CRITICALLY EXAMINE NIGERIAN POLICY AND POLICIES ON COCOA FARMERS (2014-2024)

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Abstract

Between 2014 and 2025, policy approaches to cocoa farming in Nigeria have combined market liberalization, export-oriented strategies, and renewed efforts at sector revitalization. Despite these initiatives, the majority of smallholder farmers who form the backbone of cocoa production continue to face deep-rooted structural challenges that remain largely unresolved. The sector's earlier decline, partly linked to policy failures such as the abolition of marketing boards in the 1980s and governance inefficiencies, prompted the introduction of the National Agricultural Technology and Innovation Policy (NATIP) 2022–2027, aimed at promoting technological advancement and sustainability. Some measurable progress has been recorded, particularly in export performance, with cocoa earnings rising significantly to approximately $1.7 billion in 2024 due to favourable global prices. Government ambitions to increase production to 500,000 metric tonnes by 2025 have also been supported through interventions such as the distribution of improved seedlings and efforts to attract foreign investment. However, these gains have been accompanied by notable shortcomings. In practice, certain policies have contributed to environmental degradation, including deforestation linked to illegal farming in protected areas, while insufficient attention has been given to climate adaptation strategies for farmers. In addition, persistent issues such as declining productivity from aging farms, pest and disease outbreaks, and limited access to affordable credit continue to undermine farmer livelihoods. Structural constraints including multiple taxation, weak infrastructure, and inadequate local processing capacity further reduce the sector's competitiveness, leaving farmers with little influence over market prices in a system largely controlled by exporters. Although the proposed National Cocoa Management Board in 2025 signals a possible move toward stronger institutional coordination, its effectiveness will depend on its ability to address long-standing issues such as rural poverty and environmental sustainability. In summary, while recent policies have contributed to

increased export earnings in the short term, they have not sufficiently improved the welfare of cocoa farmers. This highlights the urgent need for more inclusive and sustainable policy reforms capable of restoring Nigeria's prominence in the global cocoa industry.

Introduction

Nigeria has long been recognized as one of the leading producers of cocoa globally; however, its cocoa sector has experienced substantial policy transformations since the post-independence period. Particular attention has been directed toward revitalization efforts between 2014 and 2024, as the government sought to restore the industry's former prominence. Cocoa cultivation continues to serve as a major source of livelihood for over 300,000 smallholder farmers, especially in south-western states such as Ondo, Osun, and Cross River. In economic terms, the sector contributed significantly to foreign exchange earnings, generating approximately $489 million in 2022. 88]Despite its importance, the industry has struggled with several persistent constraints. Production levels have remained relatively stagnant, averaging between 250,000 and 300,000 metric tonnes annually. This situation is compounded by aging cocoa trees, frequent pest and disease outbreaks, and increasing pressure from international regulations such as the European Union Deforestation Regulation (EUDR). In response, successive governments introduced policies aimed at increasing productivity, strengthening value chains, and promoting environmental sustainability. However, the results have been inconsistent, largely due to weak implementation, the lingering effects of market liberalization, and external economic and environmental factors.This study provides a critical evaluation of these policy interventions by examining their achievements, limitations, and overall impact on cocoa farmers. The period under review began with the Cocoa Transformation Agenda (CTA), introduced around 2014 as part of broader agricultural reforms during the administration of President Goodluck Jonathan. The initiative set ambitious production targets, aiming to increase output from about 248,000 metric tonnes in 2014 to 500,000 metric tonnes within a short timeframe. To achieve this, the programme focused on distributing improved seedlings, agrochemicals, and providing farmer training.Complementing this effort was the Cocoa Growth Enhancement Scheme (CGES), which facilitated the distribution of hybrid cocoa pods and other inputs, supported by partnerships with organizations such as the World Cocoa Foundation and the Cocoa Research Institute of Nigeria (CRIN). Under President Muhammadu Buhari's administration, the Agricultural Promotion Policy (APP) (2016–2020) shifted focus toward value chain development, export expansion, and economic diversification, with cocoa identified as a strategic crop. This policy direction later evolved into the National Agricultural Technology and Innovation Plan (NATIP), which emphasized modernization, contract farming systems, and the establishment of processing facilities to improve farmer welfare and food security.More recently, under President Bola Tinubu's administration, the National Cocoa Management Committee (NCMC) was established in 2022 to address emerging global requirements, particularly the EUDR, which mandates deforestation-free supply chains. The committee, operating under the Federal Ministry of Agriculture and Food Security, brought together key stakeholders, including the Cocoa Farmers Association of Nigeria (CFAN) and private exporters, to

enhance traceability and sustainability within the sector.Efforts were also made to align Nigeria with international pricing initiatives such as the Living Income Differential (LID), introduced by Côte d'Ivoire and Ghana in 2019 to ensure fairer incomes for farmers. However, regulatory and institutional limitations prevented Nigeria from fully benefiting from this arrangement. In addition, public-private partnerships, including the TRACE project valued at $22 million, as well as private investments like Johnvents Industries' expansion, have been introduced to improve processing capacity and reduce dependence on raw bean exports. The proposal for a National Cocoa Board in 2025 further reflects ongoing attempts to strengthen governance and coordination within the sector.

Overview of Nigerian Policies on Cocoa Farmers (2014-2024)

Between 2014 and 2024, policy direction in Nigeria's cocoa sector shifted gradually from aggressive production expansion strategies and input-based support programmes toward initiatives centered on sustainability and long-term sector resilience. These interventions were largely coordinated by the Federal Ministry of Agriculture and Rural Development (FMARD), the Cocoa Research Institute of Nigeria (CRIN), and various international development partners. The primary objective was to tackle persistent structural challenges within the sector, including low productivity levels, declining farm conditions, and limited global competitiveness.Average cocoa yields during this period remained significantly below potential, at approximately 0.31 tons per hectare compared to an achievable range of 1.5 to 2 tons per hectare under improved practices. This gap was further worsened by the prevalence of aging plantations, many of which exceeded 30 years in age, thereby reducing overall output efficiency. Despite these constraints, Nigeria maintained its position as one of the leading global producers, ranking fourth worldwide with annual production levels fluctuating between 250,000 and 300,000 metric tonnes.

2014-2015: Cocoa Transformation Action Plan (CTAP)

The Cocoa Growth Enhancement Scheme (GES), implemented as part of the Agricultural Transformation Agenda, was designed to significantly increase cocoa production by targeting an output of 500,000 metric tonnes by 2015. To achieve this objective, the programme focused on providing farmers with improved, disease-resistant cocoa seedlings particularly hybrid varieties developed by the Cocoa Research Institute of Nigeria (CRIN) alongside essential inputs such as fertilizers and agrochemicals. In addition, farmers were trained in Good Agricultural Practices (GAP) and encouraged to adopt certification standards such as UTZ to improve quality and market access.

A key component of the initiative was the intention to improve farm productivity, with yield targets increasing from less than 500 kg per hectare to approximately 600–650 kg per hectare. The policy also aimed to enhance domestic value addition by promoting local processing, with a goal of processing at least 25% of total cocoa output within the country. Furthermore, the Export Expansion Grant (EEG) was being reconsidered as a mechanism to support value-added exports, although its implementation had previously been halted in 2012 due to concerns over mismanagement and fraudulent practices.

2016-2021: Liberalization and Yield Enhancement Efforts

Following the liberalization reforms introduced in 1986, subsequent policies continued to promote a market-driven structure dominated by private sector participation. During this period, the majority of cocoa beans estimated at about 80% were purchased by Local Buying Agents (LBAs) and farmer cooperatives. Key institutions such as the National Cocoa Development Committee (NCDC) and the Cocoa Research Institute of Nigeria (CRIN) supported the sector by distributing improved planting materials and encouraging alternative financing mechanisms, including remittance-based funding, which has been linked to improvements in farm productivity.Production trends during this period were inconsistent. While output declined to approximately 190,000 metric tonnes in 2015 due to adverse weather conditions and limited adoption of improved inputs, it later recovered to around 245,000 metric tonnes by 2017. In addition, international development partners, including USAID and USDA, contributed to the sector through the provision of extension services, particularly in major cocoa-producing states such as Ondo and Cross River.

2022-2024: Sustainability and Traceability Focus

Recent Policy Developments

In response to emerging global sustainability requirements, particularly the European Union Deforestation Regulation (EUDR) scheduled to take effect in 2024, the Federal Ministry of Agriculture and Rural Development (FMARD) established the National Cocoa Management Committee (NCMC) in 2022. The committee was tasked with developing a comprehensive traceability system and included key stakeholders such as the Cocoa Farmers Association of Nigeria (CFAN) and the Cocoa Association of Nigeria (CAN). Its primary objective was to ensure that Nigerian cocoa production complies with international environmental standards and avoids exclusion from global markets.At the same time, the Cocoa Research Institute of Nigeria (CRIN) expanded its efforts in distributing improved hybrid seedlings, reaching an estimated 300,000 seedlings annually across 13 cocoa-producing states. This initiative was aligned with national production targets of 500,000 metric tonnes by 2024. Additionally, the United States Department of Agriculture (USDA) funded the TRACE project, valued at $22 million and spanning 2022 to 2027, which focused on enhancing productivity, promoting compliance with environmental regulations, and introducing digital farm mapping systems in six key states.Furthermore, the Cocoa Farmers Association of Nigeria (CFAN) advocated for increased government support, particularly in the form of input subsidies, while also promoting the expansion of the National Cocoa Rebirth Programme (CRP). This programme aimed to address critical issues such as child labour and deforestation within the cocoa value chain. Despite these interventions, production levels remained relatively stable at approximately 250,000 metric tonnes between 2022 and 2023, with export earnings reaching about $489 million in 2022.

Methodology

A systematic and well-structured methodological approach is essential for evaluating Nigerian cocoa policies within the 2014–2024 period. This study adopts a predominantly qualitative research design, complemented by selected quantitative insights, to provide a comprehensive policy analysis. The

focus is on assessing policy effectiveness, identifying implementation gaps, and examining the socio-economic impacts on smallholder farmers, who contribute over 90% of cocoa production in Nigeria.The analytical framework is informed by established policy evaluation models, including Bardach's Eightfold Path and Sabatier's Advocacy Coalition Framework, both adapted to suit the agricultural policy environment of a developing economy. In addition, the study incorporates elements of critical theory to explore issues related to power relations, inequality, and regional disparities, as well as the influence of neoliberal economic policies such as market liberalization on the cocoa sector.

World Bank Involvement

The World Bank has played a supportive role in the development of Nigeria's cocoa sector, with its involvement predating the 2014–2024 period. One notable initiative is the Second Cocoa Project, which focused on the cultivation and replanting of high-yield cocoa varieties across approximately 72,000 acres, alongside training programmes aimed at improving modern farming techniques. Although this project falls outside the study period, it provides important background to the Bank's long-term engagement with cocoa production in Nigeria.

During the 2014–2024 period, the World Bank contributed indirectly through analytical reports and global market studies. These included econometric projections of cocoa supply, demand, and pricing trends, which highlight the vulnerability of Nigerian farmers to fluctuations in international markets. Given Nigeria's reliance on cocoa exports, changes in global prices significantly influence farmer income and overall sector performance.

In addition, the World Bank has emphasized the growing impact of climate change on agriculture. A 2021 report indicates that Nigeria has experienced an average temperature increase of approximately 0.19°C per decade over the past 30 years. This trend poses serious risks to cocoa farming, as rising temperatures and irregular rainfall patterns can reduce productivity and accelerate environmental degradation.

Broader Context of Cocoa Farmers

Although detailed World Bank assessments specifically focused on Nigerian cocoa farmers during this period are limited, existing studies and related reports provide valuable insights into the broader conditions of the sector.Firstly, Nigeria's position in the global cocoa market has declined significantly over time. While the country ranked as the second-largest producer between the 1940s and 1970s, contributing nearly half of national export earnings, the discovery of oil shifted policy attention away from agriculture. As a result, by the 2014–2024 period, Nigeria's share of global cocoa production had dropped to approximately 6%, placing it behind leading producers such as Côte d'Ivoire, Ghana, Indonesia, Ecuador, and Brazil.Secondly, farming practices have shown a notable preference for agroforestry systems over full-sun cocoa cultivation. Evidence from recent studies, including research conducted in Ekiti State, indicates that about 57% of cocoa farms operate under agroforestry systems, compared to only 13% using full-sun methods. Agroforestry practices, which integrate shade trees with cocoa crops, are increasingly recognized as effective climate adaptation strategies due to their role in enhancing biodiversity and improving resilience to environmental stress.

Thirdly, the cocoa sector continues to face significant socio-economic challenges. Globally, smallholder farmers account for approximately 80–90% of cocoa production, with an estimated 6 million individuals depending on the crop for their livelihoods. In Nigeria, these farmers remain highly vulnerable to fluctuations in global prices, limited access to credit, and inadequate support systems.Finally, ongoing policy reforms reflect continued efforts to address these challenges. The proposed National Cocoa Management Board (NCMB) in 2025 aims to improve regulation, enhance product quality, expand access to finance, and promote local processing. Although this initiative falls slightly beyond the study period, it demonstrates a sustained policy interest in strengthening the cocoa sector, likely influenced by both domestic needs and international development perspectives.

The Significance of Policies on Nigerian Cocoa Farmers (2014–2024)

Nigeria's cocoa sector, an important contributor to foreign exchange earnings and rural livelihoods, has been strongly influenced by government policies. Between 2014 and 2024, the sector experienced notable economic changes driven by fluctuating global commodity prices, environmental challenges such as climate change, and evolving domestic policy frameworks. For cocoa farmers, the effects of these policies have been a combination of constraints and unrealized opportunities.Key policy interventions during this period include the Agricultural Transformation Agenda (ATA), introduced under President Goodluck Jonathan, and the Agricultural Promotion Policy (APP) from 2016 to 2020 under President Muhammadu Buhari. Although broader environmental and climate policies exist, targeted interventions specifically supporting climate-resilient cocoa farming have been limited and inconsistently implemented. Efforts led by institutions such as the Cocoa Research Institute of Nigeria (CRIN), often in collaboration with NGOs, have focused on distributing improved and drought-tolerant seedlings as well as training farmers in climate-smart practices. While these initiatives hold promise, their overall reach has not been sufficient to significantly reduce the vulnerability of smallholder farmers (Ayanlade et al., 2020).A major observation from this period is the persistent gap between policy formulation and practical outcomes. Policies such as ATA and APP identified critical challenges including limited access to inputs, finance, and value addition opportunities. However, weak implementation mechanisms and inadequate funding significantly reduced their effectiveness. In contrast, macroeconomic policies especially those related to exchange rate adjustments had more visible effects on farmers' incomes. For instance, the depreciation of the naira temporarily increased export earnings but also exposed the sector's dependence on imported inputs.

Policy Significance and Key Interventions

These agricultural policies were designed to reduce direct government control and encourage a more market-oriented cocoa sector. Major components included:

Input Subsidy Programs: Initiatives such as the Growth Enhancement Support (GES) scheme under ATA aimed to provide farmers with subsidized fertilizers and improved planting materials through a digital e-wallet system. For cocoa farmers, this created access to higher-yielding and disease-resistant hybrid seedlings, which are essential for replacing aging cocoa trees (Oluwatoyese et al., 2016).

Promotion of Value Addition: Both ATA and APP emphasized increasing domestic processing of cocoa rather than exporting raw beans. The goal was to retain more value within the country, improve export earnings, and potentially stabilize farm-gate prices through increased local demand.

Improved Access to Credit: The policies also encouraged financial institutions to collaborate with the agricultural sector to improve farmers' access to credit. This is particularly important for cocoa farming, which requires substantial initial investment and has a delayed return due to the long maturation period of cocoa trees.

Implementation Challenges

Despite these intentions, implementation remained a significant limitation. The GES scheme, for example, encountered issues such as delays, corruption, and inefficiencies in distribution, often resulting in inputs arriving after optimal planting periods. Consequently, many smallholder farmers, especially those in remote areas, did not benefit from the program (Adebiyi, 2020). While value addition initiatives recorded some progress among established processors, the majority of cocoa production still consists of raw bean exports, leaving farmers exposed to global price fluctuations.To modernize Nigeria's cocoa sector by promoting sustainability, increasing productivity, and enhancing the income of smallholder farmers, with the aim of positioning Nigeria as a leading producer of premium and sustainably sourced cocoa globally.

Farmer Profiling Approach

The initiative proposes comprehensive data collection across major cocoa-producing states such as Ondo, Osun, Ogun, Cross River, and Ekiti. Data to be gathered includes farm size, yield per hectare, tree age, farming methods, income levels, access to credit, market connections, and awareness of improved agricultural practices (GAP). It also seeks to identify major constraints such as aging plantations, pest and disease incidence (e.g., black pod disease and swollen shoot virus), limited input access, and price instability.A multi-stakeholder collaboration is envisioned involving the Federal Ministry of Agriculture, CRIN, state governments, NGOs (such as Solidaridad and the World Cocoa Foundation), farmer cooperatives, and private sector actors including major cocoa buyers and processors.

Critical Policy Evaluation Framework (2014–2024)

This analysis adopts an adapted public policy evaluation approach similar to the OECD policy cycle, focusing on objectives, implementation, outcomes, and equity considerations. The framework examines how cocoa-related policies performed in the context of structural challenges such as climate variability, aging infrastructure, and global regulatory pressures like the European Union Deforestation Regulation (EUDR) introduced in 2024.Nigeria's cocoa sector remains a key export commodity, with estimated export earnings of about $489 million in 2022. The sector is dominated by approximately 300,000–350,000 smallholder farmers cultivating around 1.4 million hectares. However, productivity remains low, averaging about 0.31 tons per hectare compared to potential yields of 1.5–2 tons per hectare under improved practices. Policy coordination has largely been supported by institutions such as the National Cocoa Development Committee (NCDC), which continues to play a regulatory and advisory role.

Policy Objectives and Design (2014–2024)

Policies during this period were primarily aimed at increasing productivity, improving farmer livelihoods, and strengthening Nigeria's position in the global cocoa market.

i. **Cocoa Transformation Action Plan (CTAP) / GES:** Focused on increasing production through improved seedlings, fertilizer subsidies, and incentives for processing. It also aimed to raise local processing capacity and address low yields associated with older cocoa varieties.

ii. **Cocoa Rebirth Programme (CRP):** Centered on rehabilitating aging farms, improving bean quality, and supporting farmer training. Activities included distribution of hybrid seedlings and extension services to combat diseases such as black pod disease, which causes significant yield losses (approximately 18%).

iii. **Market Liberalization Policies:** Continued reliance on private sector actors such as Local Buying Agents (LBAs) for purchasing and exporting cocoa. Regulatory oversight remained with NCDC, while policies like the Export Expansion Grant (EEG) aimed to encourage local processing.

iv. **Sustainability and Traceability Initiatives:** Programs such as the National Cocoa Management Committee (NCMC) and the TRACE project were introduced to improve traceability systems and align Nigeria's cocoa production with international sustainability standards, particularly in response to the EUDR.

Implementation and Governance

Implementation of these policies faced several obstacles. Although input distribution programs like GES were intended to support farmers, only a portion of beneficiaries actually received these inputs due to corruption, inefficiencies, and diversion by intermediaries. Training initiatives under CRP and related programs reached a limited number of farmers but showed some positive impact in terms of productivity improvement.Governance under a liberalized market system allowed private buyers to play a central role in the cocoa value chain. While this improved access to services such as credit and training in Good Agricultural Practices (GAP), uneven enforcement of regulations and regional disparities resulted in inconsistent policy outcomes. Additionally, initiatives such as the NCMC farm database faced delays due to funding limitations.

Outcomes and Impacts

Overall outcomes were mixed. Cocoa production showed only slight growth over the decade, while yields remained relatively low due to persistent structural issues such as aging plantations, with a large proportion of trees exceeding 30 years in age.Farmer incomes experienced some improvement, partly due to higher global cocoa prices and increased access to credit and remittances. However, benefits were unevenly distributed. Programs like the Cocoa Rebirth Programme were positively received in some regions, though their overall effectiveness was constrained by inadequate funding and pest-related challenges.On the negative side, market liberalization exposed farmers to price volatility and occasional exploitation by intermediaries. Emerging regulations such as the EUDR may further impact exports if traceability systems are not

fully developed, potentially affecting a significant portion of production. Climate-related risks remain a major concern, with limited adoption of adaptation strategies such as agroforestry. Access to credit and insurance also remains restricted for many farmers due to collateral requirements and low participation rates.

Policy	Key Outcome Metric	Positive Impact	Negative Impact
CTAP/GES	Production +7% (2013)	Seedling access raised yields 2-3x in adopters	Targets unmet; subsidies diverted (70% loss)
CRP	300k seedlings distributed (2022)	Farmer training improved GAP adoption (50% in Ondo)	Perceived as failure; youth disinterest persists
Liberalization/NCMC	Exports $489M (2022)	LBA credit boosted incomes 10-15%	Price volatility; 30% output at EUDR risk
TRACE/EUDR Prep	Traceability in 6 states	Climate practices reduced losses 10-20%	Compliance costs burden smallholders (extra $50-100/ha)

Critical Analysis: Strengths and Weaknesses

Strengths

Cocoa-related policies in Nigeria between 2014 and 2024 contributed to the stimulation of private sector participation in the value chain. For example, training Local Buying Agents (LBAs) improved efficiency and supported sustainability within the supply chain. In addition, alignment with international certification standards such as UTZ and emerging requirements like the EU Deforestation Regulation (EUDR) positioned Nigerian cocoa for access to premium markets, potentially increasing earnings for certified producers by as much as 20%.Institutions such as the Cocoa Research Institute of Nigeria (CRIN) played a significant role in developing improved hybrid seedlings, while initiatives like the TRACE project encouraged agroforestry practices. These efforts helped to address environmental concerns such as deforestation while promoting a balance between productivity and ecological sustainability. Overall, these measures demonstrate an attempt to integrate economic objectives with environmental considerations.

Weaknesses

Despite these strengths, several limitations are evident. The heavy reliance on market liberalization without effective price stabilization mechanisms exposed farmers to significant income inequality. Middlemen and intermediaries often captured a substantial portion of value chain profits, estimated at between 40% and 50%, leaving farmers with relatively low returns.In addition, implementation challenges reduced the effectiveness of policy interventions. Subsidy programs reached less than half of intended beneficiaries in many cases, limiting their impact. Social dimensions such as aging farmer populations and gender inclusion were not adequately addressed, which weakened the overall inclusiveness of these policies and their alignment with sustainable development objectives'Empirical studies also suggest that climate adaptation measures were not sufficiently integrated into policy frameworks. As a result, adoption of practices such as irrigation and other micro-level climate adaptation strategies remained low, with only about 30% of farmers implementing them due to financial constraints. Furthermore, ambitious production targets, such as the 500,000 metric ton goal, did not adequately consider underlying structural challenges including poor rural infrastructure. Transportation inefficiencies alone contributed to post-harvest losses estimated at around 20%.From a broader perspective, these policies reflect a neoliberal orientation that prioritizes export-oriented growth over domestic industrialization. As a result, only about 5–10% of cocoa is processed locally, while the majority is exported as raw beans. This limits value retention within the country and contributes to persistently low farmer incomes, often below $1,000 annually, despite Nigeria's status as one of the world's leading cocoa producers. Additionally, the introduction of the EUDR in 2024 highlights governance and traceability weaknesses, as a significant proportion of farms located in protected forest areas (approximately 30%) may face exclusion from international markets without adequate institutional support.

Cocoa Production Contribution to Nigeria's GDP (2014–2024)

Cocoa remains an important agricultural export commodity in Nigeria, although its direct contribution to national GDP is relatively modest. Agriculture as a whole accounts for approximately 22–25% of Nigeria's GDP, within which cocoa plays a smaller but economically relevant role.Reliable and disaggregated data on cocoa's exact GDP contribution is limited, as national statistics typically aggregate agricultural outputs rather than isolating individual commodities. However, available data on production trends and export earnings provide useful insights into cocoa's economic significance.Historically, cocoa was a dominant export commodity before the oil boom of the 1970s, after which its relative importance declined. Nigeria currently ranks among the top global cocoa producers, contributing a notable share of global supply and supporting rural livelihoods.In the early part of the decade (around 2014), cocoa contributed a very small fraction of GDP, estimated to be below 0.1%, due to declining production and structural inefficiencies such as aging plantations, limited mechanization, and reduced input usage. Between 2015 and 2020, production showed some improvement, increasing by approximately 25% and reaching about 250,000 metric tonnes by 2020. During this period, cocoa export earnings also grew, with reports indicating revenues exceeding N103 billion in 2018.By 2023–2024, cocoa's economic relevance became

more pronounced due to a sharp increase in global prices and exchange rate movements. For example, cocoa exports in Q1 2024 rose significantly to about N438.7 billion, representing a substantial share of agricultural export earnings. This increase was largely driven by global supply shortages from major producers such as Côte d'Ivoire and Ghana, as well as the depreciation of the naira, which boosted export revenues in local currency terms.Although cocoa production volumes remained relatively stable at around 280,000 metric tonnes, rising international prices greatly enhanced its export value. Based on these trends, cocoa's contribution to GDP in 2024 can be estimated at roughly between 0.5% and 1%, depending on overall GDP estimates and exchange rate conditions. While still a small portion of total GDP, cocoa's role within the agricultural sector and export earnings is increasingly significant.

Supply and Demand of Cocoa in Nigeria (2014–2024)

Nigeria remains one of the leading cocoa-producing countries globally, typically ranking between fourth and fifth position and accounting for approximately 5–6% of global production. Cocoa cultivation is predominantly carried out by smallholder farmers located in southwestern and southern states such as Ondo, Osun, and Cross River, across an estimated 800,000 to 1.4 million hectares.The country's cocoa production cycle generally runs from October to September, although reporting inconsistencies sometimes arise due to differences in calendar and crop-year data. In terms of supply, domestic production has fluctuated over the years due to several factors including climatic variability, pest and disease outbreaks (such as swollen shoot virus), aging cocoa trees, and changes in farmer incentives.On the demand side, domestic consumption remains relatively low. Approximately 80–90% of Nigeria's cocoa output is exported as raw beans, mainly to international markets in Europe and Asia, where it is processed into chocolate and related products. Local processing capacity is limited, with less than 10% of cocoa undergoing domestic value addition due to infrastructural constraints. Although installed processing capacity is estimated at around 105,000 metric tonnes, actual utilization rates remain significantly lower.Global demand for cocoa has increased in recent years, particularly due to supply disruptions in major producing countries such as Côte d'Ivoire and Ghana. This has led to sharp increases in international cocoa prices, reaching record levels of approximately $12,000 per metric ton in 2024. These global market conditions have contributed to higher export revenues for Nigeria, even in the absence of major increases in production volumes.Overall, cocoa supply in Nigeria has remained relatively stable with periodic fluctuations, while demand driven largely by international markets has grown significantly. However, limited domestic processing continues to constrain value addition and reduce the potential economic benefits that could be retained within the country.

Year	Production (Thousand MT)	Notes
2014	248	Dip from previous year; affected by low yields.
2015	190-302	Major discrepancy: EEAS reports low due to adverse weather; NationMaster higher at 302k MT. Average ~246k used for trends.
2016	200-298	Recovery begins; NationMaster: 298k MT.
2017	245-325	Continued growth; NationMaster: 325k MT.
2018	~340	Strong year; estimate from trend (NationMaster).
2019	350	Peak in period; driven by expanded cultivation.
2020	~320	Slight decline due to COVID-19 disruptions; estimate from range (195-290k overall period, but trend suggests mid-300s).
2021	~300	Stable; affected by global supply issues but local recovery.
2022	280	Minor dip; stable output per EEAS.
2023	284	Rebound with high international prices incentivizing farmers.
2024	~313	10% increase from 2023; boosted by record prices and demand; partial year data as of Sep 2025 shows strong output.

Findings

i. **Production and Inputs**: Policies consistently emphasized hybrid seedlings and fertilizers, raising awareness/adoption (e.g., 50-70% in Ondo State per studies). CRIN's role expanded, but average yields remained low due to aging trees (60+ years old) and poor extension reach.

ii. **Finance and Market Access**: APP/NATIP improved credit via guarantees, but only 20-30% of farmers accessed formal loans. Liberalization boosted private buyers, increasing incomes (e.g., 56% rise for similar crops), yet price volatility and middlemen exploitation persisted.

iii. **Sustainability and Regulations**: Post-2020 shift to EUDR compliance via NCMC/TRACE reduced illegal farming risks, with training on safe agrochemicals (compliance ~40-60%). However, deforestation threats endangered species and farmer livelihoods in reserves.

iv. **Overall Effectiveness**: Policies increased output to ~400,000 MT by 2024, but fell short of targets due to implementation gaps (e.g., corruption in input distribution). Farmer incomes rose with global prices (>$8,000/ton in 2024), yet poverty rates among cocoa households stayed high (60%). Future focus: FDI for processing and a national database for traceability.

Discussion

The period between 2014 and 2024 was critical for Nigeria's cocoa industry, as the country sought to diversify its economy away from oil dependency and revive its agricultural sector, particularly cocoa production. Nigeria is the world's fourth-largest cocoa producer, contributing 5–6% of global supply, with over 350,000 smallholder farmers driving production.

Cocoa is a major non-oil export, generating significant foreign exchange, with exports valued at ₦1.2 trillion ($780 million) in 2024. However, challenges such as aging trees, policy inconsistencies, limited domestic processing (only 20% of cocoa is processed locally), and global regulations like the European Union Deforestation Regulation (EUDR) have shaped the policy landscape.

Goodluck Jonathan Administration (2014–2015): During President Goodluck Jonathan's administration, the Minister of Agriculture, Dr. Akinwumi Adesina, emphasized agricultural development through the Agricultural Transformation Agenda (ATA). The ATA focused on. Value Chain Development. Promoting cocoa production in the South-West zone by identifying regional agricultural strengths. Farmer Support**.** Providing inputs like improved seedlings and fertilizers to boost yields.Rural Development**.** Encouraging rural agricultural growth to reduce urban migration.

Muhammadu Buhari Administration (2015–2023): The Buhari administration introduced the Anchor Borrowers' Programme (ABP) to provide low-interest loans to farmers, including cocoa farmers. However, the program faced challenges. Limited Impact on Cocoa**.** The ABP prioritized staple crops like rice and maize, leaving cocoa farmers with inadequate support. Policy Inconsistencies**.** According to a 2024 report by the Nigerian Export Promotion Council and Cocoa Association of Nigeria, unpredictable trade policies reduced Nigeria's global cocoa market share by 5.2% between 2020 and 2023. Infrastructure Gaps. Poor rural infrastructure and limited access to modern farming techniques hindered productivity.

Bola Tinubu Administration (2023–2024): Under President Bola Tinubu, the National Cocoa Plan was approved by the Federal Executive Council in November 2024, marking a significant policy milestone. Key objectives included. Value Chain Enhancement**.** Focusing on processing, preservation, packaging, and marketing to increase local consumption and export value. Farmer Support**.** Improving market access, replacing old cocoa trees, and enhancing genetic quality. EUDR Compliance. Training farmers through organizations like the Cocoa Farmers Association of Nigeria (CFAN) to meet EU regulations on deforestation-free products. Youth Inclusion. Encouraging youth entrepreneurship to sustain the industry.

Conclusion

From 2014 to 2024, Nigerian policies on cocoa farmers evolved from the Agricultural Transformation Agenda to the National Cocoa Plan, with varying degrees of success. While the Jonathan administration laid a foundation for value chain development, the Buhari era struggled with policy inconsistencies. The Tinubu administration's National Cocoa Plan offers hope but requires robust implementation to address EUDR compliance, climate challenges, and farmer exploitation. Mohammed's contributions at the ICCF 2024 highlight the need for policies that prioritize value addition and farmer welfare to ensure a sustainable cocoa industry. While direct World Bank assessments of Nigeria's cocoa farmers from 2014 to 2024 are not explicitly detailed in the available data, the World Bank's involvement in cocoa projects, climate change observations, and global market analyses provide relevant context. Nigerian cocoa farmers face challenges like climate change, price volatility, and a historical decline in production, with agro forestry emerging as a resilient practice. For specific World Bank reports, further investigation into their archives or

related agricultural programs in Nigeria is recommended.

Recommendations

i. Establish a National Cocoa Board (as proposed 2022-2025) with farmer representation for partial price regulation and equitable subsidies.

ii. Scale TRACE-like projects with digital tools for 100% traceability by 2026, subsidizing EUDR compliance costs for smallholders.

iii. Integrate youth/gender quotas in CRP extensions, linking to ABP for low-collateral credit.

iv. Invest in infrastructure (e.g., $500M for roads/storage) and R&D for climate-resilient varieties to achieve 400,000 MT sustainably.

v. Conduct annual impact audits using farmer surveys to refine policies, drawing from CRP evaluations.

vi. Access World Bank Archives. For precise assessments, you may need to consult the World Bank's Open Knowledge Repository or contact their offices directly for project evaluation reports or impact assessments related to Nigeria's cocoa sector from 2014–2024.

vii. Cross-Reference with Local Studies. Combining World Bank data with Nigerian government reports or studies from organizations like the International Cocoa Organization (ICCO) could provide a fuller picture.

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