Swiss Platform for Sustainable Cocoa

Ghana Cocoa Board
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Income Study of Cocoa-Producing Households in Ghana
Short Version

An Evaluation of Household Income, Living Income Gaps, and Determinants

Prepared by Ghana Cocoa Board (COCOBOD), the Swiss Platform for Sustainable Cocoa and the Research Institute of Organic Agriculture (FiBL)

November 2026

INTRODUCTION

The Swiss Platform for Sustainable Cocoa (SWISSCO), in collaboration with the Ghana Cocoa Board (COCOBOD) and partner institutions such as the Research Institute of Organic Agriculture (FiBL), conducted a second Cocoa Household Income Study (CHIS) to assess the income situation of cocoa farming households in Ghana for the 2024/25 cocoa season. It follows the baseline study of the 2022/23 season and reflects both organisations' commitment to regularly monitoring progress towards living incomes in the cocoa sector.

The study builds on the guidance of the Living Income Community of Practice (LICOP) and the Cocoa Household Income Study approach (Van Der Haar et al., 2024), which offers a sector-wide framework for assessing the living income status of cocoa households.

The specific objectives of the study were to:

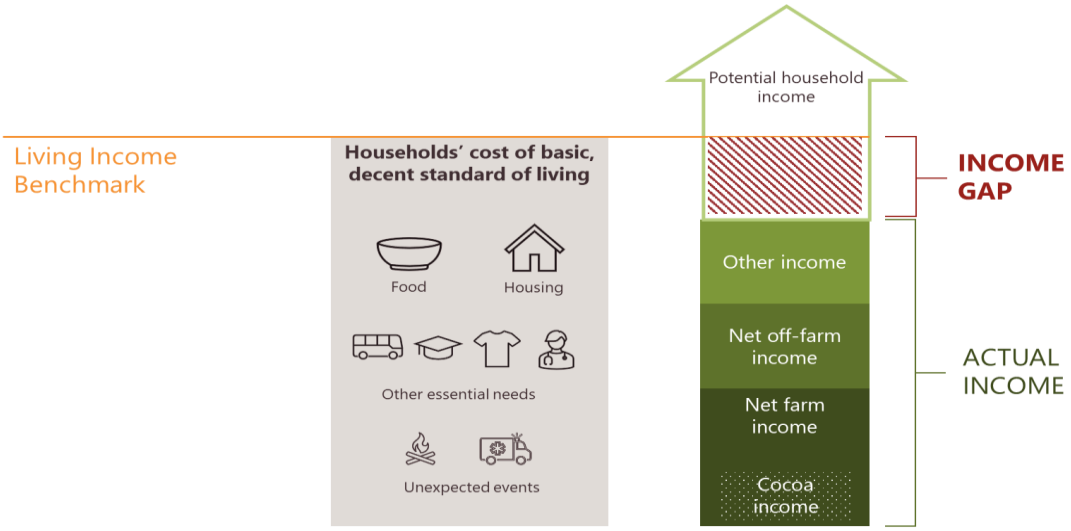
1. Estimate the average household income of cocoa farmers in Ghana;
2. Estimate the living income gap of cocoa farmers in Ghana;
3. Assess the determinants of cocoa productivity, net cocoa income and the living income gap; and

A gender lens was applied throughout, comparing female-headed and male-headed households.

METHODOLOGY

The Living Income concept can be understood as an equation balancing income and costs. On one side is the Living Income Benchmark (LIB), which estimates the cost of a basic but decent standard of living for a household. On the other side is actual household income: net cocoa income, other net farm income, net off-farm income and other income such as remittances or land rent. The difference between the two is the household's living income gap (see Figure 1).

Figure 1. Analytical framework for Living income



The LIB follows Smith & Sarpong (2018), who estimated GHS 1,464 per month for a family of two adults and three children in 2018. It was updated for inflation in June 2025 to GHS 4,893 (USD 352) per month for the same family, then adjusted to each household's size and composition using the OECD equivalence scale. Household income was assessed in line with the CHIS approach (Van Der Haar et al., 2024). Determinants of productivity, net cocoa income and the living income gap were estimated with an ordinary least squares regression.

About the data: Data were collected through face-to-face interviews with a structured KoboToolBox questionnaire between 31 March and 30 April 2026, covering the 2024/25 season.

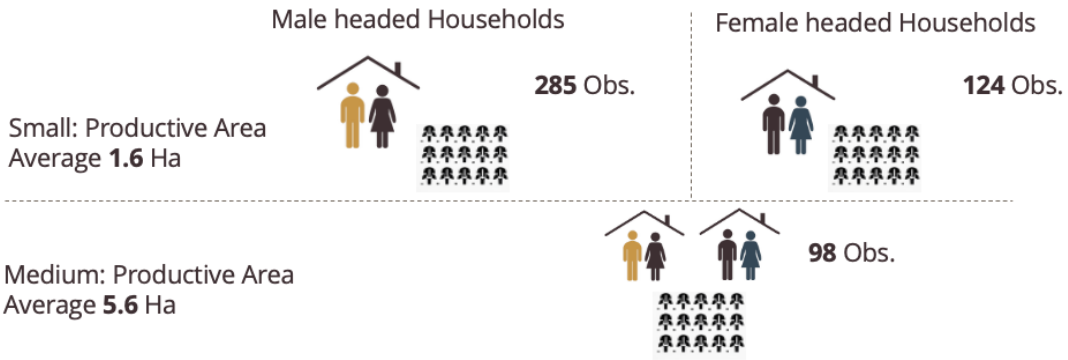
After the quantitative data was analysed, a validation was held with key stakeholders in Ghana on 28TH October 2026, which resulted in additional insights and recommendation ideas, included in the main report.

The main sample of 507 non-affiliated households was drawn from COCOBOD's Cocoa Management System (about 800,000 registered farmers), stratified by region and by the share of female farmers, with random selection within each stratum. To limit the influence of outliers, key income and cost variables were winsorized at the 2.5th and 97.5th percentiles.

KEY RESULTS

The households are clustered based on the sex of the household head and the scale of production to provide for a more accurate comparison of the income situation across different cocoa-producing households (see Figure 2).

Figure 2. Household composition based on headship and scale of production



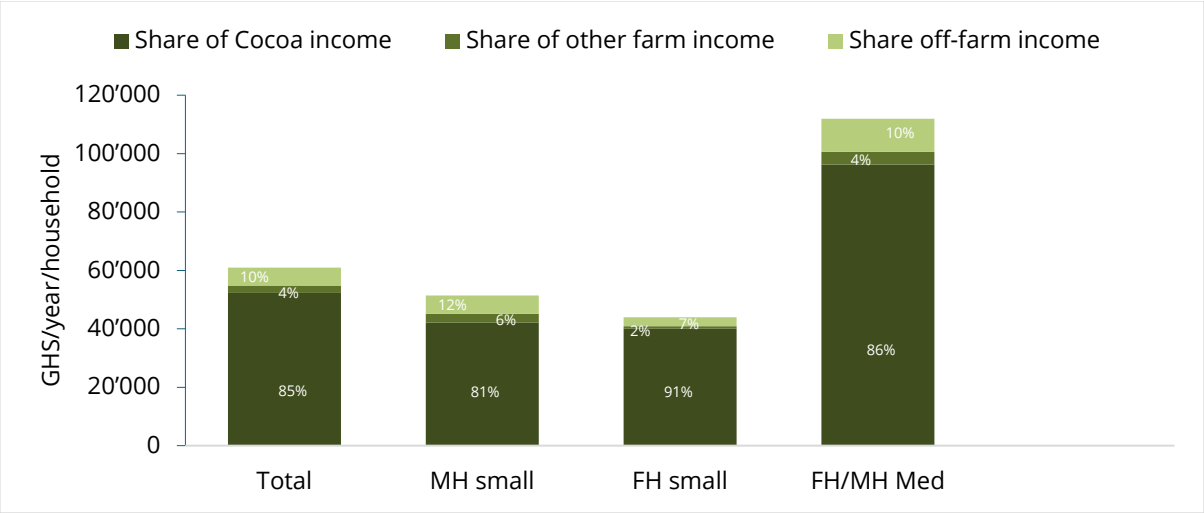
Average household income of cocoa farmers in Ghana

The study found that cocoa farming households in Ghana earn an average annual income of GHS 61,577 (USD 4,433)[1], with cocoa being by far the largest contributor to household income, accounting for an average of 85% (see Figure 3). Other farm income[2] (4%) includes livestock and crops other than cocoa. Off-farm income (10%) includes self-employment and wage employment, with self-employment such as running a retail shop or hairdressing being the most common source (45% of households).

Cocoa-producing households incur a median production cost[3] of GHS 5,000 (USD 360) to cultivate a hectare of cocoa, which includes median material input costs of GHS 390 and median labour costs of GHS 1,631 per hectare.

[1] 1 USD = GHS 13.9800 at the time of reporting
[2] Farm-level diversification shows that most households generate income mostly from plantain, cassava and oil palm; only 28% of households keep livestock, mainly poultry and goats or sheep.
[3] 73% of farm household received some sort of inputs free of charge, which were not accounted for when computing the cost of production.

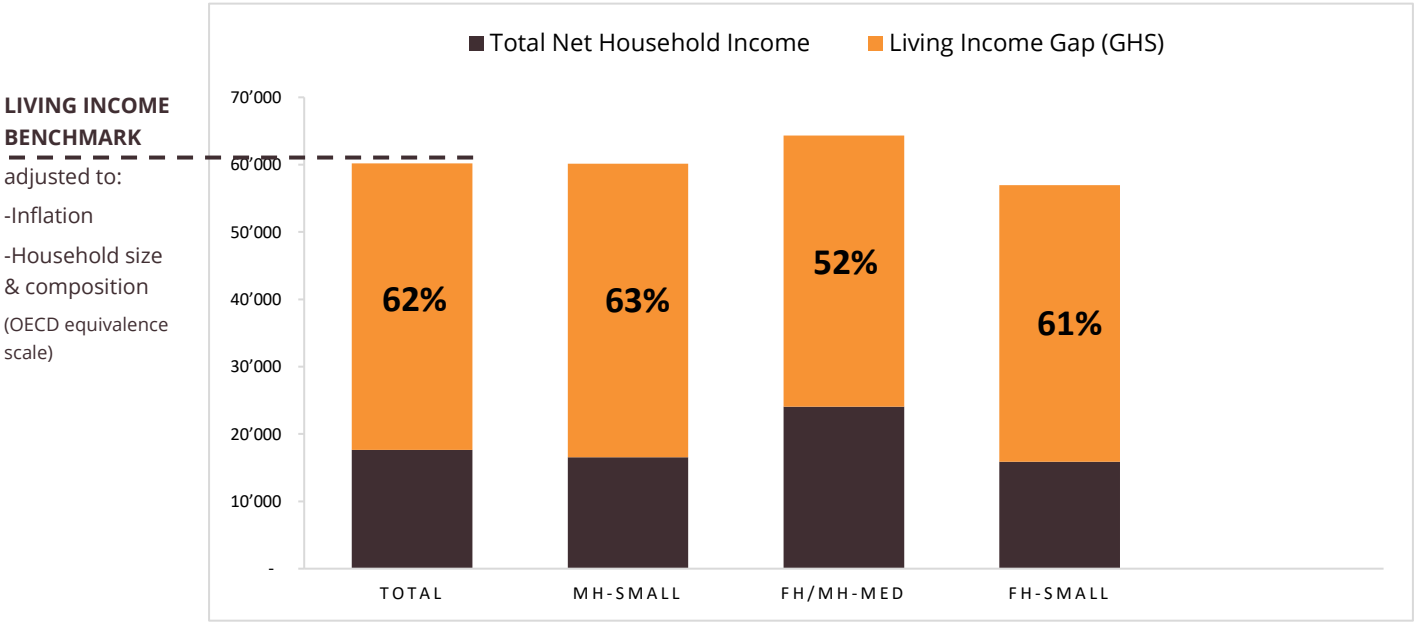
Figure 3. Average household income and share of income sources



Living income benchmark and income gap

The findings reveal that 55% of the surveyed cocoa farmers earn an income below the adjusted Living Income Benchmark[4] of GHS 60,188 (USD 4,333), highlighting the significant economic challenges faced by cocoa farming households require USD 4,333 per year (USD 361 per month) to have a decent standard of living. On average, households experience a living income gap of GHS 42,559 (USD 3,044) per year (see Figure 4).

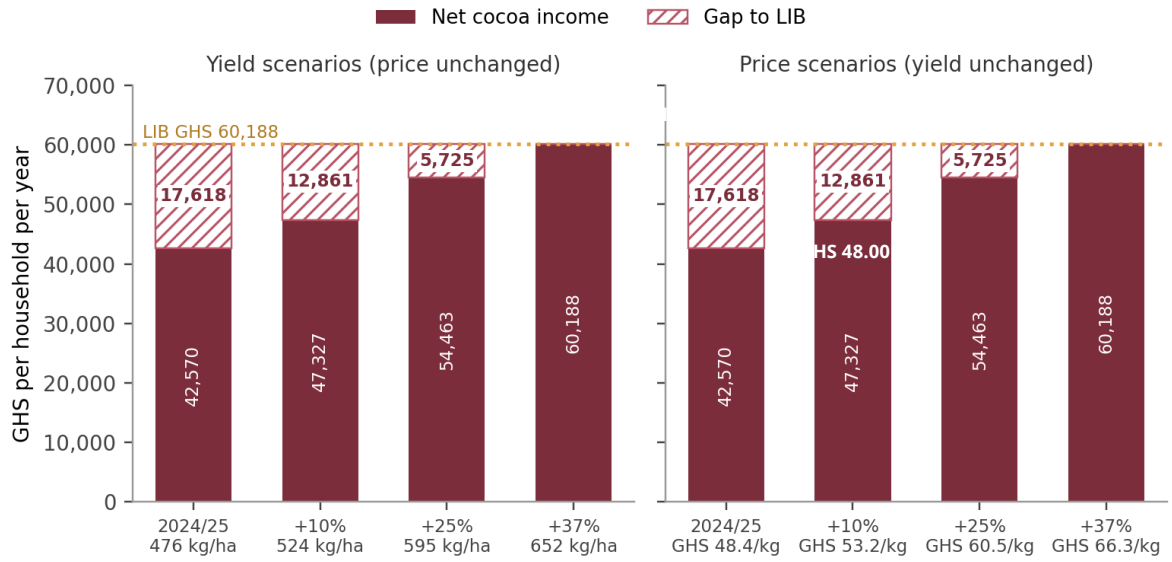
Figure 4. Households below the living income benchmark and income gap



[4] The living income benchmark for the 2024/25 crop year was computed using the OECD Equivalence Scales for a family of five—two adults and three children.

A scenario analysis based on median farm characteristics (2.1 ha productive area, 476 kg/ha, GHS 48.4 (USD 3.5) per kg, GHS 5,000 (USD 358) production costs) gives a net cocoa income of GHS 42,570 (USD 3,045), leaving a gap of GHS 17,618 (USD 1,260) to the benchmark. Assuming no other income and constant productive area and costs, the gap would close with either a 37% increase in yield (from 476 to 652 kg/ha) or a 37% increase in the farmgate price (from GHS 48.4 (USD 3.5) to GHS 66.3 (USD 5) per kg) (see Figure 5).

Figure 5. Yield and Price Changes Required to Close the Living Income Gap



Notes: Illustrative scenarios, not forecasts. Higher yields may require additional labour and input costs, which are not included. In practice, a combination of higher productivity, better prices and income from other activities is the more realistic pathway.
Source: Survey data,2024/25.

Determinants of productivity, household income and living income gaps

A regression analysis examined which farm and household characteristics are associated with cocoa productivity (kg/ha), net cocoa income per hectare (GHS/ha) and the living income gap (GHS per household per year). For cocoa productivity, larger productive cocoa areas are associated with lower yields per hectare, while higher material input and labour costs are associated with higher yields. This suggests that where labour is scarce and costly, and agronomic investment is low, farmers struggle to sustain good agricultural practices on larger plots.

For net cocoa income per hectare, a larger productive area is associated with lower returns. Participation in training is associated with higher net income per hectare. For the living income gap, households with access to a loan are significantly associated with a lower living income gap.

RECOMMENDATIONS

The following recommendations are made based on the key findings of the study and insights from the stakeholder workshop. Specific responsibilities are outlined in bracket.

A. Cross-cutting

- Combine yield improvements and producer-price increases to close the Living Income gap, ensuring productivity gains are not offset by higher production costs (COCOBOD).
- Target support to female-headed households, which earn less than male-headed households (COCOBOD and stakeholders).

B. Yield and productivity

- Scale up Productivity Enhancement Programmes (pruning, hand pollination, improved planting material), prioritizing small-scale farms, and expand training and access to inputs (COCOBOD with stakeholders).
- Improve access to pruning tools and knowledge (COCOBOD and License Buying Companies (LBCs)), and promote high-yielding planting material and grafting while weighing trade-offs with bean quality and Cocoa Swollen Shoot Viral Disease control.

C. Price and production costs

- Promote cost-effective production through efficient input use and labour-saving practices (COCOBOD).
- Treat labour, the largest production cost, as an urgent priority: form community service groups pre-financed by LBCs and repaid in cocoa beans, develop farm service providers, and strengthen cooperatives for self-help through Cocoa Health and Extension Division, (LBCs, cooperatives, private sector).
- Continued implementation of the Ghana Cocoa Board Act, 2026 (Act 1182) that guarantees farmers at least 70% of the gross farmgate price.

D. Income and finance

- Support income diversification into demand-driven crops and livelihoods, based on community needs assessments, and integrate branding and marketing into Farmer Business Schools (development partners and companies).
- Continue and expand affordable, purpose-built conditional and unconditional credit schemes by formalizing VSLAs and linking them to microfinance institutions (companies).

The full report “Income Study of Cocoa-Producing Households in Ghana” can be accessed on the Swiss Platform for Sustainable Cocoa’s website