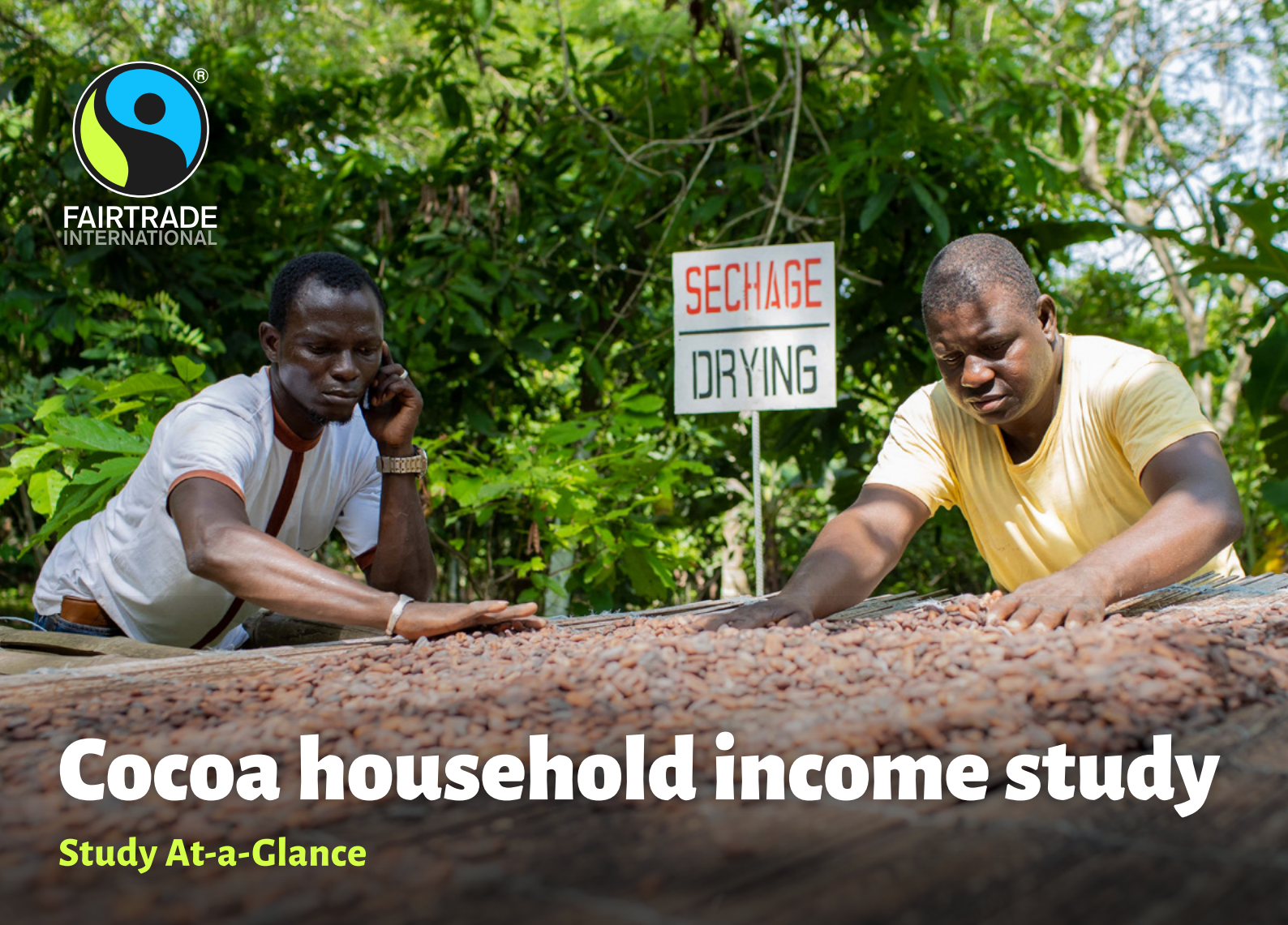




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Cocoa household income study

Study At-a-Glance

Introduction

Fairtrade International regularly conducts studies of cocoa farmer household incomes in Côte d'Ivoire. The third study, following those in 2017 and 2020, was conducted by Impact Institute and continues with the goal of tracking farmers' incomes over time, and better understanding the factors contributing to those results.

In addition to financial trends, the study collected qualitative data to examine the broader impact of Fairtrade interventions and gain insights on what drives farm productivity, challenges in cocoa production, income drivers, and farmer satisfaction with participation in Fairtrade certified cocoa cooperatives. Information from sharecroppers was also separately analysed.

The study aligns with the minimal approach of the Cocoa Household Income Study (CHIS) methodology, focusing on cocoa household income approaches.

Study methodology

Mixed methods including 704 farmer households and managers from 31 cooperatives in Côte d'Ivoire

Six analyses

1. Comparison over time: analysis of sub-set of 14 cooperatives (262 farmers) that participated in the 2017 and 2020
2. Fairtrade pricing mechanisms: full sample of 704 farmer households (April 2023-March 2024)
3. Analysis of 43 sharecroppers
4. Focus groups and interviews with 41 farmers and managers

Additional modelling to account for recent farmgate pricing and other changes:

1. April 2024-March 2025 (price scenario 1)
2. April 2025 onward (price scenario 2)

All photos © Mohamed Aly Diabaté,
featuring members of CAYAT
cooperative in Côte d'Ivoire



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Key study findings



Comparative analysis: Since 2020, more Fairtrade cocoa farmers in Côte d'Ivoire have moved out of poverty and are earning closer to a living income, and fewer are living in extreme poverty, highlighting a steady improvement despite sometimes challenging conditions.

Farmers' income distribution improved between 2020 and 2024, especially with a **reduction in extreme poverty from 36% to 17%**. Nine percent of households earned a living income, a decrease from 15% in 2020 due to a change in some high-earning outliers. A total of **51% households were out of poverty**: 42% earning above the poverty line (up to the living income benchmark), compared to 28% in 2020, plus the 9% earning above a living income.

Underlying drivers of the income shifts are an increase in farmgate price and profit per kilo, as well as a decrease in average total cocoa production per household, an increase in yield per hectare, and decrease in farm size and cocoa production area.

The decline in cocoa production area is likely the result of improved and more accurate farm measurements, which means the higher yield values should be interpreted with caution, especially in a context of overall production decline found in other studies. Median farmer income remained stable.

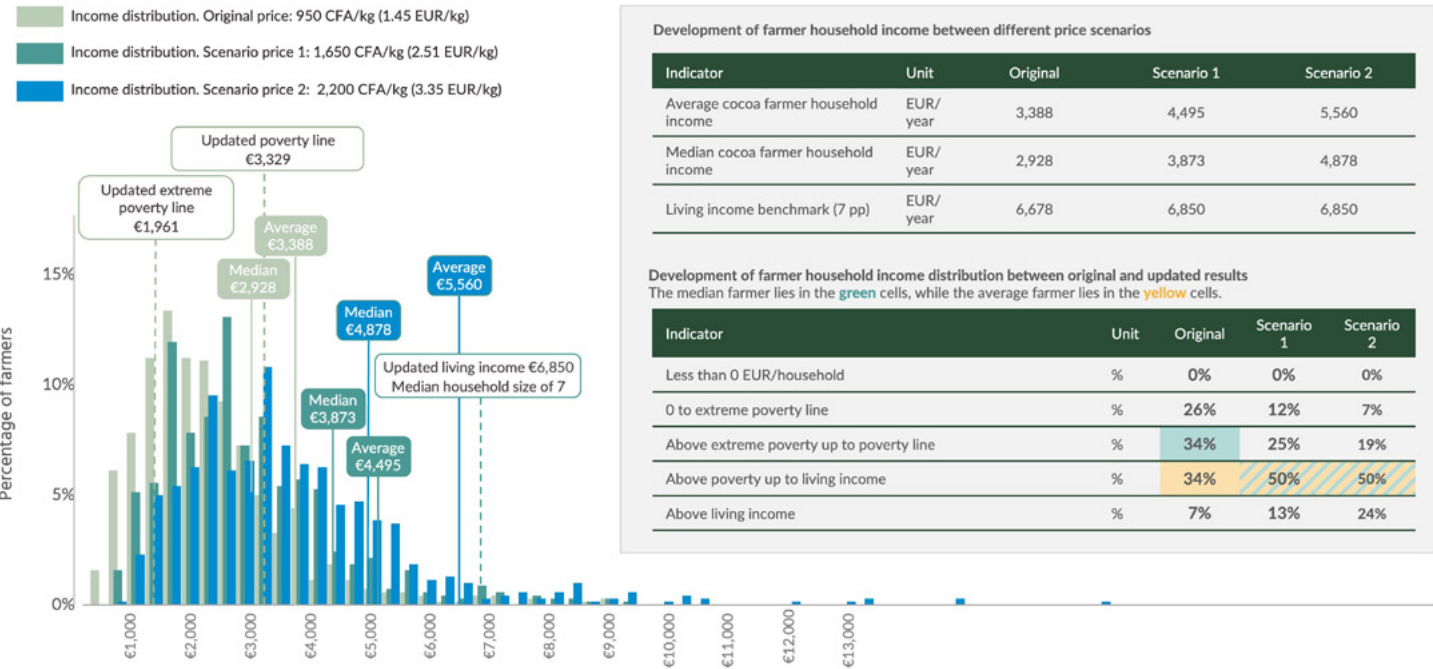


Pricing analysis: Higher farmgate prices are having a positive effect on Fairtrade cocoa farmer incomes, with **24% projected to earn above a living income compared to 7% two years ago, and another 50% earning close to a living income.**

The study includes three analyses designed to look at the influence of price on incomes. The first analysis looks at farmer data from April 2023 to March 2024. The second and third analyses (price scenarios 1 and 2) include updated variables of production costs (increased) and yields (decreased), as well as the relevant farmgate price for the periods April 2024 to March 2025, and April 2025 onwards, respectively. The updates were based on triangulation with other data sources to reflect a more representative picture of conditions for farmers.

The analysis of the current season (price scenario 2) shows that price improvements continue to reduce extreme poverty (7%) and increase the share of farmers earning above the living income benchmark (24%). While half of farmers (50%) are earning above the poverty line up to the living income benchmark, 26% still fall below poverty, meaning three quarters in total are not yet earning a living income despite higher prices. This suggests that while market improvements drive progress, additional interventions are needed to enable all farmers to sustainably reach a living income.

Distributional effects and living income outcomes under three price points





Key insights: Farmers said that Fairtrade pricing – including the minimum price, extra Fairtrade Premium, and the Living Income Reference Price – play an important role in income stability and supporting better resource management.

Interviews and focus group discussions revealed farmers' perspectives on Fairtrade prices, trainings, and what's influencing productivity and incomes. Farmers reported that Fairtrade pricing mechanisms support them to cover household and farm needs such as education, health care, and agricultural inputs, as well as to invest in side businesses and improve productivity.

In terms of productivity, farmers mentioned negative drivers including climate change and swollen shoot disease, while a positive driver has been the adoption of good agricultural practices. Inflation was highlighted as a factor negatively affecting farmers' income, while the increase in cocoa prices and higher yields are contributing to higher income levels.

The researchers also identified factors that are correlated with higher incomes for farmers, which reveal nuances in these times of high farmgate prices and high farming costs. For instance, while larger cocoa growing areas correlate with higher incomes, there are diminishing returns on profit per hectare, as farm costs – including extra labour costs – increase as cocoa plot size increases.

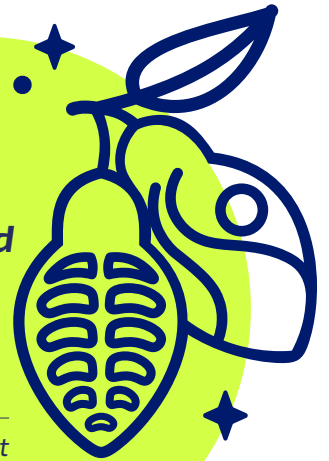


There is an urgent need for targeted interventions for sharecroppers, including income diversification and equitable cost-sharing arrangements, to support sustainable livelihoods in the cocoa sector.

Sharecroppers fare worse than landowning farmers across many variables. Their average income is €953 per year, with 100% earning below the living income benchmark of €4,770 per year. The analysis shows that although sharecroppers produce a similar amount of cocoa and earn the same price as landowners, their lower incomes reflect high production costs (especially that sharecroppers typically keep only one-third of the revenue from the farm), and lower yield due to less productive trees. A positive finding is that sharecroppers participate in Fairtrade trainings, albeit sometimes at a lower rate than landowning farmers, and gain benefit from them.

“The Fairtrade bonus is distributed in June in a very low profitable season and people are really in need for money. So great timing.”

Farmer focus group participant





Conclusions & recommendations

The researchers target conclusions and recommendations along the following areas:

- Increasing farm productivity by addressing labour shortages and facilitating access to tools and technologies
- Mitigating climate change by continuing trainings and facilitating access to disease-resistant variants
- Addressing labour dynamics by scaling up labour groups and encouraging the use of sharecropping agreements with fairer terms
- Strengthening income distribution and poverty reduction by expanding the market for Fairtrade products, and addressing sharecropper needs
- Fostering economic equilibrium for farmers including through income diversification
- Improving sustainable livelihoods by increasing resilience and reducing vulnerability
- Monitoring price and cost dynamics

Fairtrade response

This study is an important contribution to understanding living income dynamics in the cocoa sector. It is part of our commitment to understanding how the various market factors and Fairtrade prices and support are affecting both farm productivity and household incomes.

Although the findings show high yields for the average Fairtrade farm, we have adjusted this downward in our modeling of the past year (price scenarios 1 and 2), to make the analyses as applicable as possible. We are bringing the findings to the multi-stakeholder review of our Living Income Reference Price model taking place this year.

There is much more to be done to understand these complex dynamics and make progress toward living incomes as an industry. When it comes to sharecroppers, the Fairtrade Standard for Cocoa now requires producer organisations to track sharecropper arrangements held by their members. More equitable cost-sharing arrangements in sharecropping should be explored by Fairtrade and others in the cocoa sector to improve the situation of this segment of often-overlooked cocoa farmers.



Find the full study at
www.fairtrade.net/en/get-involved/library

