

FALL QUARTER 2019

PROJECT REPORT

SANKOFA CHOCOLATE COMPANY

Report by:
Amanda Smith
Rohan Pujara
Michael Cipolletti
Jacky Zhao
UNIV 391 Project Group

Project Partner:
Amyra Asamoah



PROJECT OVERVIEW

SANKOFA CHOCOLATE

Amyra Asamoah is an entrepreneur establishing her a chocolate company, Sankofa Chocolate, in Accra, Ghana. Sankofa Chocolate will provide both Ghanaians and tourists with high quality, Ghanaian-made chocolate while supporting sustainable and ethical business practices. Her development model is to create a chocolate company to ethically source from Ghanaian farmers, hire Ghanaian factory and retail workers, and have her company represent how sustainable technologies and practices can be applied in Ghana. Amyra has asked us to help her research four different aspects of her business (marketing, sustainable practices, branding/packaging design, and products). We have provided recommendations based on our interdisciplinary knowledge of sustainable development, appropriate technologies, and the chocolate industry in Ghana.

PROBLEM STATEMENT

Little of the economic value of Ghana's cocoa output is returned to Ghanaians, whether in the form of revenue or consumable product. We hope to address this issue by establishing a chocolate production facility and storefront in the capital city of Accra focused on sustainability, ethical production, and awareness and pride in Ghanaian-made products.



RESEARCH AREAS for Fall 2019

DESIGN

How should we design and package our bars to best appeal to our customers? Being mindful of the fact that in the next few years we also want to export our chocolate and sell to consumers in the US, Europe, and other markets.

SUSTAINABLE PRACTICES

How can we best integrate social, environmental, and economic benefits into our operations? With whom should we partner to do so?

MARKETING

How should we market/advertise the factory to our target customers? Both before opening our doors and after we open?

PRODUCT LINE

What should our product line look like? In other words, what types of chocolate bars should we make? At our factory store, what other products should we sell in addition to bars?

TARGET COMMUNITY

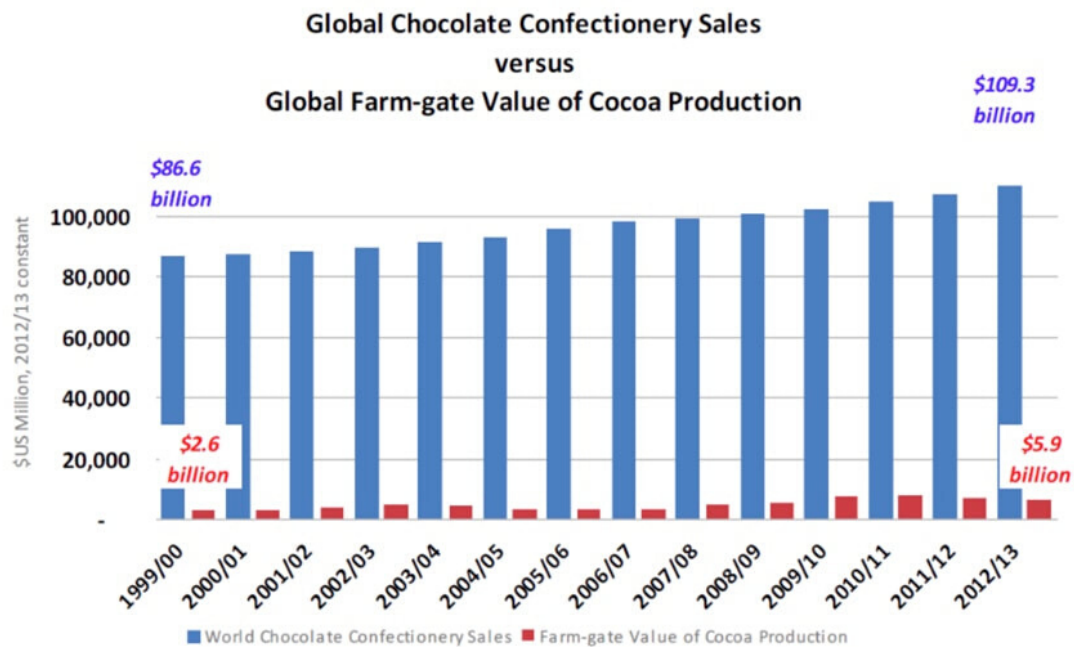
Sustainable Development

We have various communities that we hope to positively impact through this project, however our target community that has the greatest priority in terms of sustainable development is Ghanaian cocoa farming communities. We are exploring best practices, as well as international and local Ghana-based partnerships to achieve this. According to Ghana Cocoa Board (COCOBOD), "[Ghana's] cocoa industry employs approximately 800,000 farm families spread over six of the ten regions of Ghana... [generating] about \$2 billion in foreign exchange annually" (Cocoa). These six regions are in Western Ghana, with the capital city of Accra located in the white region surrounded by the regions of Central, Eastern, and Volta.

The Cocoa Barometer is a report produced by cocoa watchdog group VOICE Network. Its 2018 report found data from reports recent data from the International Cocoa Organization (see Figure 2) indicating that Ghana has remained one of largest producers of cocoa in the world, second only to its neighbor, Cote d'Ivoire (Cocoa Barometer). Despite this production value, cocoa farmers and producers receive devastatingly low income compared to their U.S. and European confectionary counterparts (Figure 3). The New Food Economy's 2018 article on cocoa production issues reported that data from Euromonitor and ICCO indicate that, although confectionary revenues have steadily risen over the years, production value of cocoa has remained stagnant (Sethi 2018). This demonstrates how valuable the chocolate confectionary market is compared to the cocoa production market that makes it possible, which is why we are trying to keep more of the cocoa in Ghana by introducing a Ghanaian-based confectionary company focused on supporting cocoa producers.

We want to determine the best way that Sankofa Chocolate Co. can support farmers so that they may receive more income, benefits, and recognition for their work.

Who are these farmers, though? They are mostly Western Ghanaians who are smallholder farmers, growing their crop on small plots, averaging less than 12 acres of land (International Cocoa Organization, 2012). In a 2017 article, Forbes reports that the average age of farmers in Ghana is 52, but with farmer's wages being so low, few young people want to continue cocoa farming (Sethi, 2017). A 2014 International Labor Rights Forum report found that most cocoa producers only make about \$2 a day (International Labor Rights Forum). On top of that, most of these farmers have large families to support and hold the responsibility of solving village problems like poverty, as Sako Warren, the executive secretary of the World Cocoa Farmers Organization, points out (Sethi, 2017). These communities also face more than income issues when it comes to the cocoa industry. Child labor, government corruption, and deforestation of Ghana's tropical forests are also prevalent and interconnected issues facing these communities. An understanding of these and all other issues affecting Ghanaian cocoa farming communities is necessary to help identify which organizations Sankofa Chocolate should partner with to truly be sustainably- and ethically-conscious.



Sources: Euromonitor, ICCO

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<https://newfoodeconomy.org/chocolate-farmers-ivory-coast-ghana/>

AMANDA

BRANDING & PACKAGING

- Modern design with references to Ghanaian traditions
- Source sustainable packaging

Branding That Tells a Story

"Sankofa" is Twi for "go back and get it" or "return." It is a saying that emphasizes learning from the past and returning to one's roots. Sankofa Chocolate's brand identity should harken back to this saying and demonstrate a modern approach to design and sustainable packaging while involving traditional Ghanaian elements.

Design

For the design, we can base decorative elements on Ghanaian kente cloth, but add modern twist. This approach is similar to the successful chocolate producer Divine Chocolate.

Design reference: Divine Chocolate

Divine Chocolate's design features paper packaging covered in adinkra symbols, wrapped in a way that opens easily and "like a present," with bar in gold foil. Inside of packaging focuses on information about the company; its farmers, its credentials and benefits, and information about adinkra symbols, along with ways to further connect online and through social media

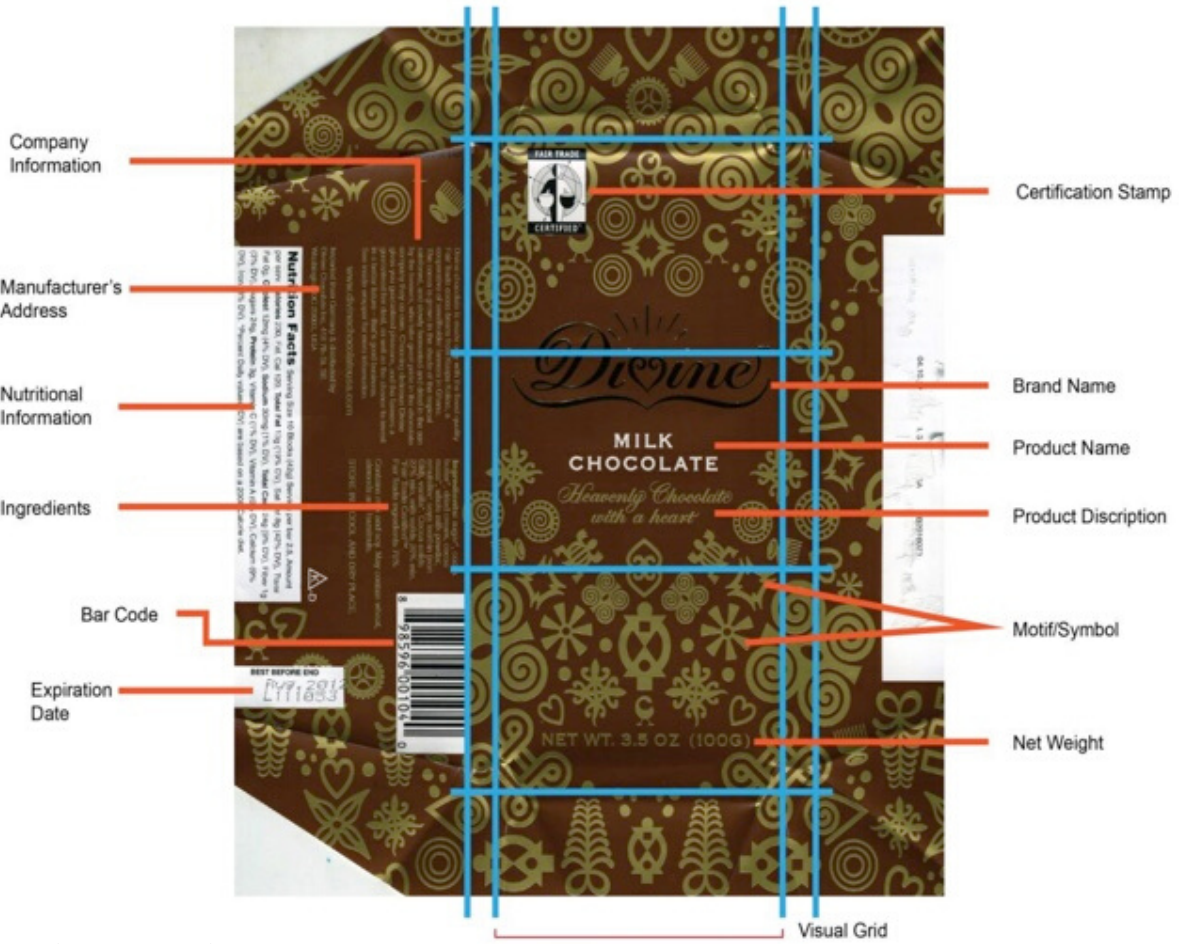
Packaging

Our packaging materials should suggest luxury but still be eco-friendly and feasible to source within Ghana. Some options are:

- Traditional paper and foil packaging (similar to "gift" approach of Divine)
- Biodegradable film, like NatureFlex (Saka, 2011)
- Beeswax wrap as possible reusable alternative

Next Steps

- Draft packaging design
- Identify and contact Ghanaian graphic designers



(Saka, 2011)



Theo Philo Packaging: Example of vibrant, sleek packaging design

Target Customers

Middle to upper class
Ghanaians, expats living in
Ghana, and tourists in Ghana.

MICHAEL MARKETING

- **Emphasize Ghanaian-based sustainable initiatives and local experience**
- **Partner with local hospitality, tourism agencies, and media outlets**

Marketing

We want to convey to the Ghanaians that our chocolate factory's main goal is to use Ghana's raw materials, add value to them and process them into finished goods, rather than exporting them in their raw form and importing them back into the country as a finished good or sold exclusively in foreign markets. Advertising to our target audience will require local outreach in and around Ghana.

Where to Advertise

There are several advertising agencies in Accra. A few of the larger agencies offer a full range of publicity and sales promotion service in the country's main population centers. Three of them, Lowe Lintas Ghana Limited, Design & Display Publicity (DDP) and Media Majique are affiliates of U.S. companies. While many of the smaller agencies market themselves as 'advertising' agencies, they are engaged primarily in collateral design and printing. The U.S. Commercial Service Ghana can be of assistance in identifying suitable companies for brand representation and leading publications with general or targeted readership

The following is a list of major newspapers and business journals to consider advertising in:

- Daily Graphic
- Ghanaian Chronicle
- Ghanaian Times
- Business and Financial Times

The Daily Graphic and Ghanaian Times are state-owned daily newspapers and have the largest circulation base while the other publications listed above are privately owned and circulate mainly in metropolitan areas.

Since it is the beginning stages of the chocolate factory we want to keep all production in Ghana and not export into foreign markets. It is important for us to do this because we want the factory to become a sustainable business that doesn't need to rely on foreign exports to make money. Many chocolate factories just use Ghana for its cocoa beans and don't care about the welfare of those actually delivering their raw materials.

Due to these reasons we have narrowed our advertising to only the Ghanaian market. After extensive research of the various advertising strategies in Ghana we have decided that two different areas should be utilized. Our primary way to sell our chocolate would be to create a partnership with a hotel. This would enable us to directly advertise to all tourists and indirectly to the locals who work at the hotel. The next way we could advertise would be through various ad agencies. This would allow us to get our ads in newspapers, magazines, billboards and other common places in order to reach the Ghanaians.

Hotel Contacts

- Accra Marriot- Liberation Road, Accra, Ghana. (233)30-273-8000
- Movenpick Ambbassador Hotel- Independence Ave, Accra Ghana (233)30-261-1000
- Kempinski Hotel Gold Coast City- Ministries PMBB 66 Gamel Abdul Nassar Ave, Accra Ghana. (233)24-243-6000

Next Steps - Future Projects

- Now that we have researched the target customers and places to advertise we can pass along this information to the next group if they continue this project.
- They should focus on actually creating an ad that will appeal to the target customers and put forth the positive message that we want our company to embody.



JACKY PRODUCT LINE

- Emphasize ethical sourcing
- Local flavors translated to chocolate

A variety of chocolate products that prioritize high quality and ethical production.

- "Taste good, does good" approach and identify origin of cocoa on packaging, inspired by Askinosie Chocolate (Single Origin Bean to Bar Chocolate, n.d.)
- Determine techniques similar to those used by GoldenTree chocolate to withstand Ghanaian climate (Chocolate Bars, n.d.)
- Chocolate products to create:
 - Dark chocolate bars (feasible for flagship product)
 - Drinking chocolate (popular in Ghana)
 - Milk and White chocolate bars
 - Specialty confections, like bonbons (ideal for fusion of local flavors from Ghanaian desserts)
- Flavors and dishes inspired by Ghanaian desserts (Jess Kitchen, 2018)
 - Hibiscus - Sobolo (Bissap) Drink
 - Peanut Brittle - Nkate cake
 - Coconut toffee - Aygibe toffee
 - Pancakes (served with chocolate sauce)
 - Chocolate popsicles

ROHAN & AMANDA
**SUSTAINABLE
PRACTICES &
PARTNERSHIPS**

- Partner with ethical cooperatives
- Solar power for factory and storefront operations
- Consider agroecology

Sustainable Practices

- Partner with Ghanaian farming cooperatives and cocoa sourcing companies supporting sustainable development initiatives (see "Partner Organizations to Consider")
- Support women employment, whether it be indirectly through partner organizations or allocation of revenues for donations to local nonprofits, or directly through employment at factory and storefront
- Solar Power- powering the factory and storefront in Ghana with clean energy will be both environmentally friendly and a long-term investment for company
 - Estimate upfront cost for a factory size of 10,000 sq. ft., with a monthly power usage of 80,000 kWh, would be an estimated upfront cost of \$471,000 - Suka Wind & Solar Energy Limited in Accra, Ghana (Industrial Installations, n.d.)

Stakeholder Analysis

It is important to consider stakeholder influence when developing projects that plan to affect multiple communities, especially when sustainable development is a key factor. Consider the Stakeholder Analysis developed for this project and adjust it accordingly to identify key relationships between Sankofa Chocolate and affected stakeholders.

Full Stakeholder Analysis:

https://thechocolateco.weebly.com/uploads/1/2/7/8/127810545/stakeholder_analysis_1.pdf

Stakeholder Identification

Stakeholder groups	Interests at stake in relation to project	Effect of project on interests - 0 +	Importance of stakeholder for success of project U = unknown 1 = little/no importance 2 = some importance 3 = moderate importance 4 = Very important 5 = Critical player	Degree of influence of stakeholder U = unknown 1 = little/no influence 2 = some influence 3 = moderate influence 4 = significant influence 5 = Very influential
Amyra Asamoah (Founder)	Profitability	+	5	5
	Desire to bring economic returns of cocoa back to Ghana	+		
	Promote responsibly sourced cocoa	+		
	Provide opportunity to women	+		
PSC 391 Group (Amanda, Rohan, Jackie, Michael)	Completing class project	+	3	2
	Helping Amanda	+		
	Learning about sustainable development	+		
Pete Schwartz	Teaching students about sustainable development models	+	1	1
Farmers	Maximizing Profits	-	4	3
Other Chocolate Companies	Competition	-	2	1
Government	Foreign Trade	-	2	4
Target market (middle/upper class Ghanaians)	Quality Product	+	5	2
	Experience	+		
Potential Investors	Profitability	+	5	5

Participation and Social Assessment: Tools and Techniques, J. Reitbergen-McCracker, D. Narayan

Partner Organizations to Consider

- **Kuapa Kokoo** - Fairtrade certified cooperative based in West Ghana that provides various community resources for participating farmers and job opportunities for women (About Kuapa Kokoo, n.d.)
- **Cocoa360** - Community-driven cooperative that follows a "farm-for-impact" model, with profits funding a school for young women and a health clinic (Our Guiding Principle, n.d.)
- **Yayra Glover Organic Chocolate** - Organic cocoa sourcing company based in East Ghana with sustainable agriculture initiatives (About Yayraglover Ltd., 2019)
- **ABOCFA (Uncommon Cacao)** - Fairtrade and B-Corporation certified organization committed to transparency with goals of eradicating child labor and slavery in cacao industry, as well as providing jobs for women (ABOCFA, Ghana, n.d.)
 - Highly recommend this partnership

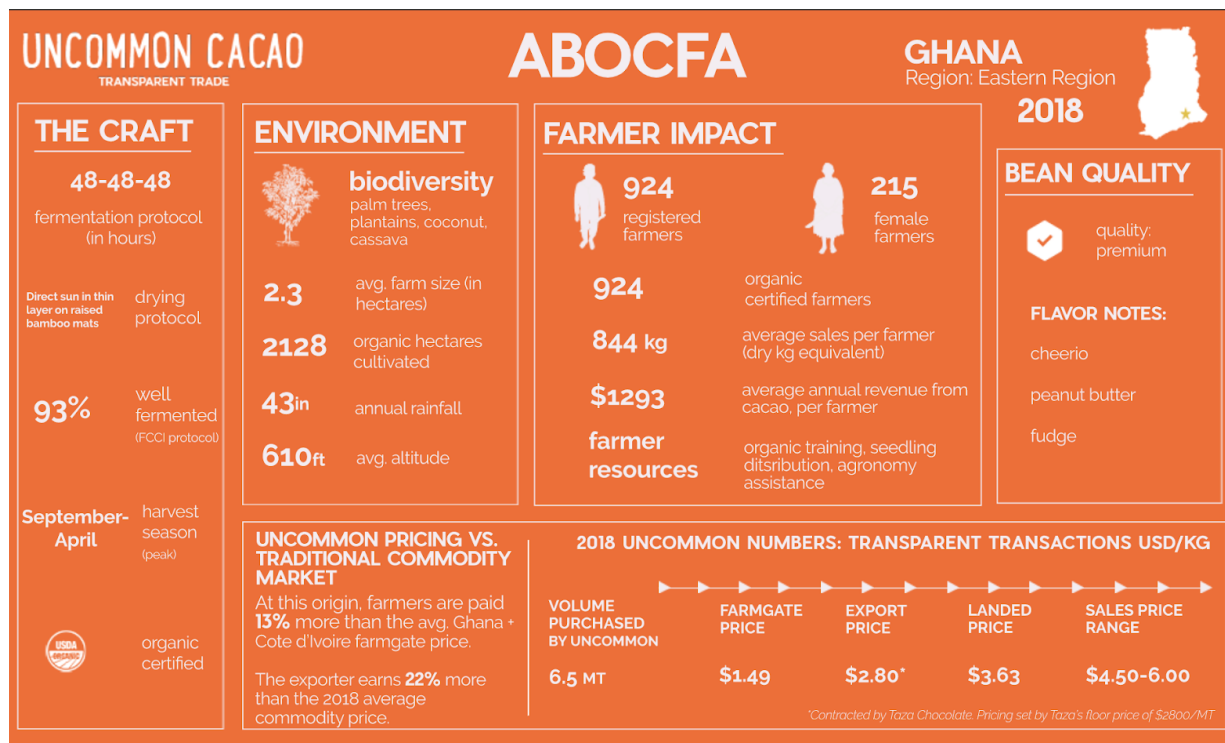


Chart provided by ABOCFA. Overview of their business practices, including cacao production, environmental and farmer impacts, and pricing comparisons (ABOCFA, Ghana, n.d.)

AGROECOLOGY INTERVIEW FINDINGS

Dr. Nicholas Babin

Dr. Babin is a professor at Cal Poly San Luis Obispo whose field of study ranges from agroecology to political economy. He has experience with agroecology of Costa Rican coffee production and partnering with cooperatives and governments. Amanda conducted an interview with him to determine best practices in terms of agroecology and promoting it within cooperatives, as well as why it would be beneficial for cocoa production in Ghana. Below are main findings from the interview.

- Agroecology requires up-front investment but reduces the need for agricultural inputs (like pesticides)
 - Shade and nutrients provided by more biodiversity is more beneficial than monoculture farming, which is common in Ghana
 - Benefits include: sequestering carbon, providing resources for farmers/community (timber by COCOBOD) and reduces dependency on external inputs
- If working with a cooperative, establish aims for best practices
 - if supporting agroecology, possibly reserve 5% for agriculture fund

Dr. Nicholas Babin & contact information:

<https://nres.calpoly.edu/dr-nicholas-babin>



NEXT STEPS

Company & Potential Projects Timeline

WINTER QUARTER

- Fundraising Efforts
- Recipe/Product development - sustainable chocolate production & heat resistance

SPRING QUARTER

FALL QUARTER

JANUARY 2020

- Amyra to travel to Ghana to meet with ABOCFA and begin incorporating business

FEBRUARY 2020

- Officially begin fundraising with goal of \$90,000, with verbal commitments of \$40,000 already

NOVEMBER 2020

- Launch pop-up in Accra

GOALS

- Begin product/recipe development in July 2020
- Launch a pop-up version of our chocolate factory experience in Accra in November 2020
- operate the pop-up for 1 - 3 months Open our full-scale factory by July 2021

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