SMALLHOLDERS' INVOLVEMENT IN MODERN GHANA'S FARMING ARRANGEMENTS: LESSONS FOR DEVELOPMENT INVESTMENT

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INTRODUCTION

One argument that has always resonated against agricultural 'land grabs' in Africa is to what extent there could be alternatives to the prevalent 'development investments' in agriculture which gives rise to such land sequestrations in the continent.[1] Though arguments for the balancing of the needs of both investors and smallholders have been made, there have been doubts as to what form(s) such arrangements could take and the feasibility of investors reasonably obtaining the raw materials needed for their industries without severe loses in such arrangements. The aim of this paper is to contribute to this debate: to determine, through the privilege of hindsight which History provides, what forms agricultural engagements have taken in the past, critically examine them, and from that point propose 'what makes sense' from these as alternative(s) to such present socio-economic and political dilemma as land grabbing which has become pervasive in the continent.

Using Ghana as a case – the first part of a three-part multi-country study – this paper examines some key non-land alienating agricultural arrangements involving smallholders over a 50-year period (1957-2007). Indeed, if one looked historically at Ghana's agricultural development in this respect, three distinct types of agricultural production arrangements which engaged smallholders can easily be identified. These included: (1) 'independent farmers' – Commodity Marketing Boards (CMBs) arrangements, (2) contract farming, and (3) joint venture. The first was an arrangement introduced by the colonialist during the Second World War,

but which was adopted by independent African countries with the end of colonialism. Here, smallholders remained quite independent and autonomous, but were provided some incentives to produce cash crops strictly for sale to the CMBs.

The second model, contract farming, is carried out according to a prior agreement, which established conditions for the production and marketing of farm produce. Thus, the farmer commits to producing a given product in a given manner (quality, quantity and period), while the buyer commits to purchasing the produce at agreed guaranteed price, and, in most cases, to support production through needed logistic and/or technical assistance. The last, joint ventures, are business arrangements between two or more parties – one or more being smallholder farmers' union(s) – agreed to jointly develop a new enterprise with shared ownership, assets and liabilities, by pooling their resources.

This study would evaluate each of these production arrangements against four sets of values (variables), namely: (i) welfare and progress, (ii) autonomy and 'voice', (iii) minimal conflicts and productivity, and (iv) sustainability.[2] Each of these arrangements[3] was found to be quite distinct from the other. Not only is this true due to their legal constitution – a very important aspect in such arrangements – but also because such dictates of the agreements eventually determined the level of smallholders' involvement/participation and stake in such arrangements. Of course, none of these models was perfect; but each, to some extent offered some opportunities to local farmers (supported them and improved their market access, unlike hitherto was the case), and/or constrained and exploited them in certain aspects. Thus, to a significant extent, the specific terms of each model determined the nature of smallholders' socio-economic conditions and individual goal actualization, particularly as the sustainable livelihoods of many smallholders depended directly on their ability to produce and market their agricultural products.[4]

The approach to this study is both descriptive and normative. Normatively, the study would examine if and how far each arrangement represented a true case of productive and positive relationships between or amongst the interested parties. In the main, the arrangements would be evaluated based on whether they protected and projected the autonomy of local smallholders, led to their material welfare and progress, as well as produced minimal conflicts within the system and at the same time stimulated productivity. The primary objective, therefore, is to evaluate as to whether and how far each of the agricultural arrangements achieved the normative concerns which have been laid. The analysis focuses only on examples from Ghana, while attention would be on the cocoa and oil palm sectors - two of the most significant agricultural export crops in the country's history - of the overall agricultural production. This is particularly so as Ghana, to a very large extent, represented certain levels of 'success stories' in these sectors.

COCOA AND OIL PALM IN GHANA' ECONOMY

Though cocoa was grown and harvested usually on small family farms of a couple acres in size,[5] its importance to the socioeconomic development of Ghana cannot be over-emphasized. Cocoa is Ghana's greatest industry,[6] chief agricultural export and main cash crop,[7] and the backbone of its economy.[8] It contributed to socio-economic development in varying ways, being a major foreign exchange earner and contributor to Ghana's GDP,9 generating about 30% in export revenue.[10] Ghana became the second largest cocoa exporter in the world in the late 1960s,[11] and over a period of two decades since the 1970s, it gradually increased its cocoa output.[12] Similarly, since the colonial times, Ghana has remained a big player in the global cocoa economy. Out of five countries – Côte d'Ivoire, Ghana, Indonesia, Nigeria and Cameroon – which accounted for 87% of cocoa exports between the years 2007 and 2011, Ghana's individual exports represented 21.7% (second place) of such global exports.[13] As aptly noted in simple terms as the topic of a critical study: "Cocoa is Ghana, [and] Ghana is Cocoa".[14]

Oil palm crop is also critical to Ghana's economy, being a dominant source of its foreign exchange since the colonial era. Ghana has a long history of palm oil production, having it as its primary export crop in later part of the 19th century and the early part of the 20th century.15 Ghana's Crude Palm Oil (CPO) production increased over time since 1970s to more than 120,000 metric tons annually.16 Furthermore, over the past 30 years, Ghana's Fresh Fruit Bunches (FFB) yields have been 6 tons per hectare.[17] Though Ghana is currently responsible for only 0.8% of the total world FFB production from Africa, and has failed to translate its potentials in the palm oil sector into tangible success, the country's leaders have used it (palm oil) as stepping-stone to wealth and power since the sixteenth century.[18] Palm oil production remains a major vocation in most of Ghana's rural communities,[19] where locals have continued to process it using artisanal techniques on a small scale.[20]

FARMING ARRANGEMENTS: EVIDENCES FROM THREE CASE STUDIES

In this section, three case studies would be evaluated under the three broad farming arrangement themes. In each of these cases, one would observe the nature and dynamics of the agricultural arrangement, and its overall effect on smallholders' wellbeing and output, given the values which have been laid out earlier on. The idea is to examine these cases to find scenarios of best practices within agribusiness that do not expropriate land from the local, but equally lead to the mutual benefit to both parties involved in the arrangement.

INDEPENDENT SMALLHOLDER FARMERS' ENGAGEMENT WITH CMBS

One of the arrangements through which export crops have had markets beyond the shores of Ghana was that between local smallholders

("producers") and the statutory export CMBs. The origin of CMBs in West Africa lies in the emergency control measures instituted by the British Government in its colonial colonies during the Second World War "to keep the price paid to the producer from falling when part of the world market was cut off".[21] This introduced a single buying/exporting agency administered by the Ministry of Food in London through the colonial governments to control the cocoa and oil palm markets.[22] This was the beginning of the statutory monopolies applied to most West African exports by a succession of British produce control boards.[23]

CMBs became formally established in the post-war era in 1946 in pursuance of the policy laid down in the *Report on Cocoa Control in West Africa, 1939-1943* and *Statement on Future Policy*, 'Cmd. Paper 6554' of 1944.[24] Marketing boards were statutory, compulsory, monopoly institutions, empowered and sponsored by the government to perform diverse functions of marketing (pricing, buying and selling) of major agricultural produce. Their powers ranged from advisory and promotional services to full control over output and sales.[25] After independence, the government of Ghana followed on from structures set up by the former colonialists, utilizing the CMBs until sometime in the mid-1970s when it liberalized the agricultural export sectors. In the following case, the engagement of smallholders with CMBs is examined.

As we have noted earlier, cocoa has been Ghana's greatest industry and has contributed significantly to its socio-economic development in diverse ways. The attainment of such goals has been mainly through the activities of the Cocoa Marketing Board of Ghana, later named the Ghana Cocoa Board (COCOBOD), which had a legal monopoly in internal marketing and export of cocoa, and thus, comprehensively controlled the sector.[26] These were the successors of the Gold Coast Cocoa Marketing Board which was established in 1947 following the acceptance, in two Cocoa White Papers (in 1944 and 1946 respectively), of the conclusions and recommendations of the Nowell Commission.[27] The Board had a

proven comparative advantage for the production, modelling and supply of good quality bulk cocoa.[28] However, this came with a price on the wellbeing of the farmers.

Most cocoa production in Ghana was carried out by peasant farmers each working a few acres, though a small number of farmers appeared to have dominated the trade – it was estimated that about one-fourth of all cocoa farmers received just over half of total cocoa income.[29] It was these farmers that COCOBOD engaged in the historic cocoa production in Ghana. It is noteworthy that since these farmers needed varied kinds of assistance – with inputs, credits, technical services and advices, and so on – these were made available by COCOBOD prior to the harvest season on loan basis. The farmers thus committed to pay back the loan after harvest with part of their produce. These were deducted from the farmers' output before calculations for the final payments were done. This was a lot easy to manage as COCOBOD acted as a monopoly, therefore, was the sole buyer of the farmers' produce.

COCOBOD's main goal was stabilizing the price paid to the cocoa producers,[30] because "sharp fluctuations in cocoa prices, whether up or down, have serious effects by creating unstable conditions".[31] In other words, it was meant to stabilize producer prices, particularly in the case of products designed primarily for those export markets in which price fluctuations were most violent. The method was to impose a buffer between domestic producer prices and world market prices, which aimed to hold the former lower than the later in periods of high world market prices, and pay higher prices to producers in periods of low world prices.[32] The 'stability question' was frequently made reference to in several other published statements of the Board. For example, in one of such publications it was noted that "The most important result of the establishment of the Board is that the farmer gets a stable price each season and he is no longer subjected to the vagaries of a widely fluctuating market".[33] This was explicit and clear.

The Board, however, did not quite keep faith with such a role. Instead it seemed to have got distracted by some other attractions, which arguably were equally of immense importance, but outside of the Board's mandate. It quickly developed a bureaucratic image of itself as a profit-making entity, rather than a mere marketing agent, and with time there emerged a clear conflict of interest, particularly as COCOBOD had raked in so much money in its reserve. This was inequitable as many of the farmers were quite poor and the rate of its savings was noted as being greater than that of the farmers.[34] The defence given for the existence of the CMB began to steadily shift from stabilization of producer prices to mobilization of savings for the development of the cocoa industry.[35] In 1958 the GCMB Chairman wrote that "the Board has fully lived up to possibilities envisaged for it, for within the brief course of less than a decade, it has contributed decisively to the economic well-being of the country, has accumulated large reserves, and has now become the chief instrument of Government financial policy."[36]

The farmers did not all share this view as these were pure deviations from the Board's original objective – farmers' price stabilization. This spurred a wave of resentment across the country, and its aftermath was part of what led to the unsuccessful Ashanti secessionist movement in 1954.37 In Ghana's newly independent government, the "emphasis further shifted from using the CMB revenues for the development of the cocoa industry to using them for the development of the national economy,"38 as Kwame Nkrumah's government was to depend heavily on the Board's surpluses and the cocoa duties to finance his national development schemes which culminated in the Seven-Year Plan of 1963-64. This correspondingly meant that farmers' interest, which was the original reason for the Board's establishment, then had to suffer even more.

Besides the question of its inequity, there was also the issue of the low price paid to the cocoa farmers for their produce. This was noted to be very low – well below the world market price levels at which the Board

eventually sold the produce. This was even after allowing for the expenses of operational and government export duties, and thus accumulated large surpluses.[39] This practice, it was argued, discouraged production – a reason why such prices were consistently raised every year since 1966 but one.[40] Despite this fact, it was still below the world market price levels until the liberalization of the sector in 1992- Again, some financial obligations incurred during production often forced the farmers to dispose of their produce immediately after the harvest, often at low prices. Such distress sales kept the farmer in vicious cycle of poverty. There were also cases of price exploitation by marketing boards through the covert use of false weights and measures by the notorious, COCOBOD's cheating clerks, *Kookoo Krakye*.[41]

Beyond suppressing the price producers received for their crops, the Board' agents were also known to harass farmers attempting to bargain' with the COCOBOD officials, or wanting to form a formidable union to protect their interests.42 There was also the issue of the loss of dignity and respect on the part of the farmers, as they were often made to feel valueless and non-existent. For instance, extension workers who frequently sprayed cocoa farms often arrived and did their work without first talking to the owners of the farms – the farmers. In fact, as one farmer aptly noted, they were "not even farmers", but reduced to "just tree minders."[43] This may not have been unconnected with the perceptions of the cocoa farmer right from the colonial administration (by the Colonial Department of Agriculture) as a "stubborn, backward and ignorant peasant",44 and as "helpless, ignorant primitive peasants", as observed by a 1955 FAO report.[45] The cocoa farmers objected to the view held of them. For instance, Nana Ofori Atta had this to say during the Legislative Council Debates 1925-6;

My conviction is that the cocoa farmer, speaking with all due respects to all responsible people who hold a contrary opinion, is not guilty of being so lazy and so careless doing things that he does not care whether he earns his livelihood or not. I desire to take this opportunity of recording

most emphatically our deepest resentment at the idea which seems to prevail in certain quarters that the native farmer is, and can be, content with any price that is offered him for his commodity.[46]

However, the Board under the post-colonial (independent) Ghanaian governments continued with the very derogatory colonial paternalistic perception and stereotype of the farmers,[47] and did very little to better their situations. In the newly independent Ghana, the farmers' cooperatives were nationalized, and over the subsequent decades, smallholder farmers' status, opportunities and remuneration declined.48

In evaluating this Smallholders' – CMB arrangement, one could argue that it was clearly an example of the exploitation of local farmers, which is not uncommon in developing countries generally. It is axiomatic to note that the root cause of such exploitation was particularly the asymmetric power structure in the arrangement - powerful elite-led monopolies with very strong government backing and support as against a poor and unconnected local peasant farmer with insignificant smallholding. Such an arrangement emanating from this perception would often produce faulty and disastrous outcomes. Such asymmetries of power necessitated the CMBs' activities that were inimical to the development of smallholders who often sold their produce at unfavourable places, times and terms. Such arrangement hampered farmers' welfare and progress. Again, the mode of operation of the CMBs equally meant that the local farmers rarely had autonomy and/or voice. Though they were noted as 'independent', their poor nature as well as the fact that they depended on the CMBs for critical assistance in the production effort meant that they essentially lost autonomy, while the business environment, especially the activities of the CMB agents, led to the loss of 'voice' in this arrangement.

A report noted that on average, the families of small-scale cocoa farmers made do with less than $2.00 USD per person a day.49 Unfortunately, many of the farmers lacked the resources – finance, technical knowledge and in particular the entrepreneurial skills to use

modern technologies and expanding agricultural markets – to boost their income. The high dependence on cocoa production often as the only source of income coupled with highly fluctuating prices on the world market led to impoverishment.[50] Beyond merely complaining about falling income, many farmers equally expressed frustration and rud their loss of dignity in this arrangement. This was the result of years of degrading and exploitative treatment at the hands of the *Kookoo Krakye*. For instance, these COCOBOD's clerks and agents abused the farmers in diverse ways: they used fixed scales, underpaid and issued bounced cheques, engaged in systematic bribery, stole from and were disrespectful to farmers, and considerably harassed them for complaining of misdeeds.[51]

The power asymmetry involved in this arrangement ensured less conflicts between the parties. Indeed, it was basically a situation where the CMB dictated the terms and the farmers merely obeyed, due to the said power structure. This is more so as the farmers had families to take care of, as well as many other responsibilities they attended to. Thus, they had an incentive not just to produce, but also to sell their produce at whatever terms were given, but grumbled thereafter. In other words, the issues of conflicts and productivity were relatively adequately taken care of within the context of this arrangement. On sustainability matter, one would notice that the system crumbled, and Ghana had to liberalize the agricultural export sectors of the economy. Truly, the practices and notoriety for which the CMB was known made the arrangement undesirable, counter-productive, and as such quite unsustainable. One must add that its failings were caused because they were used by these African governments mostly as political patronage instruments. Thus, they failed irredeemably.

CONTRACT FARMING ARRANGEMENT: THE OIL PALM SECTOR

A major policy focus in agricultural development of the 1970s targeted the small-farmer in a different way and radicalized changes in the sector, with an enhanced capacity to manipulate nature. Resulting from these developments in the late 1970s was "contract farming", which emerged as one of the strategies of rural transformation in Africa.[52] This agricultural commodity production model had existed long before this period, particularly in the developed economies. Its appearance in many developing economies, thus, reflected an extension of agribusiness operations of many transnationals who required a less expensive means of obtaining raw materials for their industries. Contract farming involved the pre-agreed supply agreement between local farmers and a buying company, in which the farmers committed to growing and delivering agricultural produce of specified quality and quantity at an agreed time and usually at a specified price, while the company provided upfront inputs (such as credit, farming needs and technical assistance), all of which may be charged against the final purchase price.[53] As would be expected, there were diverse viewpoints, purposes, commodity orientations and a variety of methodologies on this agribusiness model. Since the past decade, this model has become a formidable trend in agricultural production in Africa. The interrogation of its workings in this section would suffice.

With real concerns in official circles of the new Ghanaian government about the increasing imports of vegetable oils into the country in the 1960s, serious thoughts were given to the need to increase oil palm production in the country. This eventually resulted in a joint Government of Ghana and World Bank project with local farmers – the first of its kind in Ghana. This led to the establishment of the Ghana Oil Palm Development Company (GOPDC) in 1975 with a 13.6 million dollar loan from the World Bank.[54] Kwae and Okumaning areas in the Eastern Region of Ghana were selected as sites for the GOPDC project, and involved the expropriation of large swatch of lands being farmed by about 7,000 local farmers at the time.[55] The displaced farmers were only paid compensation for the crops on the land, since they only had usufruct rights to the land, according to the

customary land law.[56] Additionally, the expropriated were not provided with alternative lands.[57]

The Kwae estate had a total concession of 8,953 hectares, of which approximately 5,205 hectares were eventually developed. Besides the nucleus estate, there were 349 hectares of smallholdings within the concession. The second industrial plantation, the Okumaning estate, had a total concession of 5,200 hectares, of which about 2,500 hectares were ultimately developed. The project was not able to use all of the concessions, as some persons and communities refused to vacate their lands.[58] Each of these plantations was complemented with an oil palm mill with a capacity of 15 tons of fresh fruit bunches (FFB) per hour.[59] GOPDC production strategy was organized along three production domains, though, as Nisiful noted, from all purposes, they were all treated the same way.[60] The domains were:

1. Nucleus plantation developed from part of the expropriated lands with hired wage labour;

2. Supervised smallholder scheme with farmers who were allocated portions of the expropriated lands; and

3. Outgrowers' scheme, in which farmers grew oil palms on their lands.[61]

These three groups of local farmers were 'mature'[62] because the nature of the tasks that these growers were expected to perform were those that were onerous and demanded "a great deal of physical strength or many farmhands."63 They would also be contracted by GOPDC to grow oil palm crops with some aid. Hence one of the requirements for the selection of a possible contractor was that he or she "should be married and have children living at home (the greater the number of children, the more attractive the candidate)."[64] An ideal family size for the contractor was set at seven: a

conjugal unit of husband, wife and five children.[65]

The contract was really on a 'co-investment' basis: the farmers put up a portion of the investment cost by making available their lands, time and energy at planting time, while GOPDC offered both logistic and technical investment in the form of loans. The loans were mostly in kind and included: oil palm seedlings (one year old, germinated, disease-resistant), bags of organic fertilizer (for the first three years), Wellington boots, farming implements (machete and hoes), wire nets (for protection of the young seedlings), Pueraria seeds (for establishing a cover crop under the oil palm trees), and money for hiring labour.66 Meanwhile, GOPDC equally provided access roads, technical assistance – advice on sound agronomic practices, as well as fruit collection services and organic pest management.[67] The provision of inputs was not free, but took the form of a loan, which attracted compound interest. The farmers had a grace period of six years before starting to repay the loan. By the sixth and seventh year the farmers paid off the compound interest and, from then onwards, the principal loan began to be deducted.

In the contract, which duration was intended to last about twenty-five years - though it actually lasted until the loan was paid off, which in turn depended upon the yield of the farm - these farmers undertook to grow the oil palm crops according to the guidance and dictates of GOPDC, as well as to deliver and sell all (100%) of their produce (FFBs) to the company, at the farm gate.[68] It was from these fruits that deductions, accounting for about 20% of the farmer's harvest over a twenty year period, were made in repayment of their loans.[69] Indeed, this is likely a conservative estimate as it has been suggested that the actual proportion of the farmer's yield taken by GOPDC may be close to one third.[70] Furthermore, according to the contracts, the GOPDC also solely determined the prices it would buy the fruits from the farmers. Failure to comply with or honour the terms of the agreement could lead in expulsion from the land for the first two groups, while in the case of the outgrower the GOPDC occupied and worked their palm plantations until the loans (including the

compound interests) were paid off completely.[71]

On the one hand, the 'hired labourers' and 'smallholders' were each allocated eight hectares of the expropriated lands, which they had to place seven hectares under development into oil palm plantations. On the other hand, 'outgrowers' were encouraged to take up oil palm production on their own lands and then contracted by GOPDC through strategic support with loans to establish oil palm plantations. Amanor estimated that outgrowers provided the GOPDC with palm fruits from around 13,000 hectares of their own land.[72] A good number of the farmers considered this GOPDC 'outgrower contract' a variant of *abusa*[73] - share contract - in which the company took a share for its provisions of credit and farm inputs.74 As they reasoned in this respect, the yield was divided into three: the landowner took one part for providing the land, the tenant a second part for providing his labour, and GOPDC a third part for providing credit and farm inputs. This system was compared to a mortgage in which the farm is pledged until the loan is repaid; in this case, however, it was the farm and the labour of the farmer that were pledged.[76]

GOPDC also set up, within its outgrower system, clearly *abusa* (share contract) arrangements with local *abusa* farmers.77 As many land owners were unable to develop their lands because they lacked labour and/or capital to hire labour, they looked to contract their land out to tenant farmers with capital to develop a plantation in which they gained specified shares. This situation in the local economy enabled the GOPDC to exploit the agricultural production system, loaning inputs and credit to both landowners and tenants. This was cheaper than GOPDC employing workers directly, and having to make the necessary social welfare provisions.[78] In this respect, the proceeds received by the farmer was further divided by the company; one third went to the land owner and two thirds to the tenant farmer.[79] This reflected not only the prevalence of sharecropping in the local agrarian economy, but also the scarcity and the high cost of inputs. In the *abusa* arrangement, the tenant retained the plantation for as long as the trees continued to bear fruit, which with oil

palm, could be up to about 30 years.[80]

There existed mixed perceptions of the GOPDC contract project. Initially popular and well embraced by many farmers who, on account of inability to afford the necessary inputs for plantation development, were attracted by its 'loans', the nature of the contract gave considerable concern to the local farmers.[81] Many farmers considered the GOPDC, particularly in relation to its contract terms and conditions for production, an exploitative company.[82] They argued that GOPDC administration involved cheating because farmers did not understand the procedures by which GOPDC calculated and arrived at its computations of the share of produce that was deducted as its own proportion, to pay off loans and the compound interests,83 while prices dictated, fixed and paid by GOPDC to farmers for the oil palm fruits were often below local market prices.[84] As was clearly noted, this was the aspect which most disgruntled the farmers.[85]

The prices were set at about 10% of the world market price for palm oil – a mechanism which was established by the World Bank and is typical of global norms in the palm oil industry and "also corresponds to the norm in modern agribusiness in which no more than 10% of the value of agricultural produce is produced on farm, and the rest is accounted for by inputs, food processing and marketing companies."[86] As Gert Vandermissen explained:

They sign a contract agreeing that for seven years, they don't have to pay anything back. Then, in the repayment period, it's a very spread out loan, since we know that yields build slowly... After year seven, each time the smallholder delivers fruits, we deduct for example 10%; once the annuity has been paid, the farmer gets the full value of his crop. This percentage can be flexible depending on the farmer's budget, and linked with low or high world market prices for palm oil.[87]

That many of the farmers disliked the GOPDC scheme and were unhappy with its contracts was obvious. As a result, they made efforts to

sabotage the system, often diverting their produce to the local or other nearby markets.88 As one of the GOPDC administrators explained: "They have an obligation to sell to us based on the contract. But when the world price is low, it's harder to get them a good price, and they'll try to seek out a better one."89 As a result of this trend, the GOPDC established a "costly security force to police the movement of palm fruit".[90] Furthermore, many farmers became reluctant in joining the GOPDC scheme, but rather looked to establishing their own independent plantations and farms, if they had the means of doing so - of course, the capital to pull it off was often a major constraint.[91] When successful, these were known as "private" palm farms in contrast to the GOPDC plantations, but similar to the GOPDC scheme: they utilized the row planting techniques as well as the improved modern oil palm varieties[92] - competences and seedling variety they acquired while in the GOPDC scheme - while they sold their produce elsewhere, largely at the urban market and not for GOPDC.[93]

Because of this development the loan repayment system broke down and most farmers defaulted in repayment, even after twenty-five years that the scheme was supposed to last.[94] Indeed, this was a very severe problem for the GOPDC as the objectives of its existence became heavily threatened.[95]

By way of evaluation, one needed to point out that, as in the previous comparative sample too, this arrangement not only insulted the farmers, but equally denigrated and discouraged their efforts. Take for instance, the idea that an ideal farmer should be one with a family size of about seven persons, all of whom were expected to help out with farm work. Sometimes one really wondered if such terrible conceptions really had international sanction and approval of an establishment like the World Bank group. Could this pass for an acceptable best practice recommendation elsewhere? It was equally slighting to think that the prices of the FFBs were determined by the company without any input from the farmers. From its structure, planning and execution details, the feeling one

gets about this arrangement is that it was misguided and failure-prone. This is particularly so as the farmers' as well as their families' progress and material welfare, were heavily compromised in this arrangement. One thinks that the arrangement specifically targeted and exploited the farmers' poverty and vulnerability, hoodwinked them with offer of much needed logistic and technical assistance, and then maximized its chance at opportunism with such stipulations in pricing. Once in, the farmers lost control of their autonomy, but only strived to meet up with the demands of the project or be in debt – a situation they detested. They equally lacked a voice as their grievances were hardly listened to or dealt with.

Obviously too, as would be expected from the scenario above, this arrangement engendered lots of conflicts between the parties and eventually, ultimately crashed the project, and by implication, productivity. Without any doubts, the way and manner the project was handled/run stifled whatever goodwill and trust that existed between the parties, thus making this arrangement largely unsustainable and failure-prone. However, this is not an assessment for or representative of contract farming projects in general. Indeed, each project's contract specific terms, to a large extent, determines whether it fails or succeeds. In other words, "for even the most enlightened business models, the devil is in the detail."[96] As aptly noted, "contract farming may be a vehicle for supporting farmers and improving their market access, labour and carry production risks."97

JOINT VENTURE ARRANGEMENT: THE COCOA SECTOR

Joint ventures are extremely versatile arrangements whereby two or more parties jointly ran a venture. Each party contributed to the joint business, whether in cash (capital) or in kind (e.g. land/natural resource rights, technology, know-how, and so on), and participated in any profits or losses made by it. As would be expected, joint ventures may have varying degrees of input (involvement and participation) and formalisation. This sub-section examines a notable joint venture experience of Kuapa Kokoo

Farmers' Union (KKFU) in Ghana and the varied implications and impact of this business adventure for the many local smallholders involved in the project.

As Tiffen instructively noted, "[T]he story of the formation and extraordinary results of the Kuapa Kokoo group is a tale of constructing a farmer-rooted response to liberalization".[98] As we have seen earlier, Ghana's state-controlled COCOBOD, right from its inception, totally dominated all aspects of the cocoa industry and deliberately frustrated and/or destroyed the will of cocoa farmers to have an organizing power. However, the liberalization of cocoa's internal market sounded a death knell on the monopoly of COCOBOD. This new development created some real challenges for the local cocoa farmers, as it presented both opportunities and dangers for them.

On the one hand, they did not like the old system headed by COCOBOD's notorious *Kookoo Krakye*: they used fixed scales, underpaid and issued bounced cheques to the farmers, engaged in systematic bribery, stole from and disrespected farmers, and considerably harassed farmers for complaining of misdeeds. On the other hand, they also feared and resented the arrival of new private buyers who, they believed, would not be accountable to anyone at all.[99] Thus, the liberalization was perceived as a relief. When Ghana's government published the new regulations for its commencement, a number of leading farmers, including a visionary farmer representative on the Ghana Cocoa Board, Nana Frimpong Abrebrese, saw it as an opportunity to organize, as farmers, and seek new directions. Such opportunity clearly meant the farmers could organize and establish a company to sell their cocoa to COCOBOD, which was to continue as the single exporter of Ghana cocoa.

Between October 1993 and February 1994, despite severe difficulties,100 the cocoa farmers 'collectivized' and managed to stand together as farmers' cooperatives. At village level, the new organized farmers' groups were called *Kuapa Kokoo*101 village 'societies'. Nana

Abrebrese linked up an amalgam of these local cooperatives with Third World Information Network (TWIN) Trading, a UK-based charity, which then found a willing partner in the Dutch development-oriented Non-Governmental Organization, SNV Netherlands Development. Both foreign organizations had a focus on rural development, gender, and participatory techniques,102 and were prepared to support the local efforts to get a new, all-farmer-owned company off the ground.103 This was followed by intense grassroots mobilization, awareness raising and village-level discussions about the historic change in the trading regime and the idea of starting a new farmer-owned company, which further led to "an upsurge of interest in joining the initiative."[104]

In the course of time, the company, named Kuapa Kokoo Limited (KKL), was formed. This was essentially achieved through three strategic breakthroughs: (1) a handful of 'founding father' farmers representing three regions staked the titles to their lands as collateral; (2) about 2,000 farmers from 22 villages volunteered to organize their facilities to satisfy the authorities;105 and (3) the financial backing in the form of a loan guarantee by Twin Trading and SNV.106 With this feat achieved and meeting all other necessary conditions, KKL presented its modest business plan to the special independent commission established by COCOBOD so as to obtain a licence to trade. It was issued an operational licence as a limited liability company using a cooperative model,107 and began to trade legally.[108]

Once established, KKL strived to etch its name in history by bettering the plight of Ghana cocoa farmers from whom it bought cocoa for onward export and sale through the COCOBOD. This was not easy, as it started with an aggressive attack on the past Kookoo Krakye's bad practices, and went on to offer training opportunities to farmers and staff, both of which were shareholders in the company with rights to join the credit union (founded in 2000), and thus benefit directly from good financial performance.110 KKL equally earned high score of marketing

services satisfaction from non-member and non-coop village farmers due to its acceptance of cocoa beans from non-registered members and producers, all of who even received bonuses, exactly as if they were registered members.[111] Thus, through its hard work, perseverance and resilience, as well as dedication to stamp out corrupt practices in the industry, KKL became a standard setter for quality by its second season, and was reputed for prompt payment and "honest scales".[112]

Before too long KKL was transformed into a sophisticated multi-purpose cooperative organization and became one of the biggest cooperatives in Ghana.113 As at 2008, Kuapa Kokoo had about 50,000 farmer members in 1,650 village societies,[114] of whom above 75% were smallholders and 30% were women.[115] Apart from supplying 10% of Ghana's cocoa production,116 KKL likewise provided other services via the Kuapa Kokoo Farmers Union – a farmer's trust (Kuapa Kokoo Farmers Trust – a non-profit foundation), a credit group (Kuapa Kokoo Credit Union) and a chocolate company (Day Chocolate Company). Furthermore, KKL had the best overall credit track record of all new buying companies, with zero debt to the COCOBOD or banks[117] and its profit sharing and paying above the government's minimum recommended 'producer price' were uncommon elsewhere.[118]

The second part of the Kuapa Kokoo story is even the more historic and instructive. To be sure, prices for cocoa were set in international commodity markets and there was little information and experience about this at the village level where Kuapa Kokoo existed and operated. Thus, while one could argue that the role of the COCOBOD shielded millions of farmers from the unpredictability of the marketplace by offering guaranteed prices, it was also clear that such roles equally deprived them of insights and contact at the other end of the value chain where most sophisticated multinationals in the world existed.[119] Thus, as a product with no meaningful local market, many of the farmers were of the opinion that cocoa and the farmers themselves who grow it must be linked to the international marketplace to turn their crop into a commodity and income

provider. However, this was almost unattainable because, as Erin Gorman, the CEO of Divine US, had argued, "the market was structured in a way that prevented them from having that".[120]

Contrariwise, Kuapa Kokoo sought trade to be "more dignified for cocoa farmers and needed a way to communicate with people who ate chocolate, so they could understand why trade was unfair and what farmers aspired to: '...a dignified livelihood, [and] the best for their kids – education, health care'".[121] Thus, KKL pushed against the grain. Breakthrough was achieved in 1993 when Twin Trading (an alternative trade organization) and TWIN, Kuapa Kokoo's partners, facilitated Kuapa Kokoo's introduction and acceptance on the Fair-Trade Labelling International cocoa producer register. This was considered a major success particularly due to the enormous benefits that came with it. For instance, as Tiffen *et al* posited, fair trade – which was enforced (monitored and inspected producers and buyers to ensure confidence in the guarantees being offered) by an independent body, Fair Trade Labelling International – was about development and trading standards which stipulated that buyers must:

- Buy from registered groups which are democratically organized;
- Pay a price to producers that covers the costs of sustainable production and living – namely, not less than US$1,600 per tonne;
- Pay a premium that producers can invest in development – namely US$150 per tonne;
- Make partial advance payments when requested by producers;
- Sign contracts that allow for long-term planning and sustainable production practices.[122]

This international certification enabled importers, chocolate and cocoa products companies (like The Body Shop International, UK) to source beans from Kuapa Kokoo under fair trade conditions. Indeed, the contact Kuapa Kokoo had with the outside world - with companies and activists of all kinds - was largely attributable to its fair-trade links. The fair trade social premium fostered a wider programme of support to members and the communities in which they live.[123] Statistics showed that as of 2004 the output of Kuapa Kokoo represented about 8% of total world sales of cocoa. Of this, about 3% was separated and tagged for the fair-trade market which guaranteed a 'floor' price per tonne and a 'premium' per tonne for investment in community projects.124 This switch from being 'tree minders' to 'buyers and sellers' of their produce was "a leap of thinking for these farmers after many years of disempowerment."[125]

Part three of the Kuapa Kokoo story is even more enlightening. At its 4th Annual General Meeting in 1997, members of Kuapa Kokoo Farmers Union resolved to set up a company in the United Kingdom to manufacture chocolates. This feat they hoped to achieve by using *Paapa Paa*126 cocoa beans produced by members themselves. In 1998, Kuapa Kokoo partnered with Twin Trading and The Body Shop (and supported by Christian Aid and Comic Relief) to make a link with chocolate lovers by founding a new and unprecedented international joint venture, the Day Chocolate Company,127 with Kuapa Kokoo owning nearly half of its shares.[128] Day Chocolate produced and marketed Divine Chocolates bars (launched in 1999) and its gold-wrapped, milk chocolate coins, "Dubble Chocolate" (launched in 2000), both of which were quite popular in the UK.129 The company has also extended its business to the US as "Divine US."[130]

As about 10% or more of Ghana's population is dependent on

cocoa income, at least in some form, "the impact of radical business-oriented projects like Divine Chocolate from Kuapa Kokoo beans has been both economic and psychological."[131] For instance, since Kuapa Kokoo is a cooperative, every farmer member was a partial owner of the Divine Chocolate franchise. Accordingly, the Chocolate Company's dividends were distributed amongst Kuapa Kokoo farmers, as would the Company with any other shareholder.[132] In very simple terms, Anthony Bempong, President of the Ohaho Society of KKL, emphasized this dynamic thus: '...the profit comes to farmers; we're not just producers'.133 In another vein, Sophi Tranchell, Managing Director of Divine Chocolate (London), in noting the company's advertisements – which showcased female farmer members of Kuapa Kokoo in traditional/native attires holding bits of the chocolate – as unique selling point, opined thus: "Divine is owned by the farmers that grow the cocoa – members of the Kuapa Kokoo Cooperative".[134]

Like should be expected, farmer members of Kuapa Kokoo were very proud to own shares in Divine Chocolate. This was for some good reasons. Firstly, it put more money into their hands, thus aided them to deal with family responsibilities. Secondly, it also gave them a voice in the global trade of chocolate, a by-product of their farm produce. Thirdly, both the first and second scenarios earned them profits which in turn were invested in social projects, particularly through the Kuapa Kokoo Farmers Trust which managed the premiums from sales of cocoa to companies abroad through fair-trade.[135] The Trust received all general funds meant for Kuapa Kokoo Farmers Union from abroad and utilized such funds in undertaking various community social projects, after approval by the Annual General Meeting.[136] Thus, benefits from Fairtrade for Kuapa Kokoo and Day Chocolate Company flowed "not just from sales, but from the support and capacity building provided for general commercial expansion."[137]

The Kuapa Kokoo case provides a compelling argument in favour of a market-oriented cooperative development and partnerships in the agricultural sector. This is a clear example of how the neo-liberal environment facilitated the emergence of conscientious farmers' cooperatives, which have gone a long way in improving people's living conditions and, therefore, contributed directly to development.[138] Indeed, there was consensus that this arrangement has materially benefited farmers in the union, as well as their communities.[139] Beyond these, another important aspect of this development was that its positive effects were clear on the farmers as they reported "increased confidence and self-esteem flowing from upgraded roles in the value chain."[140] Even the 'ordinary farmers' in the villages reported a real sense of control.[141]

As a joint venture relationship, this arrangement provided a solid platform for local smallholders to not just innovate and operate more effectively on mainstream markets, but to improve their lots and those of their families. With such participation at this level, there was a marked reduction in vulnerability of diverse forms amongst the farmers. There was availability of credit which enabled the farmers to invest properly in their land and the quality of their products. In return, this had ripple positive effects in their diversification of income sources, domestic facilities and children's education.[142] This meant tangible improvement in farmers' material welfare and progress, as well as in the wider community. Ronchi's study noted how community members had remarkable positive views of improvements in different aspects of community life and the development of a new entrepreneurial spirit, especially amongst rural women.[143]

Members of Kuapa Kokoo equally reported that their association with Fairtrade had given them 'a voice' - supporting them to voice their concerns and opinions collectively at the national level – a platform not usually conducive for smallholders.144 Similarly, it also gave them remarkable global visibility, as well as good name and reputation.

Undoubtedly, the Kuapa Kokoo adventures also typically demonstrated how local smallholder producers, through the joint initiative, seized critical opportunities and were able to take control of their own lives and livelihoods.145 As a human organization and adventure, conflicts cannot be ruled out in such a joint business venture. But due to the nature of its structuring, these were minimal and easily resolved.[146] With such a credible and dedicated foundation, and with the determination of all the parties to succeed, sound productivity was achieved each year since the joint venture's founding. The farmers meet their targets – both in terms of quality and quantity – while the gains of their productive genius are equally evident amongst them. Overall, what seemed certain was that not only could one find clear evidence of positive changes, but the business also looked quite strong and sustainable.

CONCLUSION

A clear take-away one gets from the case studies is that other than investments in land, there certainly are other viable options available for agricultural investments, which can bring about mutual benefits to both the smallholders and investor(s). Their successes and feats may be possible only under certain conditions, most of which directly boarder on 'inclusiveness'. The idea of inclusiveness leads to social value creation in an agricultural project. This is diametrically opposed and stands in contrast to the Global Value Chain approach,147 which is what most investors in Africa's agriculture focus on. Based on the assessment of the cases, it is clear that the more inclusive a project was, the more real benefits it attracted for the parties involved. For instance, the joint venture arrangement was the most inclusive, and the best in terms of meeting the aspirations of the parties involved – smallholders and investors – as indicative in the four values. In contrast, the contract farming and independent farmers' engagement with CMBs arrangements seemed to have produced regrettable results. Thus, what is needed in the agricultural sector is a new policy direction in inclusive agricultural development, redefining the whole notion of 'development investment' away from the capitalist

market logic which has largely failed.

Two fundamentals are necessary to be incorporated in such new model:

(a) *Investment in the farmers*, which would help them attain self-reliance and realization. The idea would be in looking at ways of creating social value in a much broader sense, involving the investing (towards improvement) in local smallholders' potentials, capabilities and capacities – not only or always in their farmlands. In this respect, smallholders could be given necessary motivational incentives and support to produce what the investors need, both in terms of quantity and quality, and at the same time find ways of improving themselves through diverse opportunities. Efforts in this line should not only involve the boosting of and improvement upon local smallholders' potentials – skills, experiences and competences – but also the boosting of their morale, image, self-esteem, and confidence. With such enhancement of the farmers' self-reliance as well as self-realization, the impact of its reach was beyond these farmers; it reached the farmers' families and went well into the wider community. In this respect, Kuapa Kokoo's experiences and institutional successes readily come to mind.

(b) *A paradigm shift in the investment structure regarding 'ownership' and responsibilities*, which alters and re-balances the existing asymmetric order in most agro-development investments. This strategy of normalizing or rectifying power relationships (smallholder - investor power asymmetries) in the agricultural productive chain, naturally flows from the first ideal. Thus, a focus on enhancing the competences of smallholders should come with yielding them responsibilities as partners and stake-holders in agricultural development production chain. This arrangement not only gives the local landholders/farmers some measure of monetary benefits, but equally greater responsibility and a 'voice' in the development. The premise in what follows is that in whatever practical mechanism of agricultural

development, the local smallholders can only derive critical benefits if they are 'involved' in (and are partners of) the investment arrangement(s), because they constituted one of the most critical stakeholders in that arrangement. Investors' willingness to work with smallholders as part of their core business, rather than as peripheral corporate responsibility initiatives, is central to success.148 Again, the Kuapa Kokoo example refers.

NOTES

1. Akachi Odoemene, "Rethinking 'Development Investment' in Nigeria's Agricultural Land," Global Economic Governance Policy Brief, University of Oxford (August), 2014. http://www.geg.ox.ac.uk/sites/geg/files/GEG%20Akachi%20Odoemene%20August%202014.pdf.

2. The first variable – material welfare and progress – has to do with the quality of conditions of the local smallholder farmers, especially with regards to their material welfare and that of their family, in relation to the production arrangement. In other words, the interest here is on how trends in each production arrangement affected the smallholders' condition – which should not be stagnated, but allows for upward socio-economic mobility, and wellbeing. Autonomy and 'voice', the second set of variables, focuses on the smallholders' freedom to control their lives, make their own choices of what they do with their lives and have a say (voice) within the context of such production arrangements. Of importance here are the ideas of 'self-determination' and self-dignity; in which case the farmers viewed themselves as not being abused, in bondage or slavery of sort. On the issues of minimal conflicts and productivity, one's focus here is on the ability of these production arrangements to have engendered lesser conflicts between and/or amongst the interested parties/groups - particularly smallholders and investors/partners - as well as mobilize enough efficiency of production in meeting desired production targets, both in quality and quantity. These are

critical for a workable partnership and relationship in the sector. Lastly, sustainability relates to the endurance of each of these arrangements and processes. In other words, the ability of each arrangement to be sustained - upheld and supported by the stakeholders in it - as well as its capacity to endure over time.

3. Without a doubt, each of these arrangements has certain kinds of 'subtypes', but the present study focuses on the major ones among these.

4. Adeolu B. Ayanwale, Luke. O. Olarinde; Olufemi A. Oladunni; Kalu S Nokoa; Adewale A. Adekunle and Olawole Fatunbi. 2013. "Enhancing Smallholder Farmers Income and Food Security through Agricultural Research and Development in West Africa: Impact of the Integrated Research for Development in the KKM PLS." paper presented at the 4th International Conference of the African Association of Agricultural Economists, Hammamet, Tunisia, (22-25 September).

5. Jeffrey A. Frankel, "Cocoa in Ghana: The Cocoa Farmers, the Cocoa Marketing Board, and the Elasticity of Supply," unpublished paper, Department of Economics, University of California, 1974, 1.

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6. Mercy Asamoah, F. Owusu Ansah, V. Anchrinah, F. Aneani and D. Agyapong, "Insight into the Standard of Living of Ghanaian Cocoa Farmers," *Ghana Journal of Agricultural Sciences*, Vol. 3 (5) (May 2013).; Frankel, "Cocoa in Ghana...," 1.

7. World Bank, "Supply Chain Risk Assessment: Cocoa in Ghana," Washington DC: World Bank, 2011.

8. I. Osei, "Sustainable Practices in the Global Cocoa economy- A producer's perspective," in Proceedings of the 4th Indonesia International

Cocoa Conference, 2007; www.askindo.org/conference2007/program.html-21k; http://www.cocobod.gh/cocoa_marketing.php (accessed: 10 December 2014).

9. Mohammed, Dawuni; Asamoah, David and Asiedu-Appiah, Felicity, 2012. "Cocoa Value Chain – Implication for the Smallholder Farmer in Ghana," Department of Information Systems and Decision Sciences, KNUST School of Business, Kwame Nkrumah University of Science & Technology, Ghana.

10. Elmasoeur Ashitey, "Cocoa Report Annual: Ghana," GAIN Report, No. GH1202, USDA Foreign Agricultural Service, 2012.

11. *Ibid*.

12. Olajide O. Adeola, and J. E. Olawoye, "Market Access for Smallholder Cocoa Farmers in Nigeria: What Options?," International Food and Agribusiness Management Association Agribusiness and World Food Forum Symposium (June, 2014).

13. Boansi David, "Competitiveness and Determinants of Cocoa Exports from Ghana," *International Journal of Agricultural Policy and Research*, Vol. 1 (9), (2013), 243; ICCO. 2012. "The World Cocoa Economy: Past and Present," Report: EX/146/7 (26 July), International Cocoa Organization.

14. Lundstedt, Helena and Pärssinen, Sara, "Cocoa is Ghana, Ghana is Cocoa: Evaluating Reforms of the Ghanaian Cocoa Sector," Unpublished Master's Thesis, Department of Economics, University of Lund (26 October, 2009). The importance of cocoa to the economy even meant that there was a Minister for Cocoa in the 1970s, while in the 1980s and early 1990s supervision of the sector was under the Office of the President. Remarkably, the country's first university, University of Ghana at Legon, owes its establishment to cocoa farmers and their resources.

15. Edwin A. Gyasi, "Emergence of a New Oil Palm Belt in Ghana," *Journal of Economic and Social Geography*, Vol. 83 (2008).

16. ACET. 2013. "Pathways to Transformation: The Oil Palm Value Capture Opportunity in Africa" (July) African Center for Economic Transformation.

17. *Ibid*, 31.

18. Toovey, Francis William. 1952. "Oil Palm Research," *Nigerian Produce Marketing Board Journal*, Vol. 1 (March), 13.

19. Poku, Kwasi. 2002. "Small-scale Palm Oil Processing in Africa." FAO Service Bulletin 148.

20. *Ibid*.

21. Frankel, "Cocoa in Ghana...," 2.

22. Blandford, David. 1977. "Export Monopoly Marketing Boards: A Review of Performance," No. 77-14, (May).

23. Frankel, "Cocoa in Ghana...," 3.

24. Acland, Sir Richard. 1951. "West African Marketing Boards," HC Debate, (11 May), Vol. 487.

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25. Lovelace, Jason A. 1998. "Export Sector Liberalization and Forward Markets: Managing Uncertainty during Policy Transitions," *African Economic Analysis*:

http://www.africaeconomicanalysis.org/articles/gen/financialmarketshtm.html (accessed: 08 March 2015); Acland, "West African Marketing Boards".[cite: 13]

26. In the case of palm oil in Ghana, the main parastatals were entrusted to contracted private management which, though were able to exercise considerable government influence in the sector, is not quite suited for our purposes here.[cite: 13]

27. The Nowell Commission reasoned that the pre-Second World War marketing system was unsatisfactory, and recommended that the marketing board system be continued after the war.[cite: 13]

28. Gockowski, James; Victor Afari-Sefa, Daniel Bruce Sarpong, Yaw B. Osei-Asare and Ambrose K. Dziwornu. 2011. "Increasing Income of Ghanaian Cocoa Farmers: Is Introduction of Fine Flavour Cocoa a Viable Alternative," *Quarterly Journal of International Agriculture* 50 (2), 177.[cite: 13]

29. Clark, Nancy L. 1994. "Agriculture," in Berry, La Verle (ed.), *A Country Study: Ghana* (Washington DC: Library of Congress).[cite: 13]

30. Frankel, "Cocoa in Ghana...," 3.[cite: 13]

31. Ghana Cocoa Marketing Board (GCMB), 1956. "Annual Report," No. 2 (Accra), 3.[cite: 13]

32. Ilorah, Richard. 2005. "Nigerian Commercial Farmers versus Government Commodity Marketing Boards: Revisiting the Cost of a Partnership Gone Sour," *Development Southern Africa*, Vol. 22 (5), 644-5.[cite: 13]

33. Ghana Cocoa Marketing Board (GCMB), 1958. "Newsletter," (January, Accra), 6.[cite: 13]

34. Frankel, "Cocoa in Ghana...," 7.[cite: 13]

35. *Ibid*, 4.[cite: 13]

36. GCMB, "Newsletter".[cite: 13]

37. Frankel, "Cocoa in Ghana," 6.[cite: 13]

38. *Ibid*, 6.[cite: 13]

39. *Ibid*, 4.[cite: 13]

40. *Ibid*, 8.[cite: 13]

41. Tiffen, Pauline. 2002. "A Chocolate-Coated Case for Alternative International Business Models," *Development in Practice*, Vol. 12 (3-4).[cite: 13]

42. Tiffen, Pauline; MacDonald, Jacqui; Maamah, Haruna and Osei-Opare, Frema. 2004. "From Tree-minders to Global Players: Cocoa Farmers in Ghana," in Carr, Marilyn. (ed.) 2004. *Chains of Fortune: Linking Women Producers and Workers with Global Markets* (London: Commonwealth Secretariat).[cite: 13]

43. Tiffen, "A Chocolate-Coated Case...," 385.[cite: 13]

44. Frankel, "Cocoa in Ghana...," 10.[cite: 13]

45. Viton, Albert. 1955. "Cacao: A Review of Current Trends in Production, Price and Consumption," *FAO Commodity Bull* 27, 15.[cite: 13]

46. *cit.* Kay, 1972: 251.[cite: 13]

47. Frankel, "Cocoa in Ghana...," 1.[cite: 13]

48. Tiffen *et al*, "From Tree-minders...," 14.[cite: 13]

49. BMZ. nd. "Sustainable Smallholder Agribusiness in Western and Central Africa," a 2012-2018 study commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) https://www.giz.de/en/worldwide/16002.html (accessed: 23 March 2015).[cite: 13]

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50. *Ibid*.[cite: 13]

51. Tiffen *et al*, "From Tree-minders..."; Tiffen, "A Chocolate-Coated Case...".[cite: 13]

52. World Bank. 1981. *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* (The Berg Report) (Washington D.C.: World Bank).[cite: 13]

53. FSG Social Impact Advisors. 2011. "Improving the Livelihoods of Palm Oil Smallholders: The Role of the Private Sector," (Washington DC: World Bank Group); Vermeulen, Sonja and Cotula, L. 2010. *Making the Most of Agricultural Investment: A Survey of Business Models that Provide Opportunities for Smallholders* (London/Rome/Bern: IIED/FAO/IFAD/SDC), 39.[cite: 13]

54. Ntsiful, Anthony Kennedy, "Outgrower Oil Palm Plantations Scheme by Private Companies and Poverty Reduction in Ghana," unpublished Ph.D. Dissertation, St. Clements University, Turks and Caicos Islands, 2010; Amanor, Kojo S. "Global Restructuring and Land Rights in Ghana: Forest Food Chains, Timber and Rural Livelihoods," Research Report, No. 108, Uppsala: Nordiska Afrikainstitutet, 1999.; Daddieh, Cyril Kofie.

"Contract Farming and Palm Oil Production in Côte d'Ivoire and Ghana," in Little, Peter D. and Watts, Michael J. (eds.) *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa* (Madison, WI: University of Wisconsin Press, 1994).[cite: 13]

55. Amanor, "Global Restructuring..."; Daddieh, "Contract Farming...".[cite: 13]

56. Only those farmers who established land ownership by producing title deeds were to be paid compensation for their land, however, this was not to be since locals were not in the habit of registering their land (Amanor, "Global Restructuring...").[cite: 13]

57. *Ibid*.[cite: 13]

58. *Ibid*.[cite: 13]

59. Ntsiful, "Outgrower Oil Palm Plantations...".[cite: 13]

60. *Ibid*.[cite: 13]

61. Amanor, Kojo Sebastian and Diderutuah, Maxwell Kude, "Share Contracts in the Oil Palm and Citrus Belt of Ghana" (London: International Institute for Environment and Development, 2001).[cite: 13]

62. A vital condition was that the participants must be married, thus, the youth were tactically marginalized from the project.[cite: 13]

63. Daddieh, "Contract Farming...", 201.[cite: 13]

64. *Ibid*.[cite: 13]

65. *Ibid*.[cite: 13]

66. FSG Social Impact Advisors, "Improving the Livelihoods...", 16; Amanor and Diderutuah, "Share Contracts in the Oil Palm...".[cite: 13]

67. Ntsiful, "Outgrower Oil Palm Plantations...".[cite: 13]

68. *Ibid*; Amanor, "Global Restructuring...". Farmers wishing to use some of the fruits for domestic purposes, as would often be the case, were supposed to apply for a permit to do so.[cite: 13]

69. Amanor and Diderutuah, "Share Contracts in the Oil Palm...".[cite: 13]

70. Amanor, "Global Restructuring...".[cite: 13]

71. Amanor and Diderutuah, "Share Contracts in the Oil Palm..."; Amanor, "Global Restructuring...".[cite: 13]

72. *Ibid*.[cite: 13]

73. *abusa* is farming system in which land is given to farmers and the harvested crops were shared at ratio of 1:3 between landowners and farmers. It's[cite: 13]

98 NSUKKA JOURNAL OF HISTORY, VOL. 4, (2017), PP. 73-100[cite: 14]

contrasted with *abunu*, in which such harvested crops were shared equally between landowners and farmers. *abusa* or *abunu* largely depended on the type of crop being farmed – *abusa* was utilized for cash crops, *abunu* for food crops.[cite: 14]

74. Amanor and Diderutuah, "Share Contracts in the Oil Palm...".[cite: 14]

75. *Ibid*, 20.[cite: 14]

76. *Ibid*.[cite: 14]

77. *Ibid*, 14.[cite: 14]

78. *Ibid*, 21.[cite: 14]

79. *Ibid*, 14.[cite: 14]

80. Amanor, Kojo Sebastian. 2006. "Family Values, Land Sales and Agricultural Commodification in Ghana," paper presented at the international conference on the theme: 'Les frontières de la question foncière - At the Frontier of Land Issues,' Campus INRA-ENSAM 2 Place Pierre Viala - 34060 Montpellier Cedex 1.[cite: 14]

81. Amanor, "Family Values..."; Watts, Michael. 1994. "Life Under Contract: Contract Farming, Agrarian Restructuring, and Flexible Accumulation," in Little, P. and Watts, M. (eds.) *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa* (Madison: University of Wisconsin Press).[cite: 14]

82. Ntsiful, "Outgrower Oil Palm Plantations...".[cite: 14]

83. Amanor and Diderutuah, "Share Contracts in the Oil Palm..."; Watts, "Life Under Contract...".[cite: 14]

84. Ntsiful, "Outgrower Oil Palm Plantations..."; Amanor, 2006: 3, 2001: 8; Watts, 1994).[cite: 14]

85. Amanor and Diderutuah, "Share Contracts in the Oil Palm...", 20.[cite: 14]

86. Amanor, "Global Restructuring...", 109.[cite: 14]

87. *cit.* FSG Social Impact Advisors, "Improving the Livelihoods...",

16.[cite: 14]

88. Amanor, "Family Values..."; Amanor and Diderutuah, "Share Contracts in the Oil Palm...".[cite: 14]

89. *cit.* FSG Social Impact Advisors, "Improving the Livelihoods...", 16.[cite: 14]

90. Amanor and Diderutuah, "Share Contracts in the Oil Palm...", 21.[cite: 14]

91. Amanor, "Family Values...".[cite: 14]

92. *Ibid*; Amanor and Diderutuah, "Share Contracts in the Oil Palm..."; Watts, "Life Under Contract...".[cite: 14]

93. *Ibid*.[cite: 14]

94. *Ibid*.[cite: 14]

95. Amanor, "Family Values...".[cite: 14]

96. Lorenzo Cotula, "Why it Makes More Sense to Invest in Farmers than in Farmland," (London: IIED, 2010), 2.[cite: 14]

97. *Ibid*.[cite: 14]

98. Tiffen, "A Chocolate-Coated Case...," 386.[cite: 14]

99. Tiffen *et al*, "From Tree-minders...," 14.[cite: 14]

100. Calkins, Peter and Ngo, Anh-Thu. 2010. "The Impacts of Farmer Cooperatives on the Well-Being of Cocoa Producing Villages in Côte d'Ivoire and Ghana," *Canadian Journal of Development Studies*, Vol. 30

(3-4).[cite: 14]

101. Kuapa Kokoo simply means "Good Cocoa Farmer" in the local Twi language.[cite: 14]

102. Tiffen, "A Chocolate-Coated Case...," 389.[cite: 14]

103. Marilyn Carr, (ed.) *Chains of Fortune: Linking Women Producers and Workers with Global Markets* (London: Commonwealth Secretariat, 2004).[cite: 14]

104. Tiffen *et al*, "From Tree-minders," 15.[cite: 14]

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105. These local farmers also committed to deliver at least 100 tonnes of cocoa beans per village when the company eventually took off.[cite: 14]

106. Carr, *Chains of Fortune*; Tiffen *et al*, "From Tree-minders," 16.[cite: 14]

107. Fredrick O. Wanyama, "Some Positive Aspects of Neo-Liberalism for African Development: The Revival of Solidarity in Cooperatives," *International Journal of Arts and Commerce*, Vol. 2 (1) (January 2013,).[cite: 14]

108. *Ibid*.[cite: 14]

109. As Tiffen *et al*, "From Tree-minders" (p.16) noted, there were "confusion throughout the sector on the ways the new regime should work, with differing interpretations of the new regulations in the regions; delayed payments to new licensing companies by COCOBOD, causing extreme cash flow crises; re-emergence of some 'bad habits' from the previous regime, especially among the recorders (the Kuapa version of *Kookoo*

Krakye) trusted by the farmers to manage their books at village level; the sudden death of the founding chairman and the chief accountant during the first season."[cite: 14]

110. Tiffen, "A Chocolate-Coated Case," 389.[cite: 14]

111. Calkins and Ngo, "The Impacts of Farmer Cooperatives."[cite: 14]

112. Tiffen *et al*, "From Tree-minders," 16. It is noteworthy that since 1994 KKL has recorded a profit each year which is distributed among its members.[cite: 14]

113. Wanyama, "Some Positive Aspects"; Calkins and Ngo, "The Impacts of Farmer Cooperatives."[cite: 14]

114. Wanyama, "Some Positive Aspects," 141; Kuapa Kokoo "Who We Are," Annual Report (Kumasi, Ghana, 2012).[cite: 14]

115. Kuapa Kokoo, "Who We Are"; cf: Tiffen *et al*, "From Tree-minders".[cite: 14]

116. Wanyama, "Some Positive Aspects," 141; Kuapa Kokoo, "Who We Are".[cite: 14]

117. Calkins and Ngo, "The Impacts of Farmer Cooperatives..."; Tiffen *et al*, "From Tree-minders".[cite: 14]

118. Tiffen *et al*, "From Tree-minders," 21.[cite: 14]

119. *Ibid*, 29.[cite: 14]

120. *cit.* Thompson, Amy Drew. 2014. "Chocolate as Coins and Currency," COINage Magazine, Vol. 50 (2), (February), 52. Available at http://coinagemag.com/wp-content/uploads/2014/01/toc_02141.pdf.[cite:

14]

121. *Ibid*, 52.[cite: 14]

122. Tiffen *et al*, "From Tree-minders...", 17.[cite: 14]

123. *Ibid*, 16.[cite: 14]

124. Carr, *Chains of Fortune*, 5.[cite: 14]

125. Tiffen, "A Chocolate-Coated Case...," 386.[cite: 14]

126. Meaning "best of the best" in Twi language.[cite: 14]

127. Divine Chocolate. 2006. "Kuapa Kokoo and Ghana"; http://www.divinechocolate.com (accessed: 31 January 2015); Witkowski, H. Terrence H. "Fair Trade Marketing: An Alternative System for Globalization and Development," *Journal of Marketing Theory and Practice*, Vol. 13 (4) (2005).[cite: 14]

128. Leissle, Kristy, "Cosmopolitan Cocoa Farmers: Refashioning Africa in Divine Chocolate Advertisements," *Journal of African Cultural Studies*, Vol. 24 (2) (2012).[cite: 14]

129. Divine Chocolate, "Kuapa Kokoo and Ghana"; Witkowski, "Fair Trade Marketing"; Carr, *Chains of Fortune*.[cite: 14]

130. Thompson, "Chocolate as Coins."[cite: 14]

131. Tiffen *et al*, "From Tree-minders," 31.[cite: 14]

100 NSUKKA JOURNAL OF HISTORY, VOL. 4, (2017), PP. 73-100[cite: 15]

132. Leissle, "Cosmopolitan Cocoa Farmers," 124.[cite: 15]

133. *cit.* Tiffen *et al*, "From Tree-minders," 16.[cite: 15]

134. *cit.* Leissle, "Cosmopolitan Cocoa Farmers," 123.[cite: 15]

135. Kuapa Kokoo, "Who We Are."[cite: 15]

136. Such projects included: scholarship programmes; making of fresh-water wells and boreholes to provide clean and potable drinking water; sanitation projects; periodic mobile medical clinics through which doctors and medical staff were taken to the doorstep of farmers for check-ups and training on preventive techniques to avoid diseases; construction of unique-styled Kumasi ventilated improved pit toilets; the school building projects which had 'emphatically' improved school attendance; and improvement of members' living conditions by setting up/investing in corn mills, palm oil extractors, and training in soap making and batik, all of which helped to provide alternative means of livelihood to farmers during the cocoa off-season.136[cite: 15]

137. Barrientos, Stephanie and Smith, Sally, "Mainstreaming Fair Trade in Global Production Networks: Own Brand Fruit and Chocolate in UK Supermarkets," in Raynolds, Laura T. *et al* (eds.) *Fair Trade: The Challenges of Transforming Globalization* (London and New York: Routledge, 2007).[cite: 15]

138. Wanyama, "Some Positive Aspects," 142; Carr, *Chains of Fortune*.[cite: 15]

139. Nelson, Valerie and Pound, Barry. *The Last Ten Years: A Comprehensive Review of the Literature on the Impact of Fairtrade* (Greenwich: Natural Resources Institute, 2009); Ronchi, *Monitoring Impact*.[cite: 15]

140. Nelson and Pound, *The Last Ten Years*, 20.[cite: 15]

141. Tiffen, "A Chocolate-Coated Case."[cite: 15]

142. Ronchi, *Monitoring Impact*.[cite: 15]

143. *Ibid*.[cite: 15]

144. Nelson and Pound, *The Last Ten Years*.[cite: 15]

145. Carr, *Chains of Fortune*, 5.[cite: 15]

146. Thompson, "Chocolate as Coins,"; Nelson and Pound, *The Last Ten Years*.[cite: 15]

147. Nicholas, Alex and Opal, Charlotte. *Fair Trade: Market Driven Ethical Consumption* (London: Sage, 2005).[cite: 15]

148. Cotula, "Why it Makes More Sense."[cite: 15]