

Ivory Coast and Ghana note progress in making buyers pay cocoa premiums

By [Ange Aboa](#)

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Ivory Coast and Ghana on Monday noted that some cocoa buyers were complying with higher prices set to guarantee a sustainable income for farmers, industry bodies said in a joint statement, reiterating their calls for other companies to honour their commitments to pay more.



Ghanian cocoa farmer, Aziz Kwadio, 34, dries cocoa beans at his farm in the village of Essam, in the western region in Ghana June 20, 2019. Picture taken June 20, 2019. REUTERS/Ange Aboa

The world's top two cocoa producers set a 20 November deadline this month for cocoa buyers, including major chocolate companies, to account for a "living income differential" (LID) of \$400 per tonne of cocoa.

Cocoa industry players had agreed in July to back the LID, which Ivory Coast and Ghana introduced in 2019 to combat poverty among cocoa farmers.

Later that month, Ivory Coast's Coffee and Cocoa Council (CCC) and Ghana's regulator Cocobod refused to sell high-quality beans at a negative origin differential.

But buyers have been dragging their feet on the LID and new positive origin differentials, prompting Ivory Coast and Ghana to set the November ultimatum.



Cameroon, Nigeria request to join Ivory-Ghana cocoa initiative

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The Cote d'Ivoire-Ghana Cocoa Initiative (CIGCI) and its member countries met with cocoa and chocolate companies on 18 November "to take stock of the current situation", the CCC, Cocobod and the CIGCI said in a statement on Monday.

They noted "efforts made by certain companies" to apply the LID and a positive country origin differential and repeated their call for other buyers to follow suit.

To this end, a working group of experts from all sides has been set up under the auspices of the CIGCI to guarantee a sustainable price mechanism in the long term, the statement said.

The group is expected to provide recommendations by the first quarter of 2023.

Ivory Coast and Ghana had threatened to suspend companies' sustainability programmes if they did not comply with the 20 November deadline.

They also said buyers would no longer be given access to cocoa farms to count pods, which is key to predicting the size of crop yields.

Cocoa buyers have argued that it is not viable to pay so much for cocoa in the context of oversupply pushing prices down on the global market.

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