



Fair Compensation Focused Assessment in Côte d'Ivoire's Cocoa Sector

December 2025
Fair Compensation Focused Assessment

ABOUT THE FAIR LABOR ASSOCIATION

The Fair Labor Association (FLA) promotes human rights at work. We are an international network of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.

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Abbreviations and acronyms

CAP	Corrective Action Plan
CLMRS	Child labor monitoring and remediation system
COC	FLA's Workplace Code of Conduct
FAO	United Nations Food and Agriculture Organization
FLA	Fair Labor Association
ILO	International Labour Organization
IMS	Internal monitoring system
LID	Living Income Differential
LMW	Legal minimum wage
PPE	Personal protective equipment
SMAG	Salaire Minimum Agricole Garanti (guaranteed minimum monthly salary for agriculture)
SMIG	Salaire Minimum Interprofessionnel Garanti (guaranteed interprofessional minimum monthly wage)
XOF	West African CFA francs

1. Executive summary

The Fair Labor Association (FLA) conducted a fair compensation-focused assessment in 2022 in Côte d'Ivoire and analyzed the data in 2023 to better understand compensation management systems and practices in the cocoa supply chain, the legal wage system, workers' profiles, and workers' compensation systems based on their employment relationships.

The assessment consisted of desktop research, household profiling, farm wage data collection, and wage data conversion and analysis. The fieldwork took place from October 13, 2022, to October 27, 2022, with visits to three cooperatives from high cocoa-production regions (San Pedro, Soubré, and Duékoué) in the southwest of the country. The FLA team interviewed 90 workers at the cocoa farms of these cooperatives (30 per cooperative) and 13 cooperative leaders to collect wage data. After excluding the outliers and incomplete data, FLA analyzed the wage data of 97 workers and leaders, which included 54 hired farm workers (including one sharecropper), 38 unpaid immediate family workers, and five paid family workers.

This analysis revealed that only the sharecropper's earnings approached the living wage reference value, with the rest of the farmworkers making much less than the sharecropper, the referenced minimum wage (XOF 75,000), and the World Bank Poverty Line (XOF 51,231.5). Furthermore, more than half of the sharecropper's compensation was provided as in-kind benefits.

The analysis also identified that discussions between cocoa actors on living and sustainable incomes for farmers often do not include increasing production costs (i.e., labor costs or workers' wages). Farmers' production costs must include fair wages to workers.

Based on the analysis, FLA recommends that companies operating in, or sourcing from, Côte d'Ivoire's cocoa sector take the following actions:

1. Collect additional wage data to better analyze workers' wage levels against international benchmarks;
2. Work with suppliers and farmers to raise workers' wages;
3. Work with suppliers and farmers to reduce the proportion of in-kind benefits; and
4. Share wage data and learnings with stakeholders to improve collaboration.

Looking ahead, FLA will continue to collect data on workers' wages and create wage ladders to provide insight and input into the discussion around sustainable income for farmers.

2. Introduction

This focused assessment aims to understand the compensation management systems and practices in the cocoa supply chain in Côte d'Ivoire, the legal wage system in the country, workers' profiles, and workers' compensation system based on their employment relationships. The specific objectives were to:

1. Outline the regulatory framework shaping workers' compensation in the cocoa sector;
2. Measure the gap between the workers' actual compensation and the legal minimum wage;
3. Understand the compensation system prevailing in the cocoa supply chain in Côte d'Ivoire; and
4. Assess if the workers' compensation is sufficient to meet their basic needs through the creation of a wage ladder.

2.1 FLA's fair compensation standards and tools

Many leading companies in the global supply chain and multi-stakeholder organizations have written commitments to provide living incomes for farmers and living wages for workers in their codes of conduct.

FLA's fair compensation commitment is embodied in the [Fair Labor Code and Compliance Benchmarks for Agriculture](#), which defines members' obligations:¹

“Every worker has a right to compensation for a regular workweek that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.”

One of FLA's compensation benchmarks calls for a living income (for farmers), highlighting that farmers working on their own farms should make a decent living as well as having the resources to pay workers a living wage. This document focuses on living wage, but the term “fair compensation” is used as a synonym for living income and living wage.

¹ This standard is based on the International Labour Organization (ILO) Fundamental Conventions.

The [FLA 2020 Fair Compensation Strategy](#) requires each company to commit to:

1. **Aligning company standards** with the FLA Compensation Code.
2. **Collecting data** from a representative sample of their supply chain.²
3. **Using this data** to generate cross-departmental conversations about setting strategies, priorities, and tactics regarding fair compensation and the commodities under FLA's scope, starting with high-risk countries.
4. **Developing a blueprint** for fair compensation that articulates their priorities and describes how they will implement changes or test new approaches toward improving farmers' incomes and workers' wages.
5. **Publishing their commitment** to fair compensation, including details of their efforts to implement it.

Step 2 envisions the development and deployment of tools to overcome knowledge barriers so that companies understand what workers are earning and how those earnings compare to prevailing industry wages and the [Global Living Wage Coalition \(GLWC\)](#) living wage estimates.

In addition, the strategy includes identifying and testing tactics to close the gap between what workers earn and what they need, as well as sharing progress publicly in the spirit of advancing living wage efforts across the globe.

Currently, with tools developed by FLA, tangible progress on fair compensation is possible. FLA has published a [Fair Compensation Toolkit](#), which comprises the Wage Data Collection Tool and Fair Compensation Dashboard, for its manufacturing member companies that they can use to measure and advance living wages for workers in their supply chains.

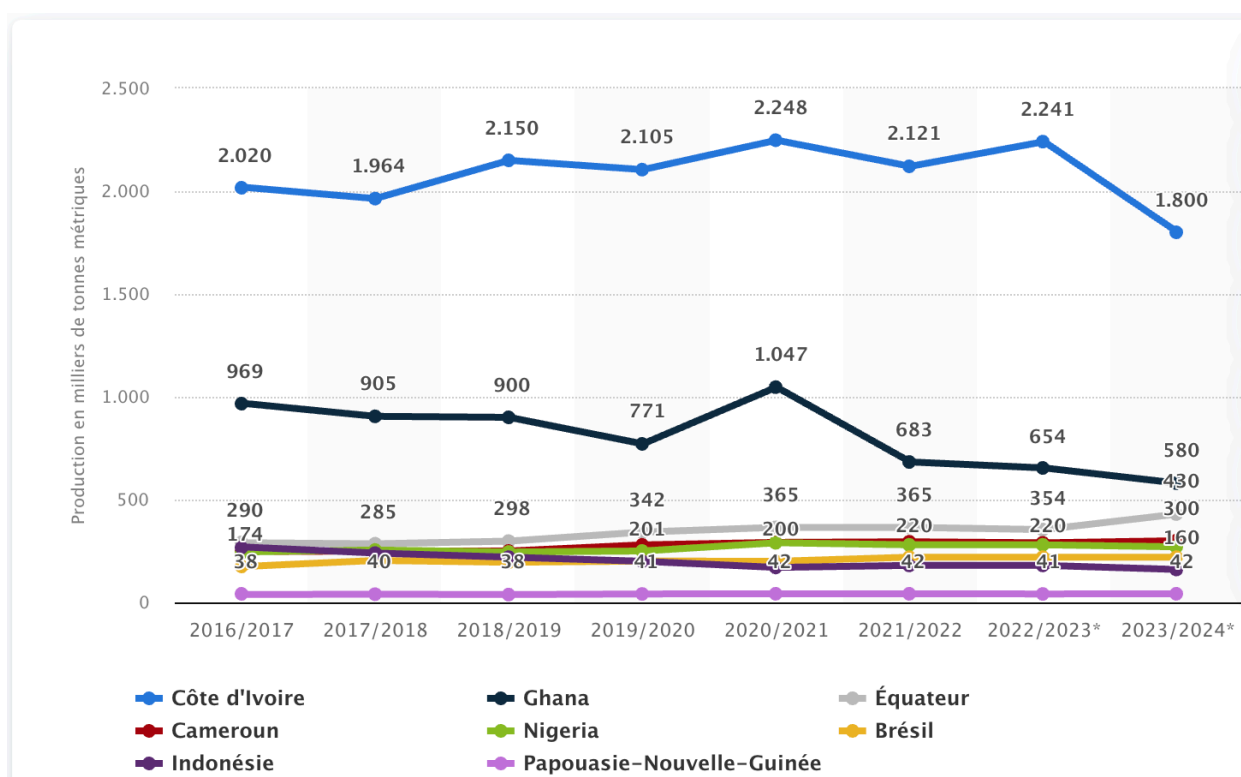
In a [previous report](#), FLA identified the challenges unique to wage data collection during farm assessments. Building upon this learning, FLA has developed a wage data collection tool for the Agriculture Program. This report presents the outcome of a focused assessment that piloted this tool to garner information on the cocoa supply chain in Côte d'Ivoire. In addition to the intrinsic value of the data obtained, FLA will also use the lessons learned from this focused assessment to improve the agriculture wage data collection tool.

² FLA's manufacturing members are expected to use/pilot the FLA Wage Data Collection Tool.

2.2 Living income in Côte d'Ivoire's cocoa sector

Côte d'Ivoire leads the world in producing and exporting cocoa beans. In 2023, it supplied about 38% of the cocoa consumed worldwide. West Africa (Côte d'Ivoire, Ghana, and Nigeria) and Central Africa (Cameroon) collectively produce 70% of the world's cocoa crop, with Côte d'Ivoire leading the production at 2.2 million tons as of 2022–2023.³ There are an estimated 800,000 cocoa farmers in Côte d'Ivoire, most of whom own small farms between 1-3 hectares in size and have an annual income of \$2,000.⁴

Figure 1: Global cocoa bean production by volume from 2016/2017 to 2023/2024, by country (in thousands of metric tons)⁵



Across the country, more than five million people are currently estimated to depend on 700,000 cocoa growers for their livelihoods. Despite cocoa being one of the few "pro-

³ Statista Research Department (November 2025), "Production of cocoa beans worldwide from 2003/2004 to 2024/2025, by region (in 1,000 metric tons)," https://www.statista.com/statistics/263139/production-of-cocoa-beans-since-2003-by-region/?srsltid=AfmBOord8NyDqRDjv4MXTipTV_B6xCq3t6_EYcOfK9CXyiGEhLFDQa62

⁴ UNICEF (March 2019), "Promoting the Rights of children in the Cocoa Producing Areas in Côte d'Ivoire," <https://open.unicef.org/sites/transparency/files/2020-06/Cote-d-Ivoire-TP5-2018.pdf>

⁵ Ibid.

poor" sectors between 2002 and 2008, cocoa farmers and their households continue to remain very poor.⁶

One study shows that 30–58% of households in Côte d'Ivoire earn a gross income below the World Bank estimate of the extreme poverty level (\$2.15 per day), and the majority (73–90%) do not earn a living income that the study defined as 262,056 West African CFA francs (XOF) per month for a family of two adults and four children.⁶ Households with less income per person per day generally achieve lower cocoa yields due to having more household members, less land, and a lack of investment resources compared with households with higher incomes.⁷

The government of Côte d'Ivoire has two minimum wages: one is the Salaire Minimum Interprofessionnel Garanti (the guaranteed interprofessional minimum monthly wage, or SMIG), and the other is the Salaire Minimum Agricole Garanti (the guaranteed minimum monthly salary for agriculture, or SMAG).

Since 2013, the government of Côte d'Ivoire has adopted a measure to increase only the SMIG. The SMIG increased from XOF 36,607 (\$60.98) to XOF 60,000 (\$99.96) in 2013 and then to XOF 75,000 (\$124.95) in January 2023.⁸ However, the SMAG, which was set at XOF 36,000 in 1994, has not been increased.⁹

Since the SMAG is outdated, the above range for SMIG is used as the reference for Côte d'Ivoire's legal minimum wage. One salary survey reported that monthly salaries, including bonuses for agriculture and food industry workers, ranged from XOF 134,059 - 382,537 (\$223.34 - \$637.32). These reported salaries of agricultural workers were much higher than the available minimum wage reference of the SMIG.

⁶ Pahuatini, S. B. V. (2016, December). "Cocoa farmers' agricultural practices and livelihoods in Côte d'Ivoire. Agence Francaise de Developpement," <https://www.afd.fr/en/ressources/cocoa-farmers-agricultural-practices-and-livelihoods-cote-divoire>

⁶ van Vliet, J. A., Slingerland, M. A., Waarts, Y. R., & Giller, K. E. (2021). "A Living Income for Cocoa Producers in Côte d'Ivoire and Ghana?" *Frontiers in Sustainable Food Systems*, 5. <https://doi.org/10.3389/fsufs.2021.732831>

This living income, XOF 262,056, was estimated by the Ivorian Center for Socio-Economic Research, University of Cocody (2018) in "Living Income Report Rural Côte d'Ivoire—Cocoa Growing Areas." It is higher than the latest Global Living Wage Coalition living wage reference value for rural Côte d'Ivoire: XOF 143,262.

⁷ Ibid.

⁸ Financia Afrik (December 2022), "Côte d'Ivoire: le SMIG passe de 60.000 à 75.000 FCFA à partir de janvier 2023," <https://www.financialafrik.com/2022/12/23/cote-divoire-le-smig-passe-de-60-000-a-75-000-fcfa-a-partir-de-janvier-2023/>

⁹ Bigirimana, L. and Ahmad, I. (2023). "Decent Work Check Côte d'Ivoire 2025." Wage Indicator Foundation, 8. <https://wageindicator.org/documents/decentworkcheck/africa/ivory-coast-english.pdf>

Cocoa prices are largely set by the commodity markets, as driven by supply and demand. In certain years, cocoa market volatility can mean that farmers in Africa see a 20% drop in income compared with that of the previous year. For example, in October 2020, the country's cocoa producers were paid XOF 1,000 per kilogram. However, the minimum guaranteed producer price for a kilogram of cocoa during this study in 2022 was XOF 825 (\$1.37) per kilogram. A lower price of cocoa has several implications – landowners may be unable to hire adult workers, leading to the use of child labor and forced labor, and farmers trapped in a vicious poverty cycle.¹⁰

In 2019, the governments of Côte d'Ivoire and Ghana jointly introduced the Living Income Differential (LID) policy and, in 2020-2021, applied a \$400 per ton LID above the floor price of cocoa, which sought to increase the farmers' income to a living income.

As noted in the [Cocoa Barometer 2022 report](#), despite the efforts of various actors for the past two decades, the situation has not improved.¹¹ Based on its analysis, producing more cocoa or providing small premiums is not an answer to this issue. Unless the farm-gate price of cocoa is increased substantially and other labor issues are addressed, farmers will continue to live in poverty, and companies will continue to have human and labor rights risks in their supply chains.

The World Cocoa Foundation Partnership Meeting 2024 gathered companies, governments, academics, and civil society to discuss and align for global improvements in the cocoa sector. A living income for farmers was one of the main focuses. The multi-layered, diverse solutions needed to achieve it were discussed, ranging from changing purchasing practices to market-based policies.¹² The desire to achieve a living income for farmers (while providing living wages to workers) is growing in the cocoa sector.

2.3 Assessment methodology

FLA's team conducted this focused assessment in October 2022. They gathered qualitative data from interviews with cocoa workers during the peak harvesting period, from a household-level survey with farmers, and from an internal monitoring system (IMS) evaluation with staff at the cooperatives.

The team addressed the evaluation questions using multiple sources of evidence, with the following qualitative research methods used to collect the information:

¹⁰ Taylor, C. (2021, November 2). "It's difficult to feed our families': Volatile cocoa prices are pushing West African farmers further into poverty." CNBC. <https://www.cnbc.com/2021/11/02/volatile-cocoa-prices-are-pushing-african-farmers-further-into-poverty.html>

¹¹ Voice Network (2022). Cocoa Barometer 2022, <https://cocoabarometer.org/en/>

¹² World Cocoa Foundation. (February 13, 2024). "World Cocoa Foundation (WCF) draws up a new landscape for an equitable cocoa sector." <https://worldcocoafoundation.org/news-and-resources/press-release/world-cocoa-foundation-wcf-draws-up-a-new-landscape-for-an-equitable-cocoa-sector>

i. Desk review

The FLA team conducted a desk-based review of documents and information provided by the supply chain partners to understand the program in progress, which aims to improve the income of the producers and workers. They conducted online research to understand national regulations and existing studies about wages and compensation. The expected outcome of this activity was a deeper understanding of the organizations active in the cocoa sector, the civil society organizations operating and working on this issue, and the national regulatory and legislative framework on wages and compensation. It provided a basis for developing the field-level data collection process.

ii. Key informant interviews

FLA's team collected data on farmers' and workers' demographics, household status, family size, employment status, household needs, farmer income, and worker wage data. They also selected farmer communities, cocoa farmworkers, and cocoa producer cooperatives to conduct interviews.

The team visited 48 families and hired farmworkers. To collect wage data, they interviewed 30 workers at each cocoa farm's cooperative (for a total of 90 workers) and 13 cooperative leaders. After excluding the outliers and incomplete data, this analysis identified and used the wage data of 97 workers and cooperative leaders: 54 hired farmworkers, including one sharecropper, 38 unpaid immediate family workers, and five paid family workers.

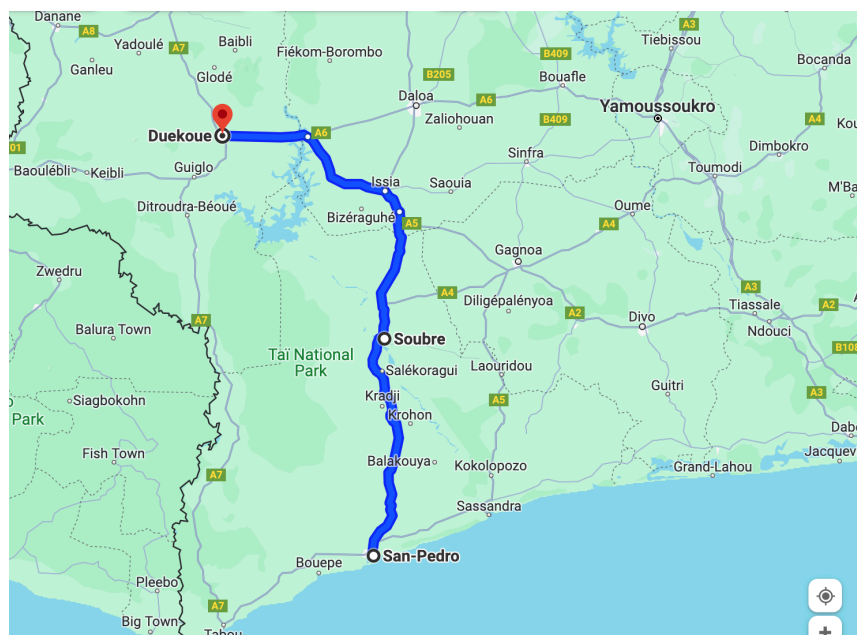
Table 1: Selected cooperatives and regions

Village ID	Region	Members	Individuals with collected wage data
Village 1	San Pedro	626	18
Village 2			25
Village 3	Nawa	3,415	14
Village 4			15
Village 5	Guemon	1,068	12
Village 6			13

iii. Site visits

From October 13 - 27, 2022, the assessment team visited three cooperatives from three high cocoa-producing regions (San Pedro, Soubré, and Duékoué) in the southwest of the country, which supply major international buyers.

Figure 2: Map of the assessment locations



iv. Analysis of data and reporting

The team reviewed wage data upon collection and checked for consistency and commonality. A wide variation in data required a thorough review to remove outliers and identify a conversion method. Several methods of wage conversion were explored to identify the most relevant and realistic approach. The team identified challenges in comparing agricultural wages against the minimum wage and other benchmarks during this process.

3. Wage Data Collection Tool pilot findings

3.1 Findings by occupation type

Based on the data collected, an attempt was made to classify the types of workers depending on employment and compensation arrangements. There was no standardization of occupation types across workers in the sample villages. Upon reviewing the data, four types were identified.

Table 2: Types of workers sampled for assessments

Worker type	Description	Interviewees
Sharecropper ¹³	Hired help that manage the entire operation/production (growing and harvesting of cocoa) at the farms. They do not receive monthly or annual wages, instead receiving part of the cocoa sales as compensation. Only one sharecropper was identified among the interviewees.	1
Family member worker/friend (paid)	Workers or farmers' immediate or extended family members or friends receiving monetary compensation (cash payments).	5
Direct employee (paid)	Paid (hired) workers whom the farmers or the sharecroppers employ on a task basis.	53
Family member worker/friend (unpaid)	Workers' or farmers' immediate or extended family members or friends that do not receive monetary (cash) compensation.	38

Three types of workers (family member workers who may not be officially employed, employed workers, and sharecroppers) were identified through interviews. Based on the data collected, an additional differentiation of family member workers (i.e., paid vs. unpaid) was made.

Paid family member workers do not necessarily receive wages. However, some receive pocket money or allowances as a payment instead. All receive some cash payments.

Unpaid family member workers received no cash payments. However, some received in-kind benefits and some received a small amount of cash (likely some allowances). In addition, there may be double counting of in-kind benefits. This double-counting is possible as while the in-kind benefits per worker were provided for this assessment, it is unclear if the worker's benefits are provided for individuals or for the group who live together to cover their living expenses.

¹³ Sharecroppers are contract farmers who usually live on the farm but do not own the land. Instead, they work on a piece of land owned by another individual or entity (the land or farm owner). The land or farm owner provides credit for inputs such as seeds, tools, and living expenses. In return for their labor for crop production, the sharecropper receives a portion of the harvest, deducted by the credit made at the beginning of the season. It is based on a pre-agreed percentage or a fixed amount. The sharecropper's income is directly tied to the crop yield they are farming, meaning their income can fluctuate significantly based on factors like weather conditions, crop diseases, and cocoa market prices. They do not receive a steady salary or wage.

3.2 Wage benchmarks

After converting the data, the FLA team generated two types of monthly compensation data:

- Average monthly wage per the actual months worked; and
- Average monthly wages as if the worker had no other income-earning opportunity other than cocoa farming (i.e., wages earned from a cocoa farming job, even if it lasted less than 12 months, that are expected to last for the entire year).

For this assessment, FLA used the average monthly wages per the actual months worked because each company in the supply chain, at a minimum, has control over the workers' wages for the months during which they worked on the production of a particular commodity. This monthly average was compared against the four international and national benchmarks converted as a monthly equivalent:

- **World Bank International Poverty Line (2022):** This benchmark measures the welfare of people living in different countries on a standard scale by adjusting for differences in the purchasing power of currencies. This analysis uses the 2022 International Poverty Line (\$2.15 per day per person), calculated based on the World Bank's 2017 Poverty Line converted into local currency and adjusted for inflation.¹⁴ FLA used the monthly equivalent of the 2022 International Poverty Line, XOF 35,027.
- **National Minimum Wage (2022):** The national minimum monthly wage for 2022 was XOF 60,000. For this analysis, FLA used the 2022 value (while it was set in 2013, it was used until its increase in 2023).¹⁵
- **GLWC Gross Benchmark (2022):** This is an estimated net annual income required for a household in Côte d'Ivoire's rural areas to afford a decent standard of living for all household members in 2022. It covers basic needs, education, healthcare, transportation, clothing, and other essential needs, including provisions for unexpected events. The gross income is the figure before subtracting the legally required deductions. The gross living wage reference value for 2022 (rural Côte

¹⁴ The 2017 International Poverty Line is \$2.15 per day per person, converted into monthly value (multiplied by the number of days per month, 365/12), and then into a two-adult unit to proxy a family. This value was converted further into local currency, using the 2017 purchasing power parity exchange rate for Côte d'Ivoire (the 2017 PPP conversion rate to Central African Franc is 253.746 according to the International Monetary Fund's World Economic Outlook Database, October 2023).

¹⁵ Financia Afrik (December 2022), "Côte d'Ivoire: le SMIG passe de 60.000 à 75.000 FCFA à partir de janvier 2023," <https://www.financialafrik.com/2022/12/23/cote-divoire-le-smig-passe-de-60-000-a-75-000-fcfa-a-partir-de-janvier-2023/>

d'Ivoire) was XOF 135,687.¹⁶

- **GLWC Net Benchmark (2022):** The net annual income excludes (deducts) taxes and other legally required deductions. The net living wage reference value for 2022 (rural Côte d'Ivoire) was XOF 125,510.¹⁷

Box 1: GLWC Differences Between Living Income and Living Wage

The concepts of "living wage" and "living income" are both about achieving a decent standard of living for households. The idea of a living wage, however, is applied to hired workers (in factories, on farms, etc.). In contrast, living income is discussed in the context of any income earner, such as self-employed farmers.

3.3 Comparison against the minimum wage and other benchmarks

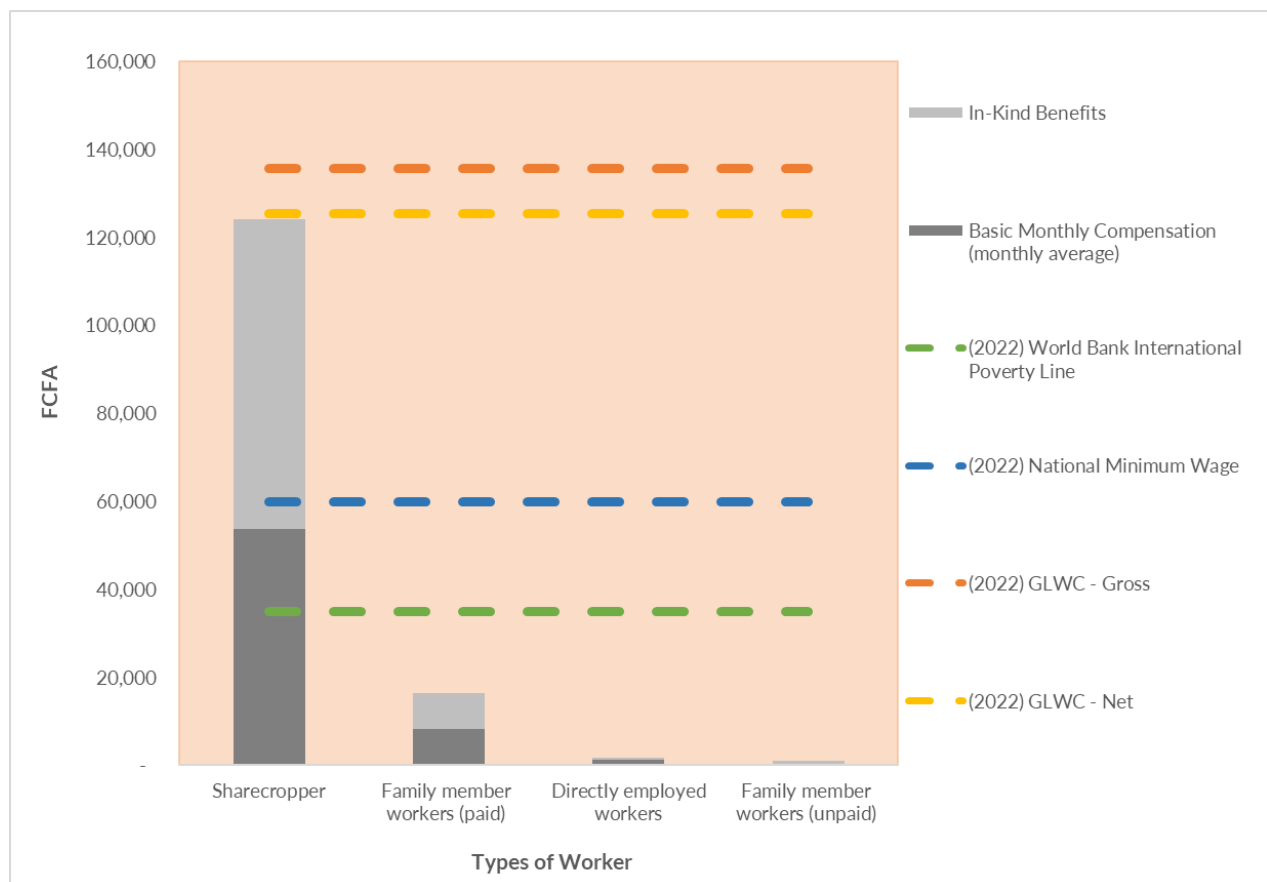
Graph 1 indicates the workers' monthly average income when they are working in cocoa farming.

There was only one sharecropper from whom wage data were collected. As shown in Graph 1, the sharecropper's wage is much higher than those of the other worker types and is close to a living wage. However, in-kind benefits comprise more than half of the sharecropper's total compensation. Given that there is only data from one sharecropper, it is unclear whether it is an outlier or whether sharecroppers routinely earn significantly more than others.

¹⁶ Global Living Wage Coalition, (2022) "GLWC - Gross (Living Wage Reference Value Update: Rural Cote d'Ivoire 2022," <https://www.globallivingwage.org/wp-content/uploads/2023/07/Cote-dIvoire-Rural-Living-Wage-2022-Update.pdf>

¹⁷ Ibid.

Graph 1: Wage ladder for Côte d'Ivoire cocoa farm workers



Out of the 97 workers, 38 are unpaid family member workers (39%), meaning they did not receive any wage payments and account for the barely visible bars to the right in the graph – representing their in-kind benefits.

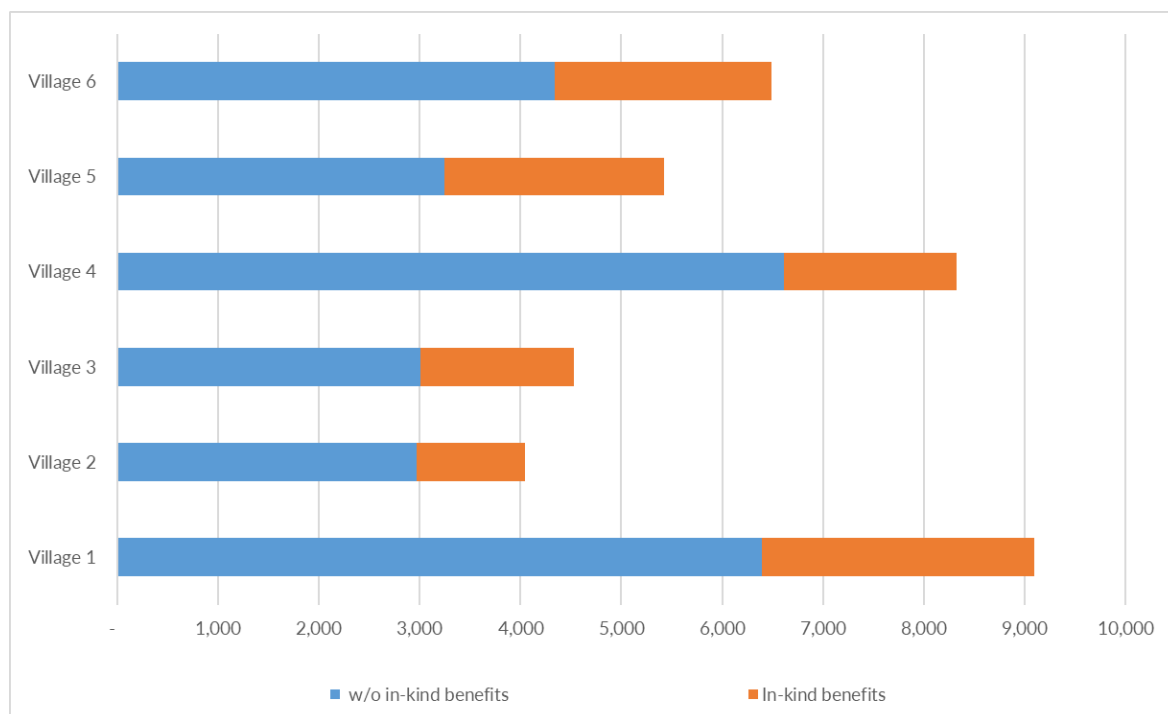
Table 3 displays average wage data that FLA collected in six villages (two villages each from three cooperatives) – excluding the sharecropper's wage (which was significantly higher than the rest). Wages for all types of workers fall far short of the lowest benchmark of the World Bank international poverty line of XOF 35,027 per month.

Table 3: Average monthly wages across surveyed villages (for months worked)

Village	Wages for workers with in-kind benefits (XOF)	Wages for workers without in-kind benefits (XOF)
Village 1	6,392	3,691
Village 2	2,972	1,898
Village 3	3,013	1,492
Village 4	6,610	4,900
Village 5	3,244	1,063
Village 6	4,338	2,191

Graph 2 demonstrates that wage levels vary among villages. It shows that the ratio of in-kind benefits to total compensation varies among villages, ranging from 21% of the cash payment (Village 4) to 40% (Village 5).

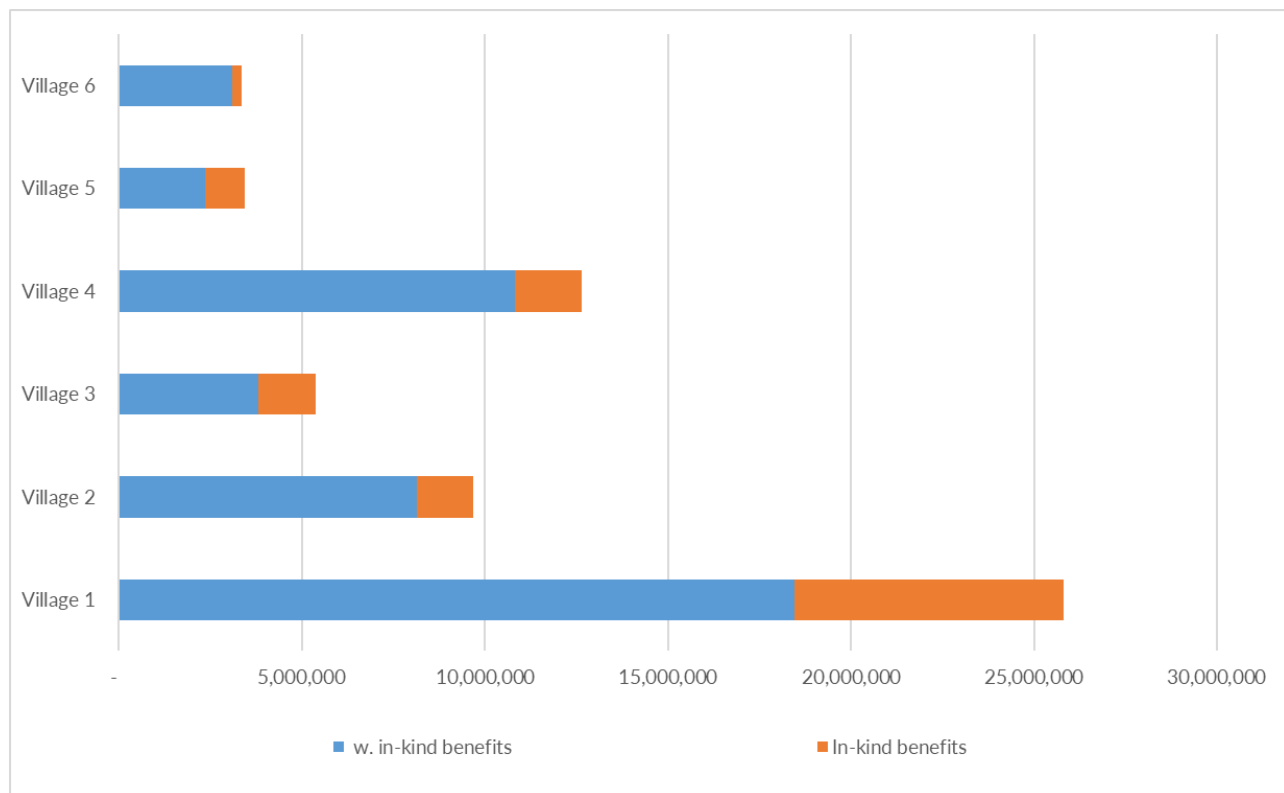
Graph 2: Monthly average wage for all workers



Looking at the wage data of the directly hired employees, the monthly average wage per village also shows significant variations in cash compensation and in-kind benefits (Graph 3). Insights include that:

- Direct workers in Village 6 earned less than one-fifth of that the workers in Village 1 earned.
- Average wages are similar in Villages 5 and 6; however, direct employees in Village 5 made 31% of their compensation in in-kind benefits, while the in-kind benefits for those in Village 6 were only 7% of their compensation.
- While direct workers in Village 1 received higher compensation on average, their pay is far below the World Bank poverty rate of XOF 35,027, and the in-kind benefits comprise 28% of the total compensation.

Graph 3: Monthly average wage for directly employed workers



The wage ladders of all types of workers for all villages are presented in Annex 2.

4. Conclusion and recommendations

This analysis of wage data in the cocoa sector of Côte d'Ivoire showed that almost none of the farm workers make the national minimum wage. The wage data from one sharecropper indicates that they make the minimum wage and may be close to making a living wage. However, over half of their compensation was as in-kind benefits (Graph 1). More data on sharecroppers' compensation is needed to confirm this finding.

Based on this pilot analysis, FLA recommends that companies operating in and sourcing from Côte d'Ivoire's cocoa sector take the following actions:

1. **Collect additional wage data to better analyze cocoa farm workers' wage levels against international benchmarks:** This study highlights that one sharecropper's income (XOF 130,542 per month for the months worked) was much higher than the harvesting workers. It also indicates that about half the sharecropper's income is in-kind benefits (non-cash payments). This study also suggests that the workers' wages should be increased, which in turn would raise the cost of production for farmers.
2. **Work with suppliers and farmers to raise workers' wages:** The workers' wages are low. In addition, family member workers should be registered as workers and get paid with fair cash compensation. The 2022 Cocoa Barometer discusses the links between productivity, labor cost, and smallholder farmers: higher productivity puts pressure on the finite amount of labor that smallholder farmers can access, highlighting that diversification can raise the farmer's income.¹⁸ Otherwise, the cocoa price needs to increase to cover the higher (fair) labor cost.
3. **Work with suppliers and farmers to reduce the proportion of in-kind benefits:** This study revealed that in-kind benefits constitute a high portion of the total compensation across all types of workers. If wages paid in cash increase without increasing the in-kind benefits, the proportion of in-kind benefits falls. While further details and analysis on the nature of in-kind benefits may be needed to ensure accuracy, workers' spendable income should increase.
4. **Share data and learnings proactively with stakeholders:** As farmers' and workers' incomes and wages are inevitably linked to cocoa prices, companies should share data and learnings with stakeholders to continue and encourage engagement and cooperation.

FLA's fair compensation study in a cocoa supply chain of Côte d'Ivoire was a pilot to analyze and compare the workers' wages against the existing wage benchmarks. It indicates that workers' compensations were lower than the national minimum wage. It also notes that farmers' true production costs are higher if fair compensation (at least the minimum wage) is provided to all workers, thus impacting true farmer income.

¹⁸ Voice Network (2022). Cocoa Barometer 2022, <https://cocoabarometer.org/en/>.

Annex 1: Lessons learned from the Wage Data Collection Tool pilot

FLA developed an Excel-based Wage Data Collection Tool for the agricultural sector. Unique data variations exist in the agricultural sector, including wage payment periods (daily, weekly, monthly, or seasonally) and the existence and enforcement of deductions (legally mandated, meal-related, or other types of accommodation deductions) among farms, commodities, and countries. The tool is intended to cover these variations by selecting the correct types of information.

This focused assessment was the first attempt to pilot the FLA tool, which shed light on future improvements to the tool and data collection process. Data collection and subsequent analysis took longer than anticipated because of the variations in payments and the related data points. To improve the data collection tool moving forward, FLA needs to:

- **Add skip logic to accommodate the specific type of wage payment system:** Currently, the wage tool is not set up for skip logic (i.e., a feature that changes the subsequent question based on the previous answer). The assessors filled in as many types of data as possible, instead of selecting and completing the most appropriate types of data. This took time for them to complete the tool. Hence, moving forward, FLA must introduce skip logic to the tool.
- **Adapt data collection when information is not available:** Some information was not available and hence not included in the data collection (e.g., legal deductions, fees and taxes, and overtime). In addition, the FLA team converted some data points as needed (i.e., the number of days worked was collected and multiplied by eight to enter the total number of hours). Given the lack of documentation at the farms, FLA will need to adapt methodologies to proximate or skip the data when some information is not available.
- **Improve data cleaning and conversion:** The Excel tool displayed all types of possible data to collect, which led to the data collectors to enter as much data as possible by sometimes calculating the data (e.g., the number of hours is calculated based on eight hours a day even though there was not accurate hourly data). Combined with the lack of skip logic and inability to handle unavailable data, the tool gathered both the collected and calculated data points. The mixture of collected and calculated data meant it took the team longer to find, validate, and clean up all data points before converting them into a comparable unit (monthly wages) for analysis. Based on these challenges, FLA will adapt the existing tool further.
- **Ensure accuracy of in-kind benefits:** In-kind benefits refer to goods and services provided to the workers by the farm owners, which include meals, housing, utilities,

insurance, and medical care. They did not include the payments for workplace tools, personal protective equipment (PPE) and gear, or other recreational activities to improve worker morale, if any. These specific goods and services should be free of charge or offered at a reduced cost to employees. Even if they were provided in cash for workers to purchase themselves, their monetary value was estimated depending on their quality. Given the wide range of the in-kind benefits amounts, these estimates may not be accurate.

Furthermore, FLA's wage data collection process did not collect information on the relationships among workers, although some were family members. Thus, it is unclear if some in-kind benefits, such as housing and utilities, are double counted because a worker could receive utilities or housing benefits for himself/herself or the entire family. This will also be reflected future improvements to the tool.

- **Account for the existence of different wage systems:** One of the team's key wage conversion methods was to convert workers' wages into monthly wages to compare against the existing wage benchmarks. Deciphering the data revealed that the cocoa farming cycle did not last a year, but some workers were paid annually. Some others were paid per harvesting work.

The team converted the wage data into two comparable forms: monthly wage based on actual months worked and monthly wage averaged out per year. If workers earn additional income through other jobs for the remaining part of the year, their annual income includes wages from other work than cocoa farming (thus the monthly wage is based on actual months worked in cocoa). If the workers only earn income by farming cocoa, those wages must support them for the entire year, although they may work less than a year (thus the monthly wage is averaged over 12 months).

The current tool does not collect information on whether the workers have other jobs for the rest of the year. In addition, companies have control throughout cocoa farming activities but not for the rest of the year. In the short term, the workers' wage improvement should focus on paying the workers appropriately for their cocoa farming work. In the future, this issue should be raised with a broader group of stakeholders to support the farmers and farm workers.

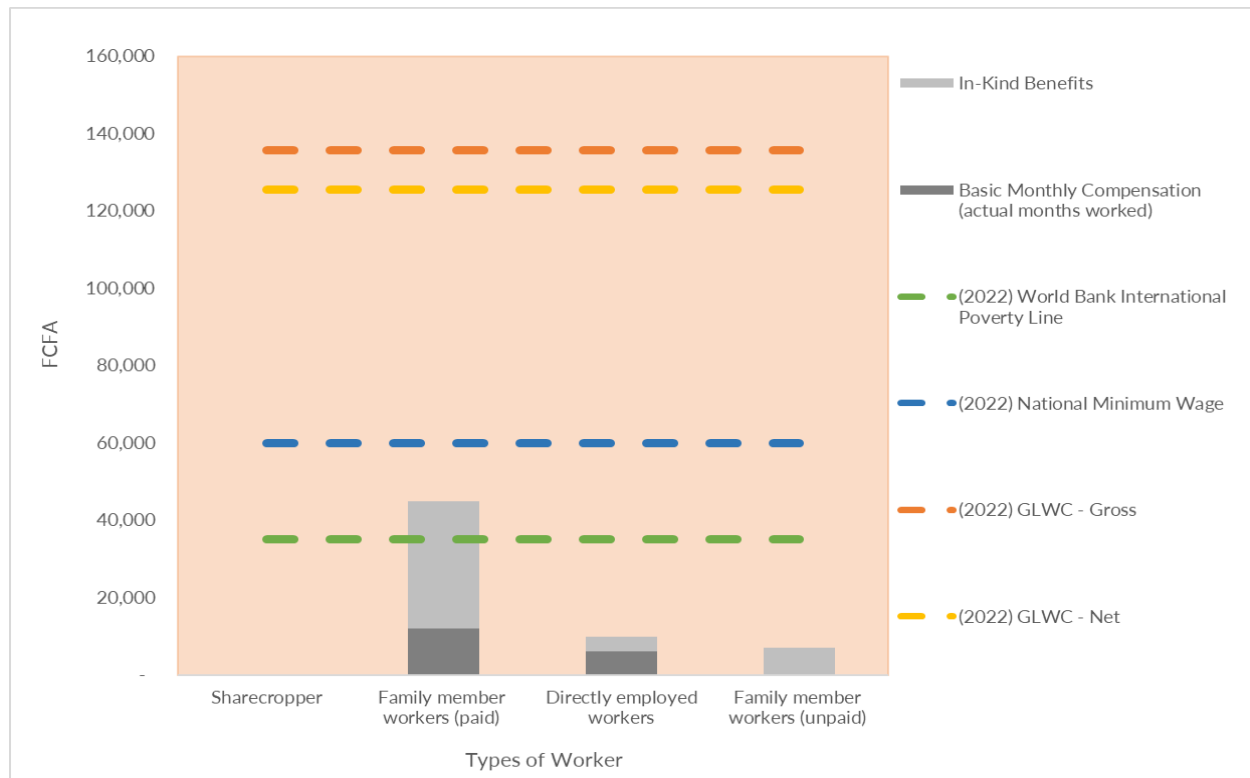
The pilot highlighted the need to redefine the types of data and workers and improve the agricultural wage data collection tool, which is now possible for the cocoa sector.¹⁹ With the improved tool, the data accuracy and the ease of data processing are expected to improve. As the compensation data is not always available at the time of harvesting (when

¹⁹ For FLA, the tool improvements will include focusing on fewer data points and more relevant wage data (such as wages and number of days or months worked), including additional data collection on incomes from other jobs and household data, and controlling the data inputs (e.g., entering the annual-level data if paid annually, consistent in-kind benefits data). Worker types should be redefined, which may be sector-specific.

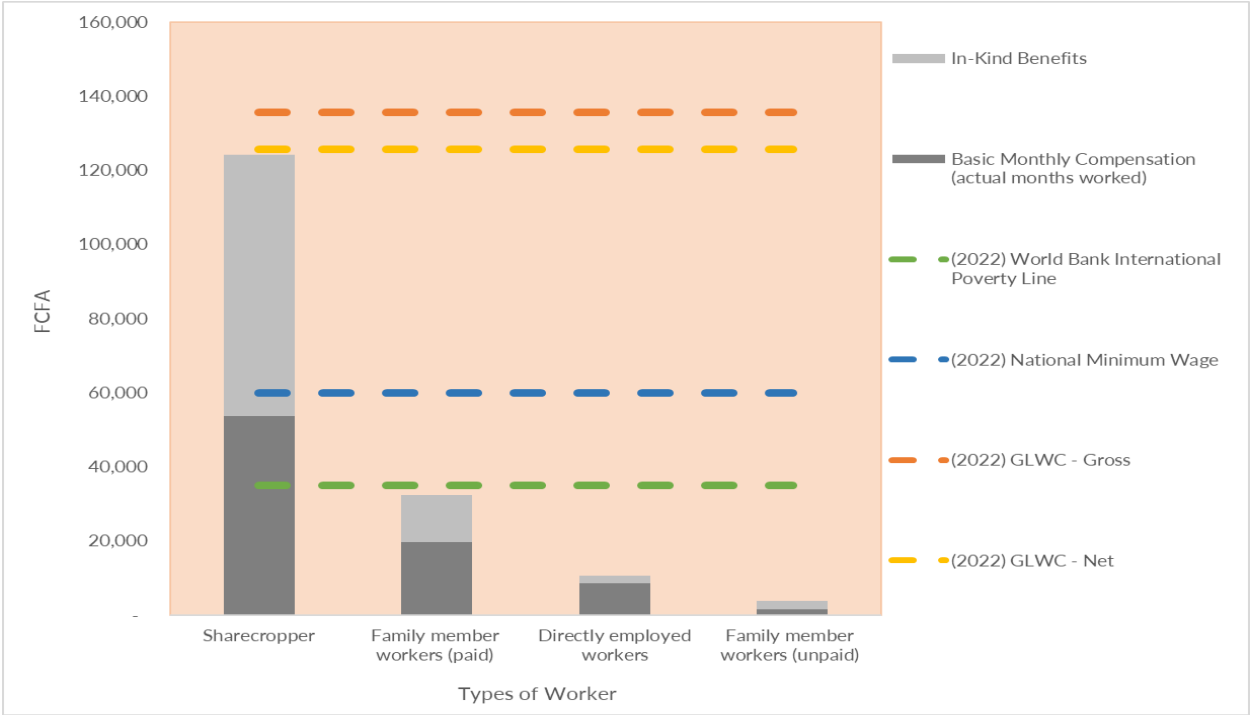
FLA usually conducts the farm assessments), the timing of the data collection may need to be adjusted in future data collection.

Annex 2: Wage ladders based on monthly average of actual months worked

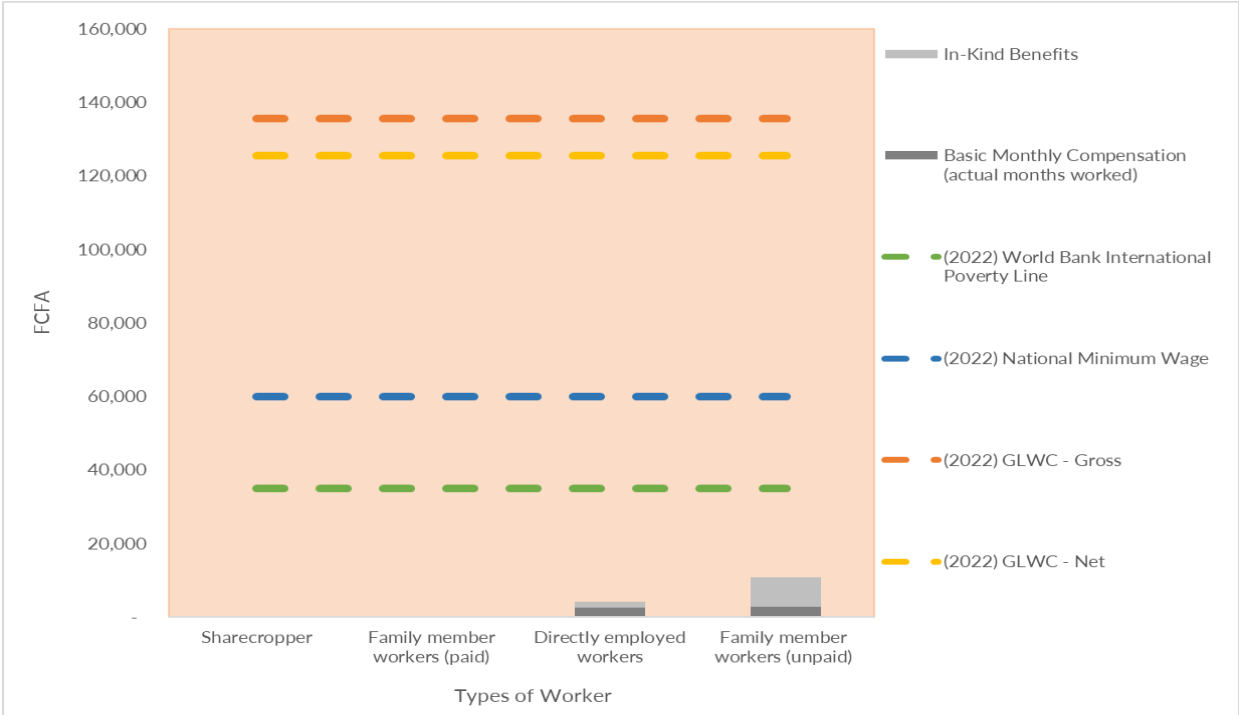
Graph 4: Average monthly wage – workers, Village 1



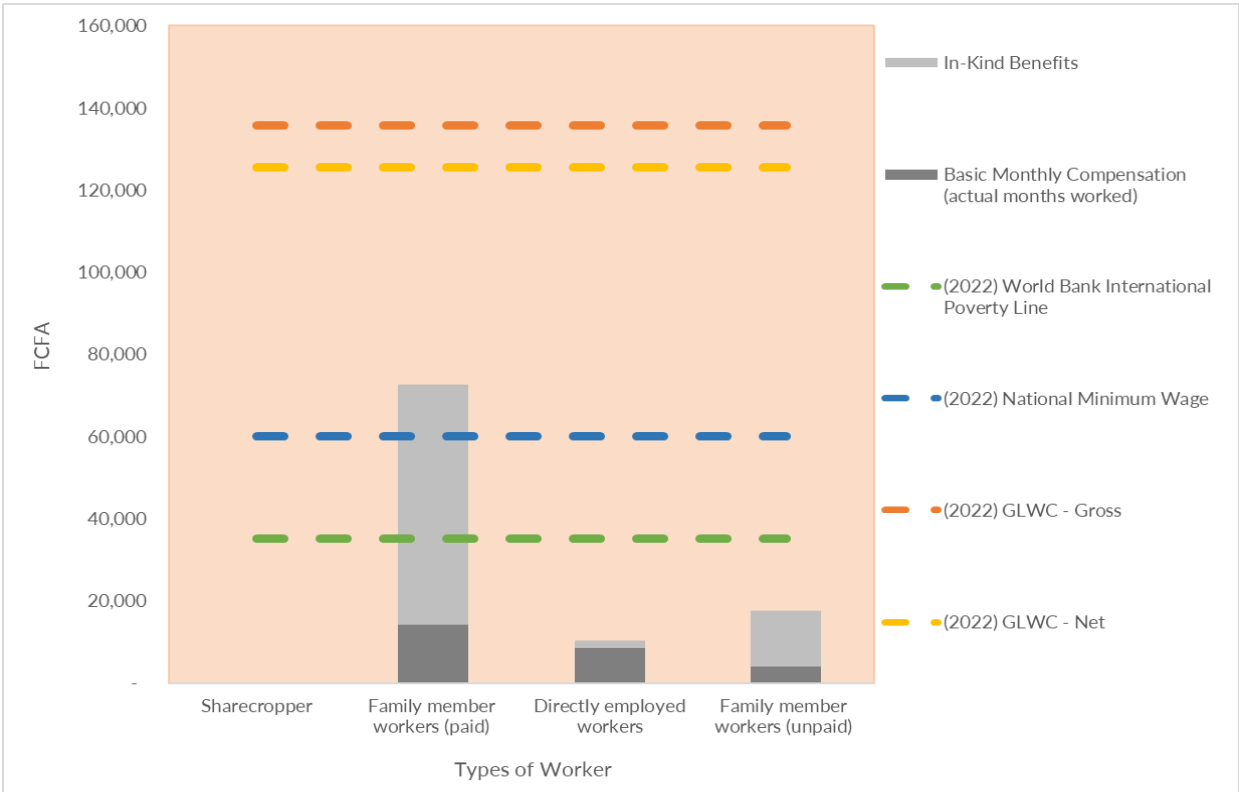
Graph 5: Average monthly wage – workers, Village 2



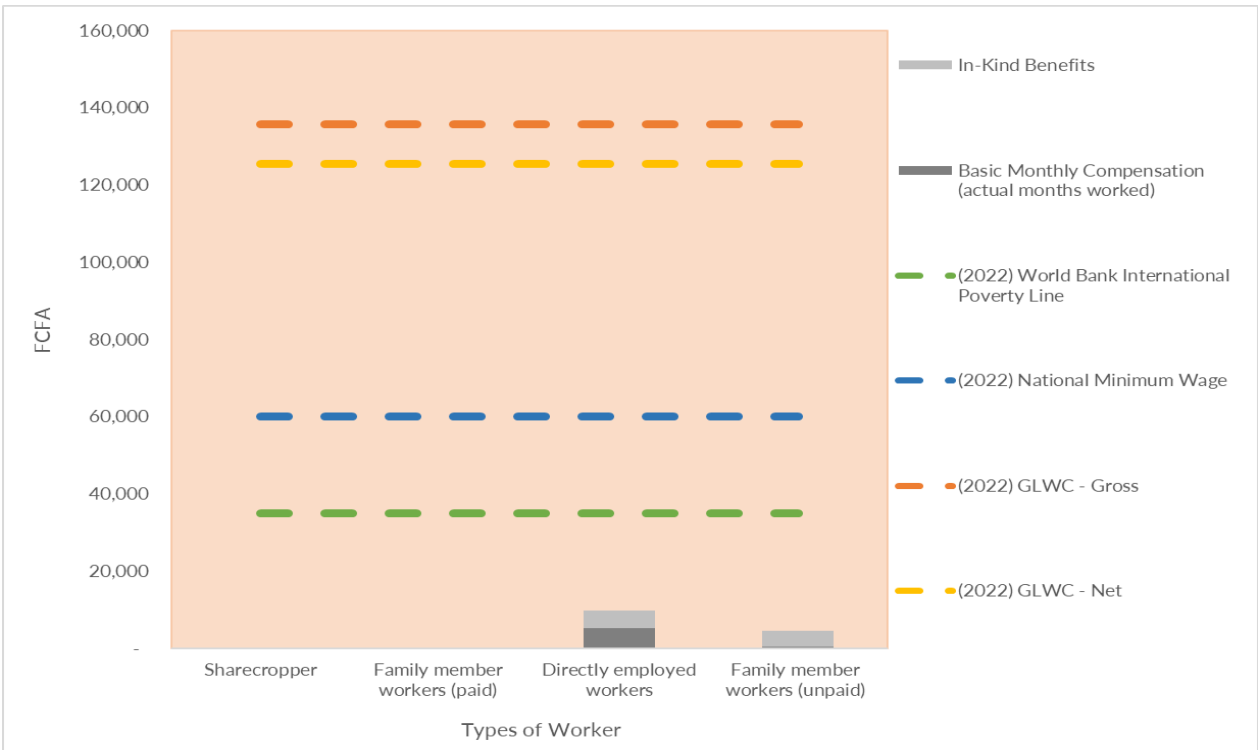
Graph 6: Average monthly wage – workers, Village 3



Graph 7: Average monthly wage – workers, Village 4



Graph 8: Average monthly wage – workers, Village 5



Graph 9: Average monthly wage – workers, Village 6

