perceive YGL as reliable and socially invested in their well-being; however, YGL themselves are aware of the importance of timely payments to nurture this loyalty. Even so, YGL's strategies seemed to have promoted both cognitive and affective trust, creating relationships that extend beyond transactional exchanges and encourage cooperation and long-term engagement.

Nevertheless, while this system strengthens loyalty, literature clearly states that such situations deepen structural dependency, tying farmers to one single buyer and reinforcing hierarchical power dynamics. However, in interviews, both sides, farmers and the LBC, emphasised reciprocal amenities resulting from this relationship compared to experiences in conventional cocoa production. While YGL's focus on organic production creates an exclusive relationship between their registered farmers and their LBC, it does not constitute a formal monopoly. Farmers are not legally bound to sell exclusively to YGL; however, to farmers, the loss of premiums is not welcome, which leads them to commit to the relationship with YGL. These premiums generate additional income and access to European high-value markets; however, this dynamic is somewhat contradictory, as compliance with certification standards requires increased labour, capital, and adherence to practices that are largely dictated by Eurocentric markets. In this sense, the emerging organic cocoa sector is shaped less by local market forces but more by global structures and expectations, reflecting colonial entanglements that continue to influence how producer-buyer relationships are negotiated.

6.2.1 Further research recommendations

This study also revealed several research gaps for future studies. First, limited attention has been given to how climate change and environmental degradation intersect with farmer-buyer relations. Second, while trust is critical, less is known about how it can be systematically built and sustained under conditions of pervasive opportunism. Third, the role of youth and intergenerational dynamics remains underexplored, even though outmigration threatens the long-term sustainability of cocoa production. Furthermore, the influential role of PCs in shaping trust, negotiation, and access to resources between farmers and LBCs remains unexplored. Moreover, further research could explore the impact of the new marketing system, in which LBCs have to pre-finance themselves. Another direction is organic cocoa production, where quantitative research is lacking, including how land tenure, land ownership, and caretakers influence producer-buyer relationships. Furthermore, the experiences and working conditions of cocoa farm workers, who are not owners of the farms, remain largely undocumented, despite their essential role in the production process (Carodenuto et al., 2025). Finally, studies could also engage more critically with how corporate sustainability schemes frame and intervene in cocoa production contexts, as large multinational chocolate corporations often apply universalised sustainability programs to various regions, neglecting the differences of local histories, pretending to be something new, while power structures remain largely the same and further marginalise small-scale cocoa farmers.

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8 Annex

8.1 Annex A: Interview guide cocoa farmers

Interview guide for semi-structured interviews for cocoa producers

Study topic: Producer-buyer relationships in organic small scale cocoa production in Eastern Ghana.

Introduction and information:

Hello, I am a master's student in geography from the University of Zurich in Switzerland. For the preparation of my master's thesis I am currently conducting interviews with organic cocoa farmers in a few selected villages in the Suhum District on the topic of producer and buyer relationship in the cocoa industry. The information that you will provide will be kept strictly confidential and will be used for academic purposes only. The interview may take around 60 minutes.

Verbal consent:

Would you like to participate in this interview?

→ Verbal consent was obtained from the interview participant

→ Verbal consent was NOT obtained from the interview participant

Background information on the farmer

- Can you tell me about your cocoa farming experience? (Years of experience, farm size, ownership)
- Do you produce organic cocoa? If so, for how long?
- What motivated you to transition to organic production (if applicable)?

Relationship with Licensed Buying Companies (LBCs)

- Which LBC(s) do you sell your cocoa to?
- How did you establish your relationship with this LBC?
- Do you have a contract or formal agreement with the LBC? If so, what does it include?
- How frequently do you interact with representatives from the LBC?

Pricing and payment system

- How are prices determined when selling to LBCs?
- Do organic cocoa farmers receive higher prices compared to conventional cocoa farmers?
- How and when do you receive payment? Is it immediate or delayed?
- Have you experienced any challenges with payments from LBCs?
- What do you think about the premiums paid for organic cocoa?
- Can you tell me a bit more about the premiums and other incentives (e.g., inputs, training, healthcare)?
- Do you feel the premium reflects the extra effort needed for organic certification?
- What kind of incentives do you receive from LBCs? (E.g., higher prices, inputs, credit, training)
- Are there any differences in incentives between organic and conventional cocoa?
- How do these incentives influence your decision on whom to sell to?
- Have you ever received cash or in-kind support (e.g., fertilizers, seedlings, tools) from an LBC?
- Are you satisfied with the incentives provided? Why or why not?

Producer-buyer relationship

- Can you describe your experience working with YGL a bit more?
- What do you expect from YGL as a cocoa farmer?
- How would you compare your experience with YGL to conventional LBCs?
- Do you feel like you have a choice in whom to sell your cocoa to? Why or why not?
- How transparent do you feel the LBC is in pricing, payments, and services?
  - How would you describe the level of trust between farmers and the organic LBC?
  - How easy or difficult is it to communicate with the organic LBC (YGL)?

COCOBOD

- How does COCOBOD influence your practices in cocoa farming?

- Have you received any support from COCOBOD for organic cocoa farming (e.g., training, funding, inputs)?
- What challenges do you face because of COCOBOD’s influence over the cocoa sector?
- What changes would you suggest to COCOBOD to better support organic cocoa farmers?

Market and financing

- Have you noticed any changes in how the LBC operates since the financing system changed?
- Have there been any delays or issues with payment?
- How do you personally see the future of organic cocoa farming in Ghana?

Closing

- Do you have any final thoughts or recommendations for the organic LBC?
- Would you like to ask me anything?

8.2 Annex B: Interview guide LBC members

Interview guide for semi-structured interviews for LBC members

Study topic: Producer-buyer relationships in organic small scale cocoa production in Eastern Ghana.

Introduction and information:

Hello, I am a master's student in geography from the University of Zurich in Switzerland. For the preparation of my master's thesis I am currently conducting interviews with organic cocoa farmers in a few selected villages in the Suhum District on the topic of producer and buyer relationship in the cocoa industry. The information that you will provide will be kept strictly confidential and will be used for academic purposes only. The interview may take around 60 minutes.

Verbal consent:

Would you like to participate in this interview?

→ Verbal consent was obtained from the interview participant

→ Verbal consent was NOT obtained from the interview participant

Introduction

- How long have you been working with this LBC? Can you tell me a bit about your daily routine when working for the LBC?
- Can you tell me a bit more about the production of organic cocoa in general?
- Can you talk me through the cocoa material chain? From farmer to exports, how does the system work?

Organic cocoa and farmer engagement

- What makes your LBC different from conventional LBCs?
- How do you attract farmers to switch to organic cocoa?
- What challenges do you face in getting farmers to transition to organic production?

- What kind of support (financial, technical, logistical) do you offer to organic cocoa farmers?

Producer-buyer relationship

- How do you build and maintain relationships with organic cocoa farmers?
- What expectations do you think farmers have from your LBC?
- How do you ensure transparency in pricing, premiums, and service delivery?
- What feedback do you receive from farmers, and how do you respond to it?
- How do you handle competition with conventional LBCs despite being the only organic one?

Incentives and premiums

- Can you explain how the organic cocoa premium is determined?
- Do you believe the current premium is enough to keep farmers committed to organic production?
- Are there any additional services or incentives your LBC provides beyond financial premiums?

Market and financing

- How has the recent financing system change affected your operations?
- Has it impacted how quickly you can pay farmers or offer services?
- What do you see as the biggest challenge for organic cocoa production in Ghana?

COCOBOD

- How does COCOBOD influence the operations of YGL?
- What challenges does YGL face due to COCOBOD’s structure?
- How would you describe your relationship with COCOBOD?
- What policy changes would you like to see in the cocoa sector in Ghana?

Closing

- What improvements do you think could be made to the producer-buyer relationship?
- Any final thoughts or recommendations?

8.3 Annex C: Interview guide COCOBOD official

Interview guide for semi-structured interviews for COCOBOD

Study topic: Producer-buyer relationships in organic small scale cocoa production in Eastern Ghana.

Introduction and information:

Hello, I am a master's student in geography from the University of Zurich in Switzerland. For the preparation of my master's thesis, I have been conducting interviews with organic cocoa farmers in a few selected villages in the Suhum District on the topic of producer and buyer relationship in the cocoa industry. For this interview we will be discussing COCOBOD and how it plays an important role in the cocoa business in Ghana. The information that you will provide will be kept strictly confidential and will be used for academic purposes only. The interview may take around 60 minutes.

Verbal consent:

Would you like to participate in this interview?

→ Verbal consent was obtained from the interview participant

→ Verbal consent was NOT obtained from the interview participant

Introduction

- How long have you been working with COCOBOD? Can you tell me a bit about your job in general?

Price policy and regulation

- How does COCOBOD determine the fixed price for cocoa each year?
- What factors are considered when setting producer price?
- How are farmers' voices incorporated into this process?
- How does COCOBOD ensure that LBCs comply with the fixed-price system?

- Does COCOBOD monitor LBC competition beyond pricing (e.g., incentives, loyalty strategies)?
- Does COCOBOD differentiate between conventional and organic cocoa in its operations?
  - If no → Why not?
- How does COCOBOD ensure that bags with organic cocoa are not mixed up with conventional cocoa bags?

LBC management and certification

- What is COCOBOD's role in promoting sustainable and organic cocoa production?
- Why do you think there is still relatively low uptake of certified (especially organic) cocoa among LBCs?
- Are there current plans to encourage more LBCs and farmers to produce organic production?
- How does COCOBOD support the training programs offered by LBCs like Yayra Glover Ltd.?

Producer-buyer relationships

- From COCOBOD’s perspective, what are the most important factors influencing the loyalty of cocoa farmers to LBCs?
- Are there any initiatives that COCOBOD has introduced to strengthen farmer-LBC relationships?
- How does COCOBOD perceive the role of incentives in shaping producer loyalty (social projects, cash bonuses, health care)?

Challenges and opportunities

- What are the biggest current challenges facing cocoa farmers in Ghana (economic, environmental, political)?
- How does COCOBOD plan to address the production deficits caused by aging trees, disease (like swollen shoot virus), and climate change?

Financial systems and farmer well-being

- Why has COCOBOD changed the loaning system?
- In what way will the new systems affect the relationship between LBCs and farmers?
- How does COCOBOD monitor the economic well-being of cocoa farmers under the current system?

Closing

- How does COCOBOD envision the future of organic cocoa production in Ghana?
- What are COCOBOD's strategies to make cocoa farming more attractive to younger generations?

8.4 Annex D: Coding system

Table 4: Codes System used in maxQDA

Code System
Role of COCOBOD
Training & Inputs from COCOBOD
Funding & Financial System
Regulated Pricing System
LID
Farmgate price
Syndicated loans
Loans
Economic Well-being
Diversification & Alternative Crop
Labour & Farm Management
Land owning
Income Stability & Premium Effects
Training & Knowledge Transfer
Perceived Benefits of Training
Training Frequency & Content
Loyalty Factors
Alternative Sales & Switching
Social Relations with PC/Company Staff
Community Development Support
Incentives & Benefits
Producer–Buyer Relations
Attracting Farmers
Communication & Visits
Trust & Contractual Agreements
Payment Timeliness & Delays
Negotiation of Price and Premiums
Loyalty

Payment		
	Delayed Payment	
	Direct Payment	
Monetary Incentives		
	Premiums	
Non-monetary Incentives		
	cultural practice	
	Sanitary Facilities	
	Health Insurance	
	Teaching Inputs	
	Pruning	
	Protective Gear	
	Fertilizer/Pesticide Inputs	
	Boots	
	Cutlass	
	Community work	
Organic Cocoa Production		
	Farmer Motivations for Organic Cocoa	
		Long-term Commitment to Organic
		Health & Environmental Concerns
	Quality Checks	
	Certification Process	
	Organic Inputs	
	Transition Period	
	Organic Training	
	Farmer recruitment	
	Organic Farming	
Environmental Factors		
	Deforestation	
	Galamsey	
	Black Pod Disease	
	Diseases/Virus (CSSVD)	

	Wind	
	Drought	
	Rainfall	
	Climate Change	
Farmers		
	Labourers	
	Youth	
		Youth migration
	Expectiations from farmers	
	Unsatisfied Feedback from Farmers about Other Things	
	Unsatisfied Feedback from Farmers about Non-monetary Incentives	
	Unsatisfied Feedback from Farmers about Monetary Incentives	
Roles & Responsibilities		
	Purchasing Clerks & PCs	
	ICS manager	
	Field Officer	
LBC Operations		
	Loan	
	Farmer Feedback	
	Quality Control	
	Warehouse	
	Exporting	
	Training	
	Buying	
	Recruitment	
	Yayra Glover Limited	
Chemicals		
	Chemicals	
		Pyrethrum
	Mass Spraying	
Smuggling		

8.5 Annex E: Ethical clearance

Department of Geography

Human Geography

Guidelines on Ethics and Safety in Fieldwork for Researchers in Human Geography

Version of 29.12.2022

Human Geography fieldwork questionnaire

Please fill out the following form in order to plan your fieldwork. Rather than a checklist, this questionnaire is meant as a platform for discussion and feedback, which serves both you, your supervisor and the field work counsellors to evaluate such questions before, during and after your field work.

If you have questions regarding your fieldwork that are not covered in this form, please raise them with your supervisor or with the field work counsellor. If you have suggestions for additional questions that would be useful for this survey, let your supervisor or fieldwork counsellor know. This form is continuously being updated.

To be filled by the researcher and discussed with the supervisor :

Name of student

Olivia Tolusso

Supervisor

Asebe Regassa Debelo

Faculty member

Benedikt Korf

Location of fieldwork

Ghana

Date of fieldwork

April 1st - May 11

Date of meeting

March 24, 2025

Research framing

Do I want to include my research partners in the development of my research aims, research questions and methodology, i.e. adopt participatory elements in my research design? How will I present/explain my research in the field? If partial disclosure of my research object is necessary, how will I justify this decision? And how will I go about the potential harms of this decision? How will I make sure that my research questions and terminology are respectful? How will go about the possible expectations (and/or frustrations) that my research generates?

I aim to involve research participants (cocoa farmers and representatives from Yayra Glover Limited) in shaping my research by considering their perspectives on cocoa production, sustainability, and ethical trade. My research questions will be formulated with sensitivity to their experiences and concerns. I will present my research transparently, explaining my objectives in clear, accessible language. Furthermore, I will try to incorporate as diverese perspectives as possible.

Positionality

What power do I estimate to have over research participants from my position as a researcher, volunteer or host? What vulnerabilities and/or dependencies do I have? What perceptions and imaginations do I expect to generate through my background and identity markers (culture, gender, group, nationality, age)? How will I deal with this during as well as 'outside' work? How will I anticipate the possible security risks that this positionality provokes for all people involved (research participants and researchers)?

As an external researcher (white and female), I acknowledge my position, which may influence participants' responses. My nationality, education, and affiliation with a research institution might create power dynamics, leading participants to see me as a representative of external stakeholders. Being from Switzerland, I will be received with certain expectations, which will also generate narratives that I will be told. Furthermore, I am aware that my research will be viewed and written through the eyes of a white person. I am aware that this research only becomes possible through the engagement with the organic cooperative in Ghana, which will support me with getting in contact with farmers. This will already generate a certain one-sided perspective, as I am accommodated within the premises of the organic cooperative. Despite of their hospitality, I shall not let it influence my critical view of the business ongoings.

Doing no harm

What harm could potentially come out of my research? To whom specifically? (e.g. marginalised/social minority groups, research assistants, physically vulnerable groups, myself, other researchers…)? How do I anticipate this? Ethnography and anthropology can be intrusive in people's (including one's own) lives – how can I anticipate this? How can I maximise the benefits emerging from my research? How flexible am I in my research method? Do I have a plan B?

Potential risks include farmers feeling scrutinized or misinterpreted, power imbalances affecting responses, or company representatives being cautious about disclosures. To minimize these, I will approach interviews with cultural sensitivity and allow participants to opt out of sensitive topics. My research will not expose marginalized groups to increased vulnerability. To avoid potential harm, the research avoids publishing sensitive data or it will be kept confidential.

Informed consent and voluntary participation

Do informants know what their participation in my research entails? Do they understand that they are free to pull out at any time? E.g. do any gatekeepers "force" them to speak with me? Have they become dependent on me – e.g. through research compensation? Do they know what happens with the data (storage, kind of analyses and publications) during and after research (see points 6 and 10)? Do I need to remind them that they can pull out? Do I need an informed consent form and is the form I suggest using adequate (for instance, using appropriate language)? Do I have to inform others or need an informed consent form of others (e.g. parents in case of doing research with minors or head of an institution in case of doing research with particular employees and so on)? If I am using social media, have I considered the implications on consent and voluntary participation (e.g. blurred boundary between public and private space)? Does my research entail deception of participants at any point? If so, is this necessary and why? How will I anticipate this?

All participants will be fully informed about the study's purpose, methods, and potential impact. I will ensure they understand their right to withdraw at any time without consequences. Participants will be asked to give verbal consent to participating in the research.

In some of the interviews I will be dependent on a translator to pass on information regarding the rights, I will try to be very clear about their communication with prospective interview participants. Furthermore, data usage, storage, and anonymization procedures will be communicated.

Anonymity and confidentiality

How will I communicate to my research participants to what extent my research will be confidential and anonymised (→ see point 4 on informed consent above)? Have I taken the necessary steps to keep promises of anonymity and confidentiality? Is it necessary to anonymise the field site? What harm could come out of (not) doing so?

I will anonymize participants' identities as much as possible, using pseudonyms or omitting identifiable details where necessary. Confidentiality will be maintained throughout the research process, and I will communicate these measures to participants. Interview participants will be informed clearly about anonymization.

Data protection

What problems could arise with recording and storing my data? How do I protect my data during and after field work from data loss, theft as well as from people who should not have access to them? Who needs access to data during and after research (research team, supervisor)? Who owns the data I collected? (If nothing else is agreed upon in writing, the UZH policy is that raw data belongs to all members of the research team. I.e. they all have the right to continue using the raw data and publishing results from it, even after leaving GIUZ). What will happen with the data after finishing the thesis? Which data can I make available openly and which not? (→ see section D on data protection below)

Data will be stored locally as well as on an external SSD and if there is sufficient internet access I will be storing the data on OneDrive UZH. Access will be limited to my research team and supervisor.

Field assistants

What information do I have to include in the contract with my field assistants (legal, payment, but also informal terms of reference)? What are my available legal options of employing my field assistants? Do I have the necessary documents for employing my field assistant prepared (→ see section C administrative fieldwork preparation and the template contract for research assistance abroad in section E)? What agency and role status does the field assistant have in the research? How do I anticipate potential risks that the research generates in terms of my research collaboration? Do I have a platform to discuss issues that may emerge? Are mutual expectations agreed upon (in terms of overstepping 'limits' or taking risks)? What receipt and refund policy for expenses have I agreed upon?

There might be agreement/contract with a translator for the time of the field work as well as an agreement/contract for a translator for transcribing the interviews afterwards.

Compensation and reimbursement policies will be transparent and fair.

University and field country legislation

What permits do I need to conduct this research (visa, research permits, university letters, business cards, government letters etc.)? Do these documents limit my field access in some way? How can this be improved? How does this influence my data? Do these documents put me or my collaborators at risk in any way? How do I avoid this?

I have secured the necessary research permits and visa before fieldwork. This specifically includes letters of introduction from my university and invitation letters from local host and of the Institute of African Studies from the University of Ghana.

Personal health and safety

Do I have the necessary gear? What are my first steps in the field? How do I get from A to B? Do I know what to do if I get sick in the field? Do I have my health insurance and necessary vaccination, medication and first aid gear ready? Am I at risk of becoming isolated? Do I have possibilities to build up a support system (e.g. timetable, places to hang, contacts to pursue, access to internet)? Am I in danger of being harmed by anyone in the field (research informants, assistants, authorities)? Do I know what to do in case of emergency (e.g. embassy, contacts on the ground and at university)? In what case do I mobilise them? If any of my field sites are in risk-prone areas, do I have a research safety protocol in place with my supervisor (→ see section D below)?

I have taken necessary health precautions, including vaccinations, health insurance, and first aid preparation. Transportation and accommodation will be planned with safety in mind.

Writing and dissemination

Does the information I plan to release based on my fieldwork have benefits and/or contain potential harm? Could my research findings be problematic and for whom? Will I need to censor some results and why? Am I clear about who owns my findings and my data? Am I happy with the confidentiality arrangements I have made? How do I plan to anonymise my informants? Does this influence the kind of analysis I am able to make? Are my research findings openly accessible to the public? Is it possible to make my collected data available to the public or for future research (e.g. by storing it in a digital repository)? Are my plans on how my data will be used and shared in line with what I plan to tell my research participants before asking them for their informed consent?

I will ensure that my findings will not harm participants. Findings will be made available to the public through the UZH library. Furthermore, the anonymization of certain participants will have no effect on the analysis due to the use of pseudonyms or code assignment.

Giving back beyond academic writing: sharing results

What is the best format to maximise the benefits of my research findings (to the research participants and other parties who might be interested)? How do I make sure that the knowledge generated travels back to research participants? Does this jeopardise the promises of confidentiality or anonymity I made? How will the information released best benefit the audience? Does it have a potential to do harm?

The findings of my research will (hopefully) benefit both the cocoa farmers and the LBC by highlighting important communication details regarding the producer-buyer relationship. It will inform policymakers and LBCs what services are well received by farmers and what can be improved in their incentives to farmers. At the end of the research, I will be sharing a summarized, or if requested, my full thesis with the organic cooperative and some relevant Swiss partners of the organic cooperative, if interested.

Giving back beyond academic writing: supporting research participants

Do I compensate participants? What material compensation can I supply for time and energy? What problems could emerge with compensation (e.g. making participants dependent on me financially and less able to pull out of the research)? How could I handle these? Am I engaging in activism or feeling responsibility to making changes? What are the consequences of my public engagement with the way my research results are perceived in the field?

I have taken necessary health precautions, including vaccinations, health insurance, and first aid preparation. Transportation and accommodation will be planned with safety in mind.

Personal declaration

I hereby declare that the submitted thesis is the result of my own, independent work. All external sources are explicitly acknowledged in the thesis.

I further acknowledge that ChatGPT and Grammarly were utilized during the completion of this thesis to assist with grammar, syntax, and sentence refinement.

O. Tolusso

Olivia Tolusso   Zurich, 24. October 2025