

# Liberia Private Sector Investment Forum

## Cocoa Farming as an Economic Engine

in

# Rural Liberia



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# Cocoa in West Africa

- A small-holder, family crop suited to equatorial climate
- > 2 Million Farms of 3 to 5 hectares (7 to 12 acres)
  - impacting > 20 million people
- Primary Regions: Côte d'Ivoire, Ghana, Cameroon, Nigeria
- Produces >70% of Worlds Crop: 2.2 of 3.2 MM tonnes



# The Value of Cocoa

- **For the Farmer and Region**
  - **Cash Crop: Income Generation : World Price ~ US \$ 1500**
  - **Family & Community Stability**
    - School Fees, health
    - Related employment
  - **Grows well with a variety of other plants**
    - Food crops can be grown
  - **Tax revenue**
  - **Environmental Services**
    - Bio-Diversity
    - Erosion control
    - Forest maintenance
  - **Business Development**



# Opportunity in Liberia

- **USAID Rapid Assessment of Cocoa / Coffee in Liberia**
  - October 2005 in Nimba County, eastern region, near Cote d'Ivoire
  - Coffee exports suspended in 1999 - focus now on Cocoa
- **Cocoa a “Traditional” Tree Crop in Liberia**
  - 28,000 ha planted in 1987 (73% productive)
  - Recent very low production: ■ 2,900 MT in '04 / '05
    - Value of ~ US \$ 4.3 Million - with poor quality discount
  - Potential production: up to 30,000 MT in 10 years
    - Value of ~ US \$ 45 Million
- **Income for up to 30,000 families - 150,000 people**
  - In Rural Sector where current opportunities are limited

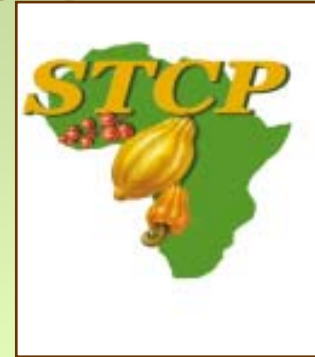
# Pursuing Improved Production

- **Identify and deliver improved cocoa germplasm**
  - Higher Yielding
  - Disease Resistance - primarily Black Pod
- **Improved Supply Chain Efficiency**
  - Price / Quality signals within the supply chain
  - Mechanisms to reward farmers for quality
- **Training for Improved production**
  - Pruning, Shade Management
  - Reducing tree density
- **Industry and Industry / Partners Approach**
  - Training methodologies via STCP Farmer Field Schools

# Sustainable Tree Crops



## Program



- **GOAL:** To improve the economic and social well-being of smallholders and the environmental sustainability of tree crop farms.
- **HOST:** International Institute of Tropical Agriculture (IITA)
- **COUNTRIES:** Ghana, Cote d'Ivoire, Nigeria, Cameroon, Guinea (looking at expansion)
- **FUNDING:** USAID, World Cocoa Foundation

# Farmer Field Schools

- A participatory method to:
  - Extend knowledge-intensive practices & technologies
  - Improve farmers' observation abilities, decision making capacity and knowledge



# Farmer Field Schools

- Empowers farmers to address their challenges



# FFS Opportunities

- **Communication of Market Expectations**
  - **Greater care of crop**
    - **Quality and food safety concerns**
  - **Improved labor practices**
    - **Social concerns**
- **Encourage more cooperative approaches**
  - **Improves economics**
  - **Stronger linkage with markets - Main and niche**
- **Greater policy voice for farmers**
  - **Strive for greater price transparency and competition**

# The Future

- **Cocoa recovers in Liberia and becomes engine of growth within the rural sector**
- **Cocoa serves as a model for other crops in Liberia**



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- **US State Department**
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- **US AID**
  - Africa Bureau
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- **STCP West Africa**
- **World Cocoa Foundationn**



# Thank You

