



## GROWING LIBERIA'S COCOA VALUE CHAIN

In Liberia, agriculture is a strategic economic pillar. Cocoa offers great potential for economic transformation.

### Agriculture in Liberia

- Primary livelihood for **60%** of Liberians
- Accounts for **37.2%** percent of GDP
- Employs **42%** of working-age Liberians

### Cocoa production in Liberia

- Produced by **40,000** households
- Individual farmers cultivate **between one and three acres** of cocoa
- Increased from **1,120** tonnes in 2003 to **8,337** tonnes in 2013

### Our study

- Surveyed **179** farmers
  - 59 in Bong and Nimba
  - 61 farmers in Lofa
- 139 male farmers
- 40 female farmers

Liberian cocoa is of low quality compared to other producers. There are many opportunities for process and product upgrading in the country's cocoa sector. Major challenges include:



Few high-yielding seedlings



Poor access to financial services



Difficulties acquiring land, especially for female farmers



Minimal fertilizer usage on farms



External threats such as pests, drought, and market collapse



Lack of technical knowledge in production practices



Farmers lack information about markets and opportunities

## The following improvements can grow the cocoa sector and make it a driver of transformation in Liberia:

### Quality control

- Empower village-based quality control ambassadors to educate and support farmers on quality control
- Invest in climate-smart tools
- Improve agrovet business models to incorporate input supply, extension, warehousing, and risk management tools

### Farm-to-market innovations

- Improve logistics, especially first-mile transport by using other vehicles such as motorcycles or new innovations such as Tryctor (Nigeria)
- Focus on niche export markets. For example, the Americo-Liberian heritage can be leveraged to target the African-American market
- Create special economic zones focused on cocoa processing

### Partnerships

- Collaborate with nongovernmental organizations, such as Farm Radio International, for specialized radio programs that can help solve gaps in market information
- Triplex helix partnerships between the private sector, policymakers, and researchers can drive innovation in Liberia's cocoa ecosystem

## POLICY RECOMMENDATIONS

Apart from the industry recommendations, the government of Liberia will also need to implement policies around the following areas to ensure the growth of the cocoa industry.

### Scaling innovations & addressing value chain constraints

- Implement a revolving fund to aid in the development of the private sector, particularly through a franchise model
- Implement a TVET curriculum which trains inputs-as-a-service entrepreneurs
- Set up a specialized women-in-cocoa fund to focus on addressing inequalities and review the mandate of the Cooperative Development Agency (CDA) to have a special focus on gender issues
- Train village-based quality control ambassadors
- Formalize the arrangement between licensed buying companies (LBCs)
- Encourage local cocoa and chocolate consumption with targeted PR and marketing campaigns

### Strengthening the sector's political economy

- Revisit the mandate of LACRA to give a greater role providing missing infrastructure for the sector
- Expand the mandate of the CDA to include entrepreneurship development, public relations, and monitoring
- Develop a cocoa development fund that can be tapped to:
  - build capacity of the CDA in entrepreneurship development, public relations, and monitoring
  - strengthen private sector federations in building public-private partnerships; and
  - incorporate intermediaries to draw on for research



### Regional Collaboration on Overcoming Binding Constraints on the Growth of Liberia's Cocoa Value Chain

This study examines the structure, opportunities, and constraints of the cocoa industry in Liberia and finds that it needs to develop its traditional cocoa commodity sector into a high-value-adding industry.

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