

## Borrower Overview

Atlas is a \$4m licensed cocoa buying company (LBC) that sources cocoa from 36 cooperatives in Ghana. Their operations are located in Kumasi, from where the Company oversees the procurement of cocoa directly from smallholder farmers across outlying cocoa growing regions. Industry is tightly regulated by the Ghana cocoa board (COCOBOD) which sets the total cocoa volume target, farm-gate price and selling price. Given that the cost and sale price of cocoa is fixed, LBCs compete to carve a greater share of the existing supply of cocoa by awarding incentives to farmers in exchange for their cocoa.

## Impact Focus

Employment in Ghana is driven largely by agriculture. World Bank data shows that, while agriculture accounts for only 21% of GDP (cocoa accounts for 7%), the agricultural sector employs more than 50% of the workforce. Furthermore, agriculture and agribusiness comprise a large proportion of all economic activities, and contribute significantly to the livelihoods of smallholder farmers [1]. Thus, supporting this value chain ensures impactful outcomes in line with SDG goals 1 and 8 around reduction of poverty and promoting sustained economic growth.

Smallholder sourcing is at the heart of Atlas' operations and the Company is committed to economically empowering its producers. In order to operate in Ghana, Atlas needs to be issued a license by the COCOBOD in addition to obtaining a 'social license' to buy from cooperatives by maintaining good relationships with farmers – through incentives, community development and farmer loyalty programs. Atlas is reaching some of the poorest farmers in the country. 33% of Atlas' farmers live below the \$3.20 poverty line compared to the Ghanaian national average of 15%. Further, 75% of farmers' household income comes from cocoa, and over half of the farmers stated that Atlas was providing a new service that was hard to replace with alternatives.

Atlas further intends to support local farmers through increased extension officer training as well as advocating for access to technical assistance facilities to restore or rehabilitate ageing trees for farmer cooperatives who work with the Company. Atlas has also planned to work with select cooperatives to ensure that the inputs supplied and subsidized from the COCOBOD and the Ministry of Food and Agriculture are in fact reaching the farmers. This is important, as farmers effectively pay for cocoa inputs, however, the distribution system is highly politicized and erratic, meaning that many farmers do not receive them [1].

### References

1. World Bank.2017. Ghana Agriculture Sector Policy Note: Transforming Agriculture for Economic Growth, Job Creation, and Food Security. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/28394> License: CC BY 3.0 IGO.



Access to Capital



Sustainable Production

**Facility Size: USD 3mn**

**1917 Female Smallholders Supported**

**4427 Smallholders Supported**



An initiative by

