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Land distribution and acquisition practices in Ghana's cocoa frontier: The impact of a state-regulated marketing system

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ABSTRACT

Substantial differences in the size of landholdings among cocoa farmers in the Western Region – the last cocoa "frontier" in Ghana – are primarily a result of inheritance practices and the purchase of vast tracts of land by migrants in the initial period of the cocoa boom. Individual accumulation of land over the last decade has mainly taken place via inheritance (among indigenous farmers) without takeovers of land and dispossession of small-scale farmers outside the extended family. Land accumulation among migrant farmers is rare beyond the initial acquisition. Large-scale farmers transfer surplus from their higher volume of cocoa production into investments in non-farm activities and construction of new residential houses—and not in land acquisition based on market transactions. State regulation of the cocoa sector has spurred increased efficiency among private cocoa purchasing companies and thereby reduced the marginalization of farmers with small landholdings by preserving their access to a vital source of income. The unique character of the Ghanaian purchasing system is a major factor behind the relatively stable proportion in the access and control of land for cocoa between extended families.

Introduction

In most studies of Ghana's cocoa sector, no particular efforts are made to distinguish between different types of "smallholders" according to the size of their landholdings. In extreme cases, the cocoa sector is considered to be constituted by a large number of homogenous peasants with almost negligible landholdings: "Ghana in West Africa produces 16% of the world's cocoa. . ., which is grown by 265,000 small-scale farmers owning between 1 and 2 hectares of land. . ." (Doherty and Tranchell, 2005: p. 167). Another observer of Ghana's cocoa sector claims that individual landholdings range from 1 to 20 hectares, averaging about 5 hectares (Nyanteng, 1995). Other case study based figures, however, refer to holdings ranging from 6 to 138 hectares (Awanyo, 1998). Even though these analyses demonstrate striking differences in landholdings, none of them reflect on the causes or implications of such differences.

The aim of this paper is to contribute to a deeper understanding of the structures and explanations behind the landholding patterns in the Ghanaian cocoa industry. We examine the extent to which landholdings differ in size among cocoa smallholders in Ghana's Western Region (the last 'cocoa frontier') and how these differences have been generated: Are they a result of private purchase of land or some type of customary land transfer? Further, are these observable patterns of a stable nature or are they undergoing rapid change—and if so, what are the reasons?

We document that the size of landholdings varies considerably among farmers and that land accumulation processes differ between indigenous and migrant groups. This unequal access to land means that revenues from cocoa sales differ substantially among farmers. Therefore the ability to allocate resources to agricultural and other investments also varies among farmers. However, because of a number of land rights issues (including "traditional" forms of inheritance and contracts between landowners, tenants and labourers) and relative land scarcity, agricultural investments to expand landholdings are relatively infrequent. Instead, surpluses are channelled into other activities, which results in increased income for large-scale farmers.

Despite these variations in access to land, size of income and opportunities for accumulation, the structure of landholdings between families seems to be relatively stable over time. We argue that the regulatory system serves to maintain the existing structure of landholdings in Ghana's cocoa frontier. In particular, the organizational set-up of the purchasing segment after liberalization is identified as an important element in this process. The organization of the cocoa sector in Ghana is quite unique in comparison with the other West African cocoa sectors, where the earlier marketing boards have been dismantled completely. In Ghana, the state is still

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in command of quality control and the marketing of exports, while the local purchasing system has been liberalized (Fold, 2001, 2004; Ruf, 2009). The argument leads us to reflect on whether the uniqueness of the Ghanaian system goes beyond organizational aspects of the cocoa sector *per se* and has wider significance in a broader perspective on rural development strategy.

We start the paper by reviewing the theoretical contributions on cocoa smallholder land rights in Ghana and their incorporation in the wider national political economy. After introducing the study area and data, we then illuminate the different ways in which land in the cocoa frontier is acquired and expanded by large-scale indigenous and migrant farmers. Subsequently, we discuss the transfer of surpluses from large-scale farmers' cocoa production to investments in non-farm activities. In the penultimate section, we explain the state regulatory mechanisms in the purchasing segment, assess their impact on land use and land acquisition practices, and portray farmers' attitudes towards the organizational set-up. We conclude by summarizing the lessons for rural policies that aim to reduce tendencies towards marginalization of smallholders and enhance regional development in the context of non-market-based accumulation of land for export crops.

Smallholders and land rights in Ghana's cocoa frontier

Various arrangements of land rights, share-cropping agreements and obligations among cocoa landowners, tenants and workers have been of crucial importance for the westward movement of the cocoa frontier from its cradle in the Akwapim area (Hill, 1963) through successive expansions in Ashanti and Brong Ahafo to, most recently, the Western Region. The latter is now by far the most important region in terms of production volume and is considered to be the final cocoa frontier in Ghana. As in earlier frontier areas, expansion of cocoa land in the Western Region has relied on migrant farmers from well-established cocoa areas in combination with hired labour, typically from the North of Ghana.[1] The hired labour may take different forms, as labourers are hired daily, annually or for specific tasks, but a common feature is that all decisions concerning cultivation practices and sales rest with the landowner. Migrant farmers and labourers have been crucial in the clearing of virgin forests, planting of seedlings and production of food crops (for instance, cassava, cocoyam and plantain) that serve as shade for the cocoa trees during the first years after planting. In some instances, particularly in the initial years of an area's transformation, migrant farmers have been able to buy land from indigenous groups and thus become landowners in their own right. Other migrants have entered into land-share contracts with local landowners and have later acquired usufruct rights to those parts of the land they have cleared and cultivated.

The content of these land arrangements is highly complex and the many variations across space and time are probably due to different local traditions and shifting balances in negotiating strength between indigenous landowners and migrants according to the local availability of land and labour (Boni, 2005). At the most basic level, contracts can be divided into two main types (Takane, 2002). In the *abusa* contract, the migrant (locally referred to as the 'caretaker') works on established cocoa land and is responsible for spraying, weeding and harvesting. The landowner usually lives nearby and monitors the migrant's work. Landowners also decide when the cocoa should be sold, to which company and the form of payment (cash or cheque). The caretaker usually receives a third of the net revenue from the cocoa sales. The contractual relationship is not seasonal but can continue for many years until either the landowner or the caretaker wants to end it.

In the *abunu* contract, the tenants establish the cocoa farm by clearing the land and taking full responsibility for all farm tasks (planting of seedlings, weeding, spraying and harvesting). Decisions concerning simple processing (fermentation and drying) and sale of cocoa beans also rest with the tenant. During the first years before the cocoa trees mature and become harvestable, the tenant receives no rewards apart from the right to produce and consume food crops on the cocoa land. When the cocoa trees can be harvested, the net revenue from sales is split between the landowner and the tenant according to the particular agreement (Boni, 2005). Usually the usufruct right to half of the cultivated land is transferred to the tenant when the farm is considered complete.

However, land rights are not stable and cannot be taken for granted. Awanyo (1998) compares investment strategies among indigenous landowners and migrants who have acquired usufruct rights through *abunu*. While some of the indigenous cocoa farmers shift parts of their production away from cocoa in periods of low prices, all migrant tenants continue and even expand cocoa production in the same period. The expansion of the cocoa farm (ideally covering all the negotiated farmland), in addition to obtaining surveyed and signed plans of their land, is part of the migrants' efforts to solidify land rights and protect themselves against land predators from the landowning group (see also Takane, 2000). These exclusionary strategies of migrants supplement their inclusionary strategies, which are practices that serve to please the indigenous landowning groups by giving timely and regular tributes and ceremonial gifts and demonstrating respect and humility in encounters in day-to-day life.

In practice, the *abunu* contract is not necessarily clearly agreed upon at the outset of the landowner–tenant relationship, but according to Takane (2002), the ambiguity in the contractual outcome constitutes both uncertainty and flexibility for both parties. For instance, the landowner is able to check the ability of the tenant, while the tenant can postpone negotiations to a later phase if conditions are expected to change in his favour. Another "functional" benefit of the land-share contracts is that they can provide an incentive to increase production and a means to cushion production and market risks for both landowner and tenant. Finally, the interwoven system of different labour and land contracts is considered to fit ideally into a life cycle: the system provides landless tenants with an opportunity to become landholding farmers over an extended period of time, but without the need to provide capital at the start of the process—only labour input is needed, including the labour necessary to grow food crops. On the other hand, landowners can hire labour and expand cocoa farmland in different ways (various labour contracts, *abusa*, *abunu*) that suit their particular age, needs and accumulation strategies (see Takane, 2002).

According to Crook (2001), the "legalization" by the state of the traditional system of labour and land contracts (with all their local modifications) has played a major role in the relatively conflict-free trajectory of frontier expansion in Ghana's cocoa-growing areas. The system was established during British colonial indirect rule, under which the "customary" law was incorporated into a unified common law system through the institution of Native Courts. The courts applied native law and procedures in the areas of land, family, debt, religious customs and petty crime, in addition to colonial regulations and local taxations. The legal ideology of "communal landownership" was accepted by the British colonial government and served the interests of the chieftaincy and their lawyer allies. It became part of state law after independence and served to absorb

[1] The northerners have traditionally undertaken cyclical migration to the cocoa areas as hired labourers in the peak period of the main crop harvest season (October–February) and return to work on their own land with soil preparation, planting, weeding and harvesting before going back to the cocoa areas the following season (Belas and Menezes, 1970).