



Living Income Benchmark, June 2022 Update

Rural Ghana

Cocoa growing areas of Ashanti, Central, Eastern, and Western Regions

Update: Richard Anker and Martha Anker

Original Study: Smith and Sarpong, 2018 [LICOP](#)



Photos courtesy of University of Ghana

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ABOUT THE AUTHORS

UPDATE REPORTS, 2020 and 2022

Richard Anker and Martha Anker lead the Anker Research Institute, which includes a global network of researchers and research institutions in many countries around the world with the goal of generating knowledge to improve the living standards of working people and their families to a decent level throughout global supply chains.

ORIGINAL STUDY, 2018

Sally Smith is an independent consultant with 20 years research experience of inclusive and sustainable development in the context of global market systems. Previously at the Institute of Development Studies at the University of Sussex, she has conducted studies in various agricultural and non-agricultural sectors (e.g. bananas, coffee, cocoa, horticulture, garments, and personal care), across Africa, Asia and Latin America. She has specialist knowledge of: sustainability standards and fair trade; decent work, Living Wages and Living Incomes; gender and women's empowerment; and impact monitoring and evaluation. During her career she has carried out research for many different organizations, including IFAD, WFP, Fairtrade International, Ethical Trading Initiative, Open Society Foundation and Comic Relief, and has published widely in academic journals and books.

Daniel Sarpong, Ph.D. is Dean of the School of Agriculture, College of Basic and Applied Sciences, University of Ghana, and an Agricultural Economist. He teaches courses at both graduate and undergraduate levels in Microeconomics and Macroeconomics, Research Methodology, Statistics and (Applied) Econometrics, and Scientific Writing and Seminar Delivery. He has over 60 published journal articles, technical publications and other reports. He provides scientific analysis of socio-economics of agricultural households and their impacts on the macro-economy. He has collaborated with several research institutes and universities, including IFPRI, Tufts University, University of Georgia, Global Alliance for Improved Nutrition (GAIN), IDS, ODI, and Leuven University (Sweden).

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1. BACKGROUND¹

This report updates the cost of a decent standard of living (living income benchmark) for the cocoa producing regions of Ashanti, Central, Eastern and Western regions of Ghana to June 2022.²

This report takes into account the amount of inflation since the original March 2018 living income study to June 2022. Without accounting for inflation, the living income estimated in 2018 would not be sufficient for smallholder farmers or workers to have a basic but decent standard of living in 2022 because the purchasing power of the living income in Cedi would have decreased compared to what it was in 2018.

2. LIVING INCOME ORIGINAL REPORT IN MARCH 2018

The original living income country report for Ghana estimated the monthly living income as GHC 1,464 (\$329) in March 2018. This was the required net income (after all costs associated with farming are paid) for a typical size family to be able to afford a decent standard of living in March 2018.

3. INFLATION RATE USED FOR UPDATE

The Ghana Statistical Service is the government body responsible for computing and reporting price indices in Ghana including the Consumer Price Index (CPI). It changed its CPI base year to 2018 from 2012 previously with February 2018 holding the value of 100, and therefore all increases or decreases in CPI are calculated in relation to this base period. In its monthly CPI bulletin³, the Ghana Statistical Service reports a national inflation rate as well as inflation rates for each of its ten administrative regions, including the four regions of Ashanti, Central, Eastern and Western in which the original living income study with a focus on cocoa was conducted. Because the national inflation rate is based on a much larger sample, and is consequently more robust, this report uses the national inflation rate to update the original March 2018 living income estimate. We used the CPI chain linked index data⁴ that was first published in March 2020, which links the 2012 based CPI series and the 2018 based CPI series so that it is possible to determine inflation between dates before and after these base periods. This chain linked CPI series indicates slightly lower inflation rates for 2017 and 2018 than are indicated in the monthly CPI bulletins for this period.

4. RECENT LEVEL OF INFLATION

The annual inflation rate in Ghana has been high, at around 10% for 2018-2021. And it has accelerated in 2022 reaching 23.6% in April with the IMF estimating an annual inflation rate of 16.3% for all of 2022. Between March 2018 (original living income study date) and March 2022, total amount of

¹ This report was prepared by Martha Anker and Richard Anker, [Anker Research Institute](#)

² The original living income report was written by Smith Sally and Sarpong Daniel. It was entitled “Living Income Report Rural Ghana Cocoa growing areas of Ashanti, Central, Eastern, and Western Regions”, 2018. It is available at https://www.living-income.com/files/ugd/0c5ab3_55017cee608047d494f56b496925ae4a.pdf

³ <https://www.statsghana.gov.gh/nationalaccount/macros.php?Stats=MjI5NjA1MzU3Mi43NTU1/webstats/249sp0p7r>

⁴ https://www.statsghana.gov.gh/gssmain/fileUpload/Price%20Indices/Bulletin_%20March%20CPI%202020.pdf

inflation in Ghana was 54.6% with 58.7% projected to June 2022. This is the inflation rate used in this update report.

5. UPDATED LIVING INCOME FOR MARCH 2022

The living income for March 2022 is GHC 2,324 per month (\$298). In addition to considerable inflation of the Ghanaian Cedi has seen considerable devaluation compared to the US dollar – slightly more than the inflation rate. **As a result, although living income is considerably higher in Cedi in March 2022 compared to March 2018, living income is slightly lower in US dollars in 2022 than in 2020 and 2018.** Table 1 provides details of the original and the updated living income.

Table 1: Living income for cocoa growing areas of Ashanti, Eastern, Western and Central regions of Ghana for March 2018 and June 2022 (in Ghanaian Cedi and US Dollars)

	March 2018 (original study date)		March 2020		June 2022	
	Ghanaian Cedi	USD	Ghanaian Cedi	USD	Ghanaian Cedi	USD
Monthly Living Income for Family (2 adults and 3 children)	GHC 1,464	\$329	GHC 1,683	\$312	GHC 2,324	\$298
Exchange Rate to USD	4.45		5.393		7.80	
Source of Exchange Rate	Original Report (Exchange rate for March 1, 2018 midway through primary data collection)		Bank of Ghana (Average interbank mid-rate February 1 – April 30)		xe (approximate rate at beginning of June 2022)	