



Government of Sierra Leone

National Cocoa Value Chain Policy

Ministry of Agriculture and Forestry (MAF)

June 2019

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Ministry of Agriculture
and Forestry (MAF)



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The cocoa value chain policy has been developed within the framework of the Ministry of Agriculture and Forestry (MAF) by the consultant Dr Emmanuel Conteh supervised by a senior consultant Mr Sanusi Deen.

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We are optimistic that the policy goals, guidelines and the implementation action plan in this report will result in the enhancement of the capacity of the cocoa value chain stakeholders for effective implementation of the National Cocoa Policy.

Executive Summary

Cocoa is the leading agricultural export commodity of Sierra Leone, with great potential in contributing to poverty alleviation and economic development. At present, however this potential is inadequately exploited. This policy provides a competitive approach for the sustainable development of the cocoa sector in Sierra Leone by 2023, enhancing the full potential of the sector by doubling farmers' incomes, creating jobs, addressing the food security deficit and training farmers on climate change adaptation and mitigation techniques (Climate-Smart Cocoa production).

The cocoa value chain in its current state is analysed, through review of relevant literature triangulated with stakeholders' engagements in focus group discussions and key informant consultations. These revealed the potential for transforming the sector into an economically viable industry with investment opportunities that need to be planned and developed.

Current challenges identified include lack of access to improved planting materials, employment of traditional tools and technology, ageing plantations, insecure land tenure systems, lack of access to institutional credit, fragmented markets, unavailability of planning data and information. A major global challenge is the effects of climate change, which will call for more resilient farming practices.

The Policy Goals resulting from a complete analysis of the current state of the cocoa sector are the following:

- ✓ Sustainable, traceable and competitive cocoa production is practised.
- ✓ Quality inputs and improved planting materials are available and used in all cocoa producing areas.
- ✓ Farmers adopt good agricultural practices and management systems and thereby increase productivity of their cocoa plantations.
- ✓ Intercropping with food crops practised especially on young cocoa farms and contributes to food security and reduces rural poverty.
- ✓ Pest and diseases that affect cocoa production in Sierra Leone are successfully prevented and controlled.
- ✓ Specific Climate Change adaptation and mitigation techniques are practised in cocoa production areas.
- ✓ Land for cocoa cultivation is accessible through inheritance, leasing, purchase and gift etc, formalised and secured.
- ✓ Improved research activities on the cocoa sector and results published and disseminated.
- ✓ Local processing of cocoa beans established, create employment facilities and increase incomes of value chain actors.
- ✓ Produce traceable and high quality beans that meet international standards.
- ✓ Market and price information on cocoa product are published and accessible to all stakeholders in the value chain.
- ✓ A well structured and organised cocoa market which promotes fair and transparent trade of quality cocoa products.
- ✓ Improved all-weather feeder roads and purpose built on-farm processing and storage facilities to ensure quality production of cocoa beans.

- ✓ Existing cooperatives societies, farmer based organisation and other agricultural business associations promoting cocoa production are empowered to play active roles in representing the interest of their farmers.
- ✓ National Cocoa Development Board (NCDB) established and operationalised. A public-Private Partnership Board dedicated to the transformation of the cocoa sector along the lines of the previous Cocoa Working Group in composition and in its operation.
- ✓ Flexible and affordable financial loan products developed and made available, creating opportunities for cocoa actors to develop sustainable commercial operations.
- ✓ Reliable and accurate data bank sector is developed and available.
- ✓ Women and youth play active and prominent and sustainable roles in the value chain.
- ✓ Security in cocoa producing districts is enhanced and smuggling prevented.

List of Acronyms

ABC- Agricultural Business Centre

A4D - Agriculture for Development

APVC- Agricultural Production Value Chain

BAFS - Boosting Agriculture and Food Security

CAAD - Comprehensive African Agricultural Program

CCCWG - Cocoa Coffee Cashew Working Group

EPA - Environmental Protection Agency

EU - European Union

FAO - Food and Agricultural Organisation

FBO - Farmer Based Organisation

FFS - Farmer Field School

GAP - Good Agricultural Practices

GDP - Gross Domestic Product

GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit

ICCO - International Cocoa Organisation

IVM - Improved Vegetal Material

MA - Marketing Association

MAF - Ministry of Agriculture and Forestry

M&E - Monitoring and Evaluation

MTA - Ministry of Transport and Aviation

MTI - Ministry of Trade and Industry

NAT - National Agriculture Transformation

NGO - Non- Governmental Organisation

NSADP - National Sustainable Agricultural Development Plan

PMB - Produce Monitoring Board

PEMSD - Planning Evaluation Monitoring and Statistics Division

SLARI - Sierra Leone Agricultural Research Institution

SLeCAD - Sierra Leone Chamber of Agricultural Development

SLIEPA - Sierra Leone Investment and Export Promotion Agency

Stat.SL - Statistics Sierra Leone

SOP - Standard Operations Procedure

SLSB - Sierra Leone Standard Bureau

UN - United Nations

WARC - West African Rice Company

WHH - Welthunger Hilfe

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CHAPTER 1

Background and Methodology for Cocoa Policy Development in Sierra Leone

1.1 Introduction

Agriculture is the backbone of the Sierra Leone economy . The sector employs at least 70% of the national labour force and contributes about 40% of the gross domestic product¹. The Government recognises the important role of agriculture in the economy and the great potential in the sector to alleviate poverty and promote economic growth. The Comprehensive African Agricultural Development Programme (CAADP), Africa’s policy framework for agricultural transformation, was launched in Sierra Leone in 2010 within the framework of the AU and NEPAD for the implementation of activities aimed at sustained economic growth as well as eradicating poverty and hunger². As a part of its commitment when signing the CAADP, Government committed to:

- promoting the private sector to scale-up production, commercialisation and agribusiness industry and
- upgrading agricultural infrastructure

In the same year, Government allocated 9.9% of the national budget to agriculture in line with the AU’s Maputo Declaration target of 10%³. Also in 2010, the Ministry of Agriculture, Forestry and Food Security (MAFFS) adopted the National Sustainable Agriculture Development Plan (NSADP) – a 20-year plan for realising the objectives of the Agenda for Change (Sierra Leone’s Second

¹ Source: Sierra Leone Agricultural Research Institute Strategic Plan 2012-2020. Freetown,2011 Page 1

²Source: Export Evaluation of Agriculture for Development (A4D) Sierra Leone, Final Report. Freetown,2018 Page 10

³Source: Agriculture for Development (A4D) Project in Sierra Leone. Baseline Survey Report. Freetown, 2013 Page 13

Generation PRSP⁴). The NSADP provides the roadmap for accelerating economic growth through agriculture, forestry and fisheries and to achieve food self-sufficiency especially in rice, the country's staple. The overall goal of the NSADP is poverty reduction through increased agricultural productivity, diversification private investment, improved research and extension delivery⁵. The NSADP is being implemented through several agricultural and anti-poverty projects under the Smallholder Commercialisation Programme (SCP) in the 14 districts of the country before the redistricting.⁶

Tree crop farming currently employs about 100,000 rural producers⁷. Theobroma cocoa is a tree crop, native of the Amazon basin of Brazil. Almost all cocoa production in Sierra Leone currently takes place on small holder plantations averaging 1-2.5 ha in size⁸. A total of 3,164,472ha of land was reported to be under tree crop production (Coffee, Cocoa, Oil palm, Citrus and Cashew) in the 2015 census. Cocoa production occupied 235,749 ha of land of which Kailahun had the highest area under cocoa cultivation (114,125 ha), followed by Kenema (58,086ha), Kono with 43,232 ha and Bo had a distant fourth with 11,715ha⁹

⁴ Source: Agriculture for Development (A4D) Project in Sierra Leone. Baseline Survey Report. Freetown, 2013 Page 12

⁵Source: Agriculture for Development (A4D) Project in Sierra Leone. Baseline Survey Report. Freetown, 2013 Page 14

⁶Source: Agriculture for Development (A4D) Project in Sierra Leone. Baseline Survey Report. Freetown, 2013 Page 14

⁷ Source: Sierra Leone 2015 Population and Housing Census. Thematic Report on Agriculture. Statistics Sierra Leone. Freetown, 2017 Page 60

⁸Source: Sierra Leone 2015 Population and Housing Census. Thematic Report on Agriculture. Statistics Sierra Leone. Freetown, 2017 Page 60

⁹Source: Sierra Leone 2015 Population and Housing Census. Thematic Report on Agriculture. Statistics Sierra Leone. Freetown, 2017 Page 60

Commercial cocoa production in Sierra Leone dates back to the late 1940s when the colonial government introduced cocoa in Ghana, Nigeria and Sierra Leone and established some plantations. After independence, government tried to promote the cocoa sector in the 1970s when the Sierra Leone Produce Marketing Board embarked on a massive tree crop development programme. Cocoa is mainly grown in the Kono, Kenema and Kailahun districts in the Eastern province where soils and climate conditions are suitable. The plant benefits from the long wet season of 9 months with an average annual rainfall of approximately 100 inches¹⁰. The Eastern region accounts for 215,442 ha (91.4 %) of total land under cocoa production and 18.6% of total land under tree crop production¹¹.

At the end of the civil war in 2002, annual exports were between 1,500 to 2000 tonnes. Exports have increased from around 6,000 tonnes in 2006 to 9,431.75 in 2016. Annual export is now (2018) around 12,312.20 tonnes. But with an average production of approximately 142 kg/ha farmers' incomes are very low leaving them poor, vulnerable to shocks and food insecure. However, the sector has potential to contribute to poverty alleviation and national development. The World Bank Trade statistics indicates that Sierra Leone's highest export earnings in 2017 was cocoa, with a value of US\$14 million¹². In view of this, government has prioritised cocoa production as potential driver of socio-economic growth. Consequently the Ministry of Agriculture and Forestry through its: National

Source:Sierra Leone 2015 Population and Housing Census. Thematic Report on Agriculture. Statistics Sierra Leone. Freetown, 2017 Page 60¹⁰

¹¹ Source :Sierra Leone 2015 Population and Housing Census. Thematic Report on Agriculture. Statistics Sierra Leone. Freetown, 2017 Page 60

¹² Source: Ex-post Evaluation of Agriculture for Development (A4D) Sierra Leone, Final Report. Freetown,2018 Page 10

Agricultural Transformation (NAT) 2023 Plan plans to increase cocoa production through new investment aimed at supporting small holder cocoa farming. Therefore, the formulation of a National Cocoa Policy and implementation action plan is a necessary step to enhance the long term planning for the development of the sector through investments in expansion of the production areas, modernisation of cultivation practices, improved management practices and enhanced competitiveness.

1.2 Objectives of the BAFS Project and National Cocoa Policy.

The overall objective of the BAFS project is “Reduction of poverty and food insecurity in Sierra Leone through better governance and household improved living conditions and higher incomes”, and has three specific objectives:

- Institutional capacity building and formulation of food security strategies and sector policies;
- Support to cashew, cocoa and coffee (CCC) for export;
- Support to environmentally sustainable agricultural diversification.

In this regard, BAFS is supporting the formulation of a National Cocoa Policy to enhance the value chains for improved competitiveness and increased export.

Therefore, the National Cocoa Value Chain Policy will:

- ◆ Set up a framework that will give guidance and direction to the sector.
- ◆ Define and inform institutional roles and responsibilities in the cocoa sector for improved coordination.
- ◆ Ensure incorporation of by laws into the national policy to address issues affecting farmers

- ◆ Promote and guide the production of cocoa beans
- ◆ Encourage private sector engagement for suitable employment creation
- ◆ Promote the entire cocoa value chain
- ◆ Promote climate smart agriculture in order to protect the environment
- ◆ Develop a strategic implementation plan and activities with budget implications

1.3 Methodology

The development of this Policy resulted from the collaboration of :
EU Delegation

The BAFS Technical Assistance Team

The BAFS PCU Impress Administrator

MAF technical Tree Crops staff,

Ministry of Trade and Industry (MTI),

Produce Monitoring Board (PMB),

Cocoa farmers in the Production Areas,

Private Sector Actors and

Specialist NGOs (Welthungerhilfe WHH)

GIZ Employment Promotion Programme (EPP)

West Africa Rice Company WARC

Other Cocoa production stakeholders.,

A team of two Consultants developed the cocoa policy and strategic implementation action plan.

The cocoa value chain was analysed, highlighting the current state of the sector, and its potential and challenges for sustainable development. Qualitative analysis was used to arrive at the outputs described in this document. A set of policy guidelines have been developed to provide a strategic framework for the cocoa sector. The work was undertaken in four phases:

I, Review and analysis of data derived from relevant literature

II Stakeholders consultations through interviews and focus group discussions

III Policy drafting,

IV Drafting of implementation action plan, and monitoring and evaluation plans.

1.3.1 Scope of Work

Detailed desk review was carried out of cocoa and other cash crops policies in the sub region (Ghana, Ivory Coast, Benin and Nigeria) and other cocoa producing and processing countries including Malaysia, the Dominican Republic and Singapore. Available data and information on the cocoa sector in Sierra Leone, as well as research reports and other publications were reviewed. Resources on the websites of regional and international cocoa organizations were consulted to obtain information on global trends in cocoa production and trade.

Interview tools were developed and pre-tested with stakeholders in Freetown and the provinces. Necessary amendments were incorporated into the final questionnaire. Stakeholders engagements followed, in the form of key informant and focus groups interviews using structured interview guides. These engagements took place in Freetown, Kenema, Kono and Kailahun covering actors involved in the cocoa value chain in Sierra Leone. In this regard, relevant public,

private and non-state actors, who are directly and indirectly involved in the cocoa sector were consulted. These included:

- Ministry of Agriculture and Forestry (MAF)
- Ministry of Trade and Industry (MTI)
- Sierra Leone Investment and Export Promotion Agency (SLIEPA)
- Produce Monitoring Board (PMB)
- Sierra Leone Agricultural Research Institute (SLARI)
- Exporters
- Women and groups involved in cocoa production
- Sierra Leone Standard Bureau
- Sierra Leone Chamber of Agriculture (SLeCAD)
- Sierra Leone Chamber of Commerce Industry and Agriculture
- Sierra Leone Produce Marketing Company
- Smallholder farmers in Kono, Kenema and Kailahun Districts
- Non-Governmental Organisations (e.g. Welthungerhilfe, GIZ Export Promotion Programme).
- World Bank (SCADeP)
- Heads of Cooperatives
- Cocoa, Coffee and Cashew Working Group (CCCWG)

Focus group discussion workshops were organised in the three major cocoa producing districts, Kono, Kenema and Kailahun, which brought together a total 150 smallholder cocoa farmers (25 per session). A guiding questionnaire was developed to structure discussions, covering all relevant aspects of the value chain.

The thematic areas captured by the focus group discussions were the following:

- Production
- Research
- Value addition and processing (inclusive by- products)
- Trade and Commercialisation
- Sector Organisation
- Access to Finance
- Data and Statistics
- Cross cutting issues

The information collected through these discussions and the various interviews with other key stakeholders, was analysed and evaluated and formed the basis for the recommendations of policy goals and the strategic implementation action plan.

The proceedings of the workshop led to the identification of the essential elements of the policies and strategic implementation plan. The policy document is structured in four main components,

- situational analysis in phase one
- analysis of the findings of responses and gaps in phase two
- policy priority actions in phase three
- strategic implementation with monitoring and evaluation framework phase four.

The policy document is the amalgamation of those four phases.

Chapter 2

Analysis of the Cocoa value chain in Sierra Leone

This chapter gives an overview of the cocoa value chain and reflects the findings of extensive desk reviews and field work; involving key informants and focus group interviews.

The findings revealed that the majority of cocoa plantations are owned by small holder farmers who are producers and primary processors in the value chain. The volume of cocoa beans produced is relatively low. Average farm sizes are too small to make cocoa farming attractive and sustainable. Farmers lack access to improved/high yielding planting materials and tools, ageing trees, land tenure insecurity, impact of climate change and lack of resilient farming practices. The sector is also characterised by inadequate access to loans, weak and vulnerable value chain, fragmented market and lack of ease to access accurate data. However, the cocoa sector has great potential to contribute to poverty alleviation, foreign exchange earnings and growth of GDP, if this policy document and its action plan are effectively implemented.

2.1 Cocoa Production in Sierra Leone

Approximately 70% of the world's cocoa is grown in West and Central Africa, the vast majority coming from two million small family farms each less than two hectares. In Sierra Leone, commercial cocoa production dates back to the late 1940s when the colonial government introduced cocoa in Ghana, Nigeria and Sierra Leone and also established plantations in Sierra Leone. In the early 1990s, the government of Sierra Leone liberalised the agricultural commodity market as

a precondition to access donor loans and grants.¹³ Unlike Ghana which only liberalised the internal marketing. Sierra Leone completely liberalised both the internal and external marketing of cash crops. Before liberalisation, the country was able to record the highest export volumes of cocoa amounting to 26,000tons in 1980, with a production capacity of 75,000 ha under cultivation, with an average yield of 400kg/ha.¹⁴ The focus of trade liberalisation in the agricultural sector was to stimulate and promote private sector participation, raise the flexibility and responsiveness of the market distribution systems, reduce unit costs of operation in local market, encourage the commercialisation of the cash crop sector.

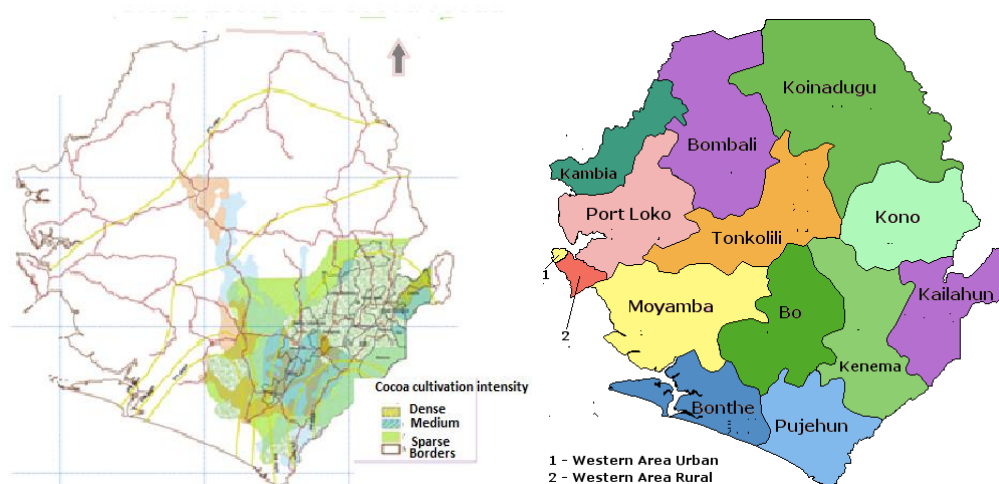


Figure 1: Cocoa producing areas in Sierra Leone (SLIOC,2012)

¹³ Source :An Economic Analysis of the Production and Export of Cocoa in Sierra Leone” wrote by M.K.Amara Denis et al. 2013

¹⁴ Source :An Economic Analysis of the Production and Export of Cocoa in Sierra Leone” wrote by M.K.Amara Denis et al. 2013

However, currently cocoa production is low due to the multitude of factors illustrated in the following diagram (Fig 2)¹⁵

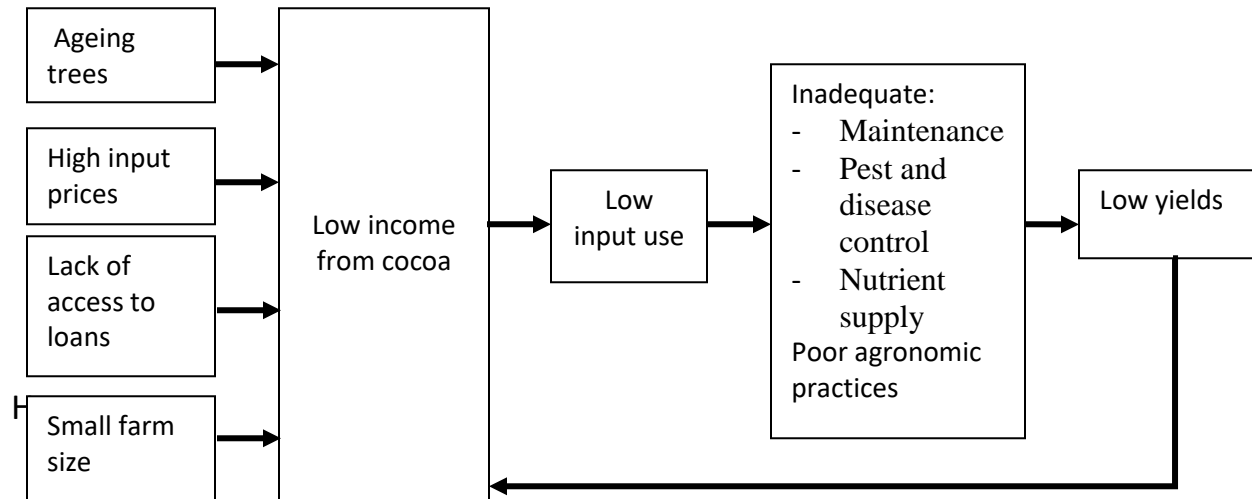


Figure 2: Poverty Trap related to Cocoa Production

This diagram highlights the critical segments of the cocoa Value chain that call for critical policy and investment interventions to transform cocoa production into a viable national agro-commercial activity and cocoa farmers into important economic actors.

2.1.1 Cocoa Producing Areas

Today, most of the cocoa is grown in the Kono, Kenema and Kailahun districts in the Eastern province and some parts of Bo district and Tonkolili¹⁶. The majority of plantations are owned by small holder farmers who are producers and primary processors in the value chain.

¹⁵ Source: Wessel, M. and P.F. Quist-Wessel. 2015. "Cocoa Production in West Africa, A Review and Analysis of Recent Developments." *NJAS-Wageningen Journal of Life Sciences* (74): 1-7

¹⁶ See figure 1

Government through the Ministry of Agriculture and Forestry (MAF), NGOs and private sector agencies are providing public and private support in the form of training, technical and financial supports to farmers. The volume of cocoa beans produced is relatively low. Estimate for 2018 indicates a national annual export of 12,312.20 tons¹⁷ with an average yield of 142 kg/ha¹⁸. In comparison, sub-regional (West African) production is estimated at 900,000 tons for Ghana and 2.000.000 tons for Côte d'Ivoire¹⁹. Both of these countries are producing approximately 400 kg/ha. Average farm sizes are too small and yield too small to make cocoa farming attractive and sustainable in Sierra Leone²⁰. Furthermore the average age of cocoa plantations is estimated at 42 years²¹ well past the peak production age.

However, NGOs and private partners have been doing considerable work since 2008 in helping rejuvenate the sector through advocacy and rehabilitation of plantations. For example **GIZ/EPP3** have rehabilitated 13,500ha between 2010 to 2019 and plan to rehabilitate up to 15,000ha by the end of 2020. The rehabilitation was largely based on gap filling and only the first year is supported where as three or four years are needed. Also, the overall area of cocoa production in Sierra Leone is estimated 235,749 ha significantly greater than the hectares rehabilitated by NGOs.

¹⁷ Source: Produce Monitoring Board, 2018

¹⁸ Source: The average was derived from the responses of cocoa farmers

¹⁹ ICCO (2018), Quarterly Bulletin of Cocoa Statistics Volume XL1V No. 1 Cocoa year 2017/18 London

²⁰ See figure 3

²¹ The average age was calculated from the responses of farmers

Due to poor quality, Sierra Leone cocoa beans for more than a decade sold in the world market as cocoa butter raw material. This results in a price discount of approximately 25% over cocoa used for chocolate production²²

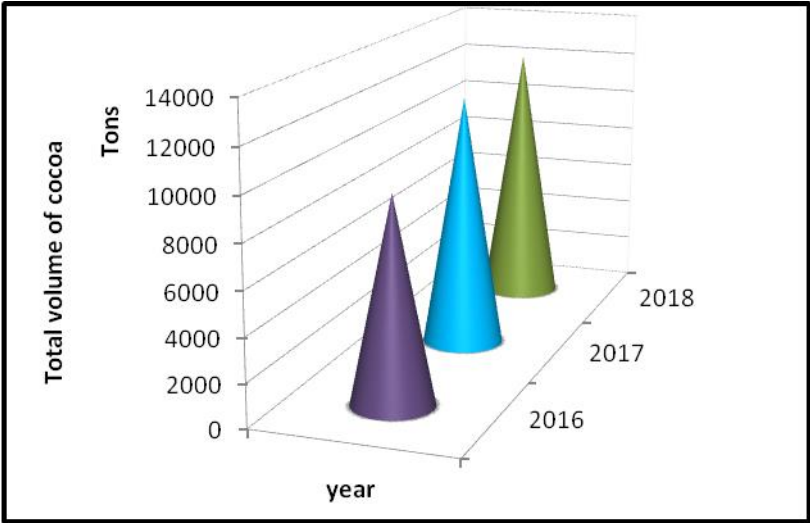


Figure 3: Volumes of cocoa production from 2016 to 2018 (PMB, 2019)

2.1.2 Varieties of Cocoa Planted

The Amazon is the most commonly grown variety. Farmers prefer the variety because of its bigger pods, double bearing per year and yields than the other locally available variety, the Amenolado.

²² Source :An Economic Analysis of the Production and Export of Cocoa in Sierra Leone” wrote by M.K.Amara Denis et al. (2013

2.1.3 Sources and Quality of Planting Materials

Farmers obtain planting materials from a variety of unregulated sources. These include:

- Own seeds
- Other farmers
- Non Governmental Organisations
- Cocoa exporters
- Ministry of Agriculture and Forestry
- Sierra Leone Agricultural Research Institute

This would suggest that absence of a regulated source of commercial supply of planting materials and current sources are not quality certified and controlled. MAF officials and NGOs confirmed that the absence of a competent authority or agency to supply certified planting materials to farmers is a critical factor affecting productivity in the Cocoa sector. SLARI's mandate to provide certified planting materials to farmers is not being fulfilled.

2.1.4 Financing Inputs

The lack of access to certified planting materials and other farm inputs is exacerbated by a lack of financing for farmers to purchase recommended inputs for their farms. Cocoa farms are frequently infested with pests and disease affecting cocoa plants, especially capsids and black pod disease. Monkeys are also pests that lower yields.

2.1.5 Technical knowledge of Farmers

The myriad of production challenges facing cocoa farmers is not limited to access to recommended inputs and finance. The low technical knowledge of the majority of cocoa farmers hinders their productivity. Training in understanding and adopting good agronomic practices is essential. Plantation management skills, including soil conservation, shade management, pruning and spacing are essential pre-harvest activities which very few farmers can carry out properly. Low adoption rate of improved technologies especially in organic cocoa production, which is the system generally practiced, has been identified as a major causes of low productivity.

2.1.6 On-Farm Infrastructure

Farmers do not have appropriate on-farm infrastructure and appropriate tools for primary processing. Facilities for storage, packaging, drying, fermentation and moisture control, etc. are often too expensive for the farmers to procure.

2.1.7 Labour Availability and Cost

The cost of hiring labour gangs to work on Cocoa farms for proper farm maintenance is often beyond the reach of most cocoa farmers. Most farmers are old and their younger family members are engaged in more rewarding pursuits like street hawking , bike riding, and hustling in the urban areas. They do not see farming and life on cocoa farms as an appealing option.

2.1.8 Health and Educational Facilities in Production Areas

Access to health facilities is limited in the cocoa producing areas. Peripheral Health Units (PHUs) are approximately seven miles apart and often lack qualified practitioners. Similarly, educational facilities are few and far between in their

communities. Most community school teachers are untrained, unqualified and unapproved. Limited access to health care facilities and clean drinking water result in the prevalence of chronic illnesses in cocoa farming communities.

The major challenges inherent in the cocoa sector could be summarised as follows:

- Low volume of production
- Low adoption rate of improved technology
- Poor agronomic practices and corresponding low yields.
- Ageing trees averaging 42 years old
- Changing demographics- shortage of labour and ageing farmers
- Farmers' lack of finance to hire labour for plantation maintenance
- Prevalence of traditional husbandry methods
- Limited access to recommended certified inputs, planting materials and tools.
- Limited crop protection information, knowledge and actions, especially against capsids and black pod disease.
- Limited access to land for women and youths who may wish to own their own plantations
- Land tenure insecurity

- Limited access to health and educational facilities
- Impact of climate change in the face of lack of resilient farming practices.

2.2 CROSS CUTTING ISSUES RELATED TO PRODUCTION

2.2.1 LAND ACCESS

Current land ownership rights under the traditional land tenure systems are inadequate to encourage investment in the farms and deter new investment in the development of new estates and the expansion of the existing plantations. This insecurity of tenure is a barrier to investment in new farms and loans to cocoa farmers. The traditional exclusion of women and youths in community decision making limits their contributions into the planning and ownership of community development projects in all sectors including the cocoa sector. Even though they are engaged in most of the activities of cocoa production, from preparing nurseries to selling of beans they are culturally limited from owning the land to develop their own farms.

Farm lands in the rural areas are generally not surveyed and registered. There are no written titles or deeds. Farm boundaries are easily contested resulting in feud among stakeholders. Access to land for cocoa farming remains highly complex and account for a multitude of sector problems.

2.2.2 CLIMATE SMART AGRICULTURE

There is evidence of increasing temperatures and decreasing rainfall in cocoa producing districts that are already negatively affecting cocoa production. In addition, bush fires and flooding are destroying some plantations. Training and support is needed for farmers to adopt climate-resilient farming and acquire

mitigation techniques such as cocoa-shading with nitrogen fixing trees and other beneficial agricultural practices.

2.3 COCOA RELATED AGRICULTURAL RESEARCH

The Sierra Leone Agricultural Research Institute (SLARI) was established by an Act of parliament in 2007 as a semi autonomous government agency to revive agricultural research in the country. To align its activities to government's focus on food security, poverty reduction, employment creation and commercialisation of the agricultural sector, SLARI has developed a Strategic Plan covering the period 2012-2021. The Strategic Plan explores a new paradigm of agriculture as a commercial business to get farmers to move from subsistence farming. This transformation is expected to be achieved through the adoption of an Agricultural Production Value Chain (APVC) approach to research for development. In view of this, SLARI should be encouraged to put in place research scientists in the right mix of age, gender and research disciplines/areas of specialisation, who are capable of addressing the challenges experienced along the whole APVCs. Some of the key disciplines/areas of specialisation required include markets and marketing, processing and entrepreneurship, food science and technology, policy and policy analysis and rural sociology among others.

NGOs and some exporters from time to time collect cocoa-sector data but the findings of research activities are seldom published and disseminated. The cocoa clones were introduced from Ghana in the 1950s. The clonal gardens in Pendembu and Kpawabu were managed by MAF, until 2007 when SLARI took over management of the site. During the war, the labels were lost and SLARI could no longer identify the materials in the garden. Evidence is that that the clonal

gardens are not fully functional and the availability of vegetal material is uncertain.

SLARI is one of the beneficiaries of the new European Union Project, through Boosting Agriculture and Food Security (BAFS) and will be working with MAF and other research institutions including Njala University in order to develop research related activities and popularise research findings to stakeholders regularly.

There are limited current research/studies reports with solutions to problems associated with cocoa production, processing and marketing.

2.4 VALUE ADDITION AND PROCESSING (INCLUDING BY-PRODUCTS)

There are no modern commercial cocoa processing facilities in the country. Cocoa beans are fermented, dried and exported. The market is dominated by middlemen and other agents resulting in reduced profit margin for producers. An investor has installed cottage level equipment and plans to start producing chocolate locally. Evidence suggests that farmers are not adequately trained on post harvest processing to improve quality suitable for manufacture of cocoa confectionary and other products.

Cocoa beans processing involves roasting and grinding into liquor which is then converted into cocoa butter or cocoa powder and other products. These processes require access to electricity, treated water and technical knowledge equipment which require specialised training and financing.

Factories should be established for value adding processing to create jobs and access new market opportunities to reduce rural poverty. There is need for MAF in collaboration with SLIEPA and other agencies to promote and facilitate the

establishment of the necessary utilities and promote investment in processing factories.

In summary, the cocoa sector in the country currently lacks established secondary processing facilities. Farmers are not adequately equipped with post-harvest value addition skills to improve quality. Traceability is weak and agricultural infrastructure; especially water and electricity utilities and technical capacity in the country are significantly inadequate.

2.5 COCOA TRADE AND COMMERCIALISATION

Cocoa trade in Sierra Leone is characterised by a weak value chain and large number of intermediaries with a variety of uncoordinated roles. Most traders in the commodity are not registered. The long loosely integrated value chain means that there is little traceability. There is also poor access to markets due to inadequate market information. Physical infrastructure remains a strong challenge in transporting products from farms to market. The unavailability of trucks and the bad road conditions in the cocoa growing areas result in bags of cocoa beans being transported by motor bikes.

The quality of the cocoa is affected by long delays in the transfer of produce from farmers to markets. There is no standardised price and no regular information on farm gate price. There is a lack of access to reliable market information. Commercial deals and prices are shady and carried on without necessary information including actual market prices information. Prices are not transparently communicated to producers. Different prices are paid for the same

quality of beans in different areas. There are no established supply channels²³. The majority of farmers who are not members of cooperatives sell to whoever comes around when their produce is ready. Certification encourages farmers to improve their quality and income through payments of premiums as a tool for getting farmers trained to improve quality. There are transparency and accountability issues regarding premium payments because most certificate holders are not declaring the amount of premium received to their certified farmers. There is need for operational traceability systems as a condition for certification. To improve the implementation of traceability and sustainable management of cocoa production, farmers should be encouraged to join/form cooperatives and commodity associations..

2.5.1 CROSS CUTTING ISSUES RELATED TO COCOA TRADE AND COMMERCIALISATION

2.5.1.1 Security

Smuggling of cocoa has greatly affects the recorded volume of cocoa produced and exported. Cocoa is being smuggled from producing areas to neighbouring countries due to the poor internal road network, price differentials, porous and insecure borders coupled with limited capacity of the produce monitoring board. Smuggling of cocoa beans is going on at an alarming rate to neighbouring Liberia and Guinea. There is lack of coordination between PMB, SLIEPA, MAF, MTI, SL Customs and other stakeholders in terms of regulating trade, establishing quality control measures and consequently, improved national revenues.

²³ See Figure 4

The cocoa trade in Sierra Leone is weak and vulnerable with many agents/buyers that are not registered. There are variations in capacity among cocoa farmers to produce quality cocoa and access to reliable market information is almost nonexistent. Marketing difficulties are exacerbated by poor feeder road networks and lack of transparency and accountability in premium payments.

2.6 COCOA SECTOR ORGANISATION

The existing governance structure is weak and not well coordinated. Actors in buying and other trading activities of the sector are mostly informal operators and are not organised. There is no effective information flow and contact among actors in the sector²⁴.

Farmer-based organisations are fundamentally weak. A lot needs to be done to building their capacities and making them functional and effective. The majority of farmers do not belong to farmer groups or cooperatives and are operating as individuals or family groups with little or no bargaining power or experience. A few cooperatives (e.g. Kasiyatama) have managed to attain a critical mass in numerical strength and can impact the development of the value chain.

The challenges currently faced by cooperatives result from a combination of ambiguity in the democratic processes their membership must follow and poor benefits accruing to the members. The cooperative principles including voting for representatives, use of cooperative assets, and protocols of meetings are not understood by many farmers. Some farmers sign up with more than one cooperative. Some cooperative members find it hard to put emphasis on the

²⁴ See Figure 4

group interest over theirs. Poor compliance with membership control mechanisms results in their members selling their produce to anyone at any time rather to a group designated buyer. In turn, this creates a problem with collecting cooperative membership fees: because farmers constantly evaluate their personal cost-benefit becomes difficult to predict how many members participate in the cooperative from year to year. In general, there is little trust among cocoa farmers which makes the cooperatives difficult to administer.

At institutional level, MAF support is basically limited. The district field extension officers are too few to cover the large number of farmers in each district. However, in late 2017 two Acts were passed: a Seed Act and a Fertilizer Act. But farmers still do not know the details in these Acts nor their essence and applicability to their activities. Since 2014, the Produce Inspection Unit was converted into the Produce Monitoring Board, and moved from MAF to the Ministry of Trade and Industry. The Board is charged with the responsibilities of price fixation and communication as well as the mandate of certifying cocoa at point of buyer & exporter, charging 2.5% export tax. The Sierra Leone Standards Bureau (SLSB) establish codes and standards for all cocoa beans, and provide quality test results to PMB. In collaboration with the Ministry of Agriculture and Forestry the SLSB recommend pesticides use and also provide trainings for staff of partner institutions, on quality control, certification, and other export quality requirements.

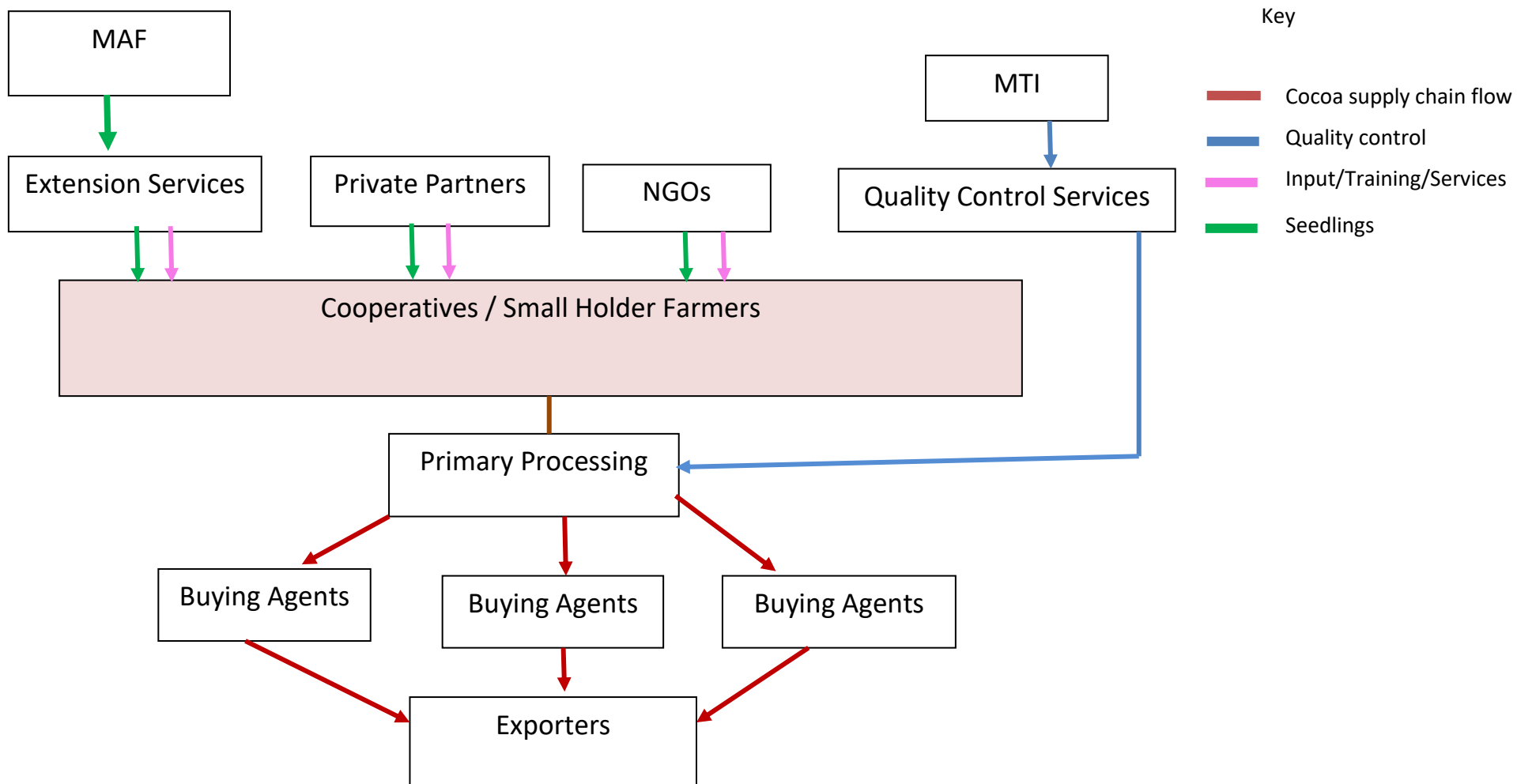


Figure 4: Cocoa Supply Chain, Quality Control, Training and other inputs Institutional Framework

SLIEPA, among other things is working on promoting an enabling environment, increased Incentive for investment in the sector and easily understandable price regulations. These public agencies are working under the Ministry of Trade and Industry (MTI) and in order to actively enhance the sector they should collaborate with MAF to promote cocoa trade and commercialisation.

The NGOs involved in the cocoa production are few. However there has been a growing interest among them and donors in developing the value chain. For example **Welthunger hilfe (WHH)** has been doing considerable work on the value chain since 2008, helping to develop the sector through advocacy and rehabilitation of plantations. They have rehabilitated 8,000 ha between 2012 and 2016 and plan to upgrade another 7,500 ha over the next four years. **SOLIDARIDAD** is supporting sustainable cocoa intensification and production improvements by facilitating improved farmers access to inputs (hybrid seeds) and extension services that will accelerates production. They mainly operate in Bo district and some communities in Kenema District.

GIZ/EPP3 is also supporting cocoa farmers by supplying inputs, planting materials, monitoring farms in their operational areas, facilitate access to markets and provide trainings for cocoa farmers (Using an Integrated Farmer Training model)²⁵ in the cocoa producing communities. They have rehabilitated 13,500ha between 2010 to 2019 and plan to rehabilitate up to 15,000ha by the end of 2020.

²⁵ See GIZ/EPP3 Integrated Farmer Training (IFT) www.giz.de

Other technical and financial partners, EU-funded “Boosting Agriculture and Food Security” (BAFS) project (2017-2021), implemented through the Ministry of Agriculture and Forestry (MAF) is enhancing the cocoa sector with Technical Assistance from GIZ International Services in partnership with the West African Rice Company (WARC).

The cocoa sector is faced with numerous challenges which include weak and uncoordinated governance structure, informality of key actors and lack of proper organisation resulting in ineffective and dysfunctional farmer based organisations and cooperatives.

2.7 ACCESS TO FINANCE

The cocoa sector, particularly at the production level, suffers from inadequate access to finance due to lack of access to acceptable collateral for financial institutions, high interest rates and inflexible loan repayment schedules which do not correspond to the farmers’ seasonal cash flows. Farmers normally don't have cash available when needed and risk not accessing inputs when these are needed. Due to the small size of their farms (less than 2 ha), the majority of smallholder farmers are in a vicious cycle of being unable to benefit from loans or from direct sales to agents and middlemen.²⁶

The only sources of credit available to farmers are the informal money lenders who demand very high rates of interest. Farmers also trade with whoever offers them up front financing in the months of mid July to early August in exchange of cocoa produce when harvested.

²⁶ See figure 2

The Apex bank was established in 2016, with a network of 51 Financial Services Associations and 17 Community Banks, to help farmers access financing for small businesses and agricultural activities. But these institutions are having challenges in giving loans to cocoa farmers because of the difficulties in appraising them and the seasonality of their production cycle.

In spite of the presence of the Financial Services Associations and Community Banks the cocoa sector, particularly at production level, has limited access to loans. They also lack acceptable collateral to satisfy the lending terms of other financial institutions. They therefore end up with the only available option of dealing with the informal loan providers.

2.8 COCOA DATA AND STATISTICS

There is little available data in the sector and data collected by some NGOs and exporters are not published. The weak agricultural extension service lack resources for effective data collection on the cocoa value chain. Only a few individual initiatives, for example exporters collect data (e.g. mapping of farmers, yield per acre, potential income etc) of farmers they are supporting. These efforts are being executed independently and without coordination between actors.

In sum, there is little access to accurate data due to fragmented sector, poor record keeping and little research feedbacks.

Chapter 3

Policy set up

3.0 Introduction

The National Agricultural Transformation Programme (NAT) 2023 aims at doubling production in four value chains which include rice, livestock, cash crops and forestry products. The programme plans to employ ambitious and innovative ideas and investment in large scale irrigation, mechanisation, crop technology, input supply systems, institutional reforms and data management system. The programme will also promote linkages between large-scale investment in agriculture and small holder farmers to enable small farmers graduate from subsistence- to commercial level agriculture in the four value chains²⁷.

Cocoa being a major cash crop, this policy framework is in line with the NAT 2023 and aligned with the mandate of MAF to promote the cocoa value chain by: making available improved seeds, and agrochemicals, increasing productivity and production of cocoa. The following policy guidelines shall serve as a framework for the ministry, its complementary public agencies and other stakeholders in the cocoa value chain to design and implement sustainable activities for developing the sector.

The vision of this policy is to develop a competitive approach for the sustainable development of the cocoa sector in Sierra Leone by 2023, enhancing the full potential of the sector by doubling farmers' incomes, creating jobs, addressing the food security deficit and training farmers on climate change adaptation and mitigation techniques (Climate-Smart Cocoa production).

In this regard, MAF will support and promote cocoa as one of its major cash crops through the following policy framework:

²⁷ Source: National Agricultural Transformation Programme 2023. Ministry of Agriculture and Forestry. Freetown, 2018

3.1 Production

All cocoa production related policy guidelines will be addressed by the Crops Division of MAF.

Policy Context

Cocoa production in Sierra Leone is too low even by regional standards. Most of the cocoa is grown in the Eastern Province where soils and climatic conditions are suitable due to a long wet season with an average annual rainfall of approximately 100 inches. The sector has potential in creating employment, alleviating poverty and contributing to foreign exchange earnings and growth of GDP.

However, cocoa farmers are facing a multitude of challenges resulting in low yields and lack of capital, which prevent them from expanding their cocoa plantations and profitability.

Policy Goal

Sustainable, traceable and competitive cocoa production is practised.

Policy Guidelines

The Ministry of Agriculture and Forestry will:

- Increase awareness and sensitisation on the socio-economic importance of cocoa production
- Set aside funds to facilitate the provision of agricultural inputs, extension services and trainings
- Facilitate linkages among actors along the cocoa value chain and contribute to an increase in quantity and quality of cocoa production
- Collaborate with NGOs and investors to provide financing for rehabilitation, rejuvenation of existing cocoa plantations and the establishment of new ones.

- Establish specialised funding mechanisms and sponsor youth groups and women associations to engage on cocoa production as their own initiatives and as an alternative to unemployment in urban areas.

3.1.1 Cocoa Planting Materials

Policy Context

Farmers obtain planting materials from varied and unregulated sources and poor quality inputs – These are critical factors affecting production.

Policy Goal

Quality inputs and improved planting materials are available and used in all cocoa producing areas.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Build capacities and improved existing cocoa vegetal materials to provide quality planting materials for cocoa production.
- Improve access to improved planting materials
- In collaboration with research institute, intensify and certify nurseries and raise seedlings for cocoa production
- Introduce modern hybrids and production techniques from other advance cocoa producing countries.
- Collaborate with MTI to establish seed start up fund and encourage increased use and adoption of certified planting seedlings by farmers
- Provide phytosanitary certificate for all imported seed and seedlings of cocoa

3.1.2 Farm Management Practice

Policy Context

Cocoa farms are poorly managed and not competitive which remains a strong drawback for the growth of the sector. This is due to limited knowledge of good agricultural practices, inadequate farm maintenance and poor post harvest management practices. Farmers have limited knowledge in financial management and difficulties in mobilising resources to maintain their farms.

Policy Goal

Farmers adopt good agricultural practices and management systems and thereby increase productivity of their cocoa plantations

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Enhance national extension service delivery to increase rate of adoption of good agricultural practices
- Develop curricula on standard agronomic practices and publish standard operating procedures (SOPs) for the cocoa sector
- In collaboration with the private sector roll out schemes for the training on improved farming techniques through Farmer Field Schools and demonstration plots and provide production support to new and existing Farmer based organisation, cooperatives, Marketing Associations, existing Agricultural Business Centres (ABCs), to disseminate knowledge and adopt best practices
- Strengthen specialised farmer field schools for cocoa production and roll out support for trained extension officers to transfer appropriate knowledge concerning husbandry and post-harvest processing.

3.1.3 Agricultural Diversification

Policy Context

Farmers intercrop and diversify their cocoa farms with various plants including bananas, cassava, corn etc. The practice of intercropping generates additional income and food for farmers especially in the deep rainy season (hungry season) and contributes to reducing food insecurity in the cocoa producing communities. Nevertheless, intercropping is not sufficiently practiced in cocoa plantations.

Policy Goal

Intercropping with food crops practised especially on young cocoa farms and contributes to food security and reduces rural poverty.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Promote intercropping among small holder cocoa farmers
- Set-aside funds to promote intercropping to enable farmers meet the cost of hiring labour
- Train farmers to adopt good crops and management practices that enhance intercropping

3.1.4 Pest and Disease Management

Policy Context

Pest and diseases severely affect cocoa production. Farmers do not have the capacity to handle pest and diseases in their farms without specialist extension services as they lack access and knowledge on pesticides use.

Policy Goal

Pest and diseases that affect cocoa production in Sierra Leone are successfully prevented and controlled.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Recruit and train an adequate number of Extension officers in the detection of pests and diseases of cocoa and in the effective handling and environmental friendly use of pesticides and other agrochemicals.
- Improve the capacity of trained extension officers to conduct research on pest resistance to pesticides and determination of levels of residual pesticides and their metabolites.
- Build capacity of extension workers to train farmers on the environmentally friendly use of pesticides and other agrochemicals
- Control the supply of pesticides through the district extension officers.

3.1.5 Climate Smart Agriculture

Policy Context

Global climate change is negatively affecting agricultural production and cocoa production is no exemption. Farmers have limited understanding of climate change and its drivers, to be able to mitigate and adapt to its effects. The situation calls for the adoption of climate smart agronomic practices globally.

Policy Goal

Specific climate change adaptation and mitigation techniques are practiced in cocoa producing areas.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Disseminate appropriate information to improve farmers' understanding of climate change and its drivers in cocoa producing areas

- MAF and SLARI should design toolkit to help farmers in cocoa producing areas improve their productivity and resiliency in the face of changing climatic conditions
- Streamline good agricultural practices (GAPs) which protect the environment through the prevention of bush fires and deforestation
- Build capacity of extension workers to train farmers on SMART Agriculture

3.1.6 Land Access

Policy Context

Access to land in Sierra Leone is highly complex and multi-sector. Current land ownership systems are unclear and that leads to low investments. Tenure insecurity is a major barrier to obtaining credits to invest in farms, especially for women and youth who lack access to land and their contributions into the cocoa sector are generally seen as complementary to those of the men (parents or husbands)

Policy Goal

Land for cocoa cultivation is accessible through inheritance, leasing, purchase and gift etc, formalised and secured.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Intensify sensitisation and dialogue with traditional custodians of farmlands on the benefits of providing access to land for all rural residents including women and youth.
- Promote the reform of the traditional land tenure system to allow for legal registered tenure of farmland by individuals or groups through purchase, leasing, inheritance and gift.

- Create and enforce regulations that offer incentives for the production of cocoa on identified and demarcated cocoa production zones and cocoa production and for cocoa related activities.

3.2 Research

All research related policy guidelines will be addressed by MAF in collaboration with SLARI and other agriculture related research institutions

Policy Context

There is a weak institutional set up for specialised research activities aimed at increasing levels of production and quality of Sierra Leone cocoa.

Policy Goal

Improved research activities on the cocoa sector and results published and disseminated.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Improve funding for research and development to enhance the capacity of SLARI and other research institutions researching cocoa.
- Collaborate with other research institutions and private sector to carry out research and development activities of the cocoa sector.
- Publish and disseminate all cocoa related research findings on all media platforms so as to reach cocoa farmers.
- Support clonal research to conserve existing and develop clones of new varieties that will enhance production and increase diseases and pest resistance in cocoa.

3.3 Value Addition and Processing

All processing related policy guidelines will be addressed in collaboration with the Ministry of Trade and Industries and its agencies.

Policy Context

The sector lacks established cocoa processing facilities. Farmers are not adequately equipped with post-harvest value addition skills to improve quality. Traceability is weak and agricultural infrastructure is poor. Local processing factories are needed in order to generate added value to the sector, create jobs , storage facilities and establish new marketing opportunities for farmers.

Policy Goal

Local processing of cocoa beans established, create employment facilities and increase incomes of value chain actors.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Collaborate with SLIEPA and promote the establishment of cocoa processing factories.
- Provide finance through outreach schemes to stakeholders who wish to engage in value addition activities. Improve coordination and cooperation between stakeholders in the value chain to enhance sustainable cocoa development.
- Build capacity of stakeholders along the cocoa value chain.
- Encourage demand for the consumption of Sierra Leone cocoa products.

3.4 Trade and Commercialisation

All trade related policy guidelines will be addressed in collaboration with the Ministry of Trade and Industries and its agencies.

3.4.1 Quality Control and Certification

Policy Context

Certification is a way that farmers can increase their income through payments of premiums and a tool for getting farmers trained to improve quality. However, there are transparency and accountability issues on premium payments and traceability.

Policy Goal

Produce traceable and high quality beans that meet international standards

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Collaborate with PMB, SLSB to develop standard certification schemes, and codes that producers can easily understand
- Encourage private certified companies to work with other stakeholders on quality control
- Disseminate information on requirements and processes related to certification
- Work with PMB to build capacities of their field staff in ensuring quality standards and control of cocoa production. Ensure mandatory seven days fermentation rule is followed
- In collaboration with MTI establish a high traceability standard for Sierra Leone's cocoa exports by enforcing the standards requirement of a highly regarded certification organization as the EFSA (European Food Safety Authority) and UTZ

3.4.2 Price and Market Information

Policy Context

There is lack of access to reliable market information. Commercial deals and prices are at best shady, and commodity information including actual market prices is not transparently communicated to producers.

Policy Goal

Market and Price information on cocoa product are published and available and accessible to all stakeholders in the value chain.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Collaborate with MTI in enforcing price regulations to guide the sale of cocoa.
- Work with MTI/PMB to facilitate the review of CAP 185 of 1946

3.4.3 Trade Regulations

Policy Context

Cocoa trade in Sierra Leone is characterised by a weak value chain and large number of intermediaries not formally registered or licensed, performing a variety of uncoordinated roles. There is no standardised pricing and no regular information of the farm gate price. Farm gate trading often leave farmers with little monetary benefits due to their weak bargaining power.

Policy Goal

A well structured and organised cocoa market, which promotes fair and transparent trade of quality cocoa products.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Improve coordination with MTI/PMB in terms of regulating cocoa trade and increase farmers' incomes and national export revenues
- In collaboration with MTI establish one-stop-shop for documentation and certification procedures for cocoa export including the issue of phytosanitary certificates.
- Collaborate with PMB in ensuring the registration of all key actors in the cocoa value chain such as farmer, buying agents, processors, traders/exporter, transporters and investors.

3.4.4 Infrastructure of Cocoa Production

Policy Context

The state of the feeder roads in the cocoa producing areas is a strong challenge for the transporting of labour, agrochemical supplies to cocoa farms and produce from farms to markets, usually in the district and chiefdom headquarter towns. Most farmers do not have adequate on-farm storage facilities and thus encounter challenges carrying out harvest and post harvest activities. These shortcomings affect the quality of the produce and sometimes compel farmers to sell cocoa beans at low prices to itinerant buying agents.

Policy Goal

Improved all-weather feeder roads and purpose built on-farm processing and storage facilities to ensure quality production of cocoa beans.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- In collaboration with the Ministry of Transport and Aviation (MTA) and the District Road maintenance units improve feeder roads to all weather

standards in cocoa producing communities for the transportation of workers, supplies and produce.

- Team up with NGOs and private investors to develop and maintain suitable storage facilities where these are required.
- Build the functional capacity of existing agriculture Business Centres (ABC) in cocoa producing communities
- Collaborate with NGOs, and private investors to provide post harvest material such solar plastic, fermentation boxes and jute bags to ensure production and packaging of quality cocoa beans

3.5 Sector Organisation

3.5.1 Farmer based Organisation

Policy Context

The cocoa sector is faced with numerous challenges which include weak and uncoordinated governance structure. Most actors are informal and unorganised resulting in ineffective and dysfunctional farmer based organisations and cooperatives. Moreover, Farmers do not understand the cooperative principles including procedures for selecting functionaries, ownership and management of cooperative assets. There is little trust among cocoa farmers which makes the administration of the cooperatives system challenging.

Policy Goal

Existing cooperative societies, farmer based organisations and other agricultural business associations promoting cocoa production are empowered to play active roles in representing the interest of their farmers

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Sensitise and increase awareness on the benefits of forming farmer groups
- Support existing cocoa farmers and encourage other farmers interested in producing cocoa, especially those already in the cocoa producing communities
- Build the capacity of FBOs and cocoa producer cooperatives through the district extension offices of MAF to train farmers on good cocoa production, processing and marketing practices
- Work with NGOs in strengthening the capacity of FBOs
- collaborate with MTI to encourage farmer groups/cooperatives to register with certification program e.g. UTZ, Organic Fair Trade and Rain Forest

3.5.2 Cocoa Commodity Association (s)

Policy Context

National Cocoa Board represents all stakeholders in the value chain including government, donors, farmers, traders, processors, exporters and NGOs. This Board will articulate the interest of all actors in the value chain. It is important to establish a presence of the Board in all cocoa producing districts to create synergy among actors and improve governance and strengthen a national organisational structure.

Policy Goal

National Cocoa Development Board (NCDB) established and operationalised. A Public –Private Partnership Board dedicated to the transformation of the Cocoa sector along the lines of the previous Cocoa Working Group in composition and in its operation.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Support and facilitate the formation of the NCDB
- Promote dialogue with all existing commodity association(s)
- Advocate for state support at various level

3.6 Access to Finance

Policy Context

The cocoa sector, particularly at the production level, suffers from inadequate access to finance. Financial institutions have drawbacks in giving out loans to cocoa farmers because of the difficulties they face in appraising them and the seasonality of the crop production cycle. Smallholder farmers lack access to acceptable collateral other financial institutions require and cannot accommodate the high interest rates and inflexible loan repayment schemes. Without personal savings farmers are unable invest in inputs and new technology to achieve increased productivity.

Policy Goal

Flexible and affordable financial loan products developed and made available, creating opportunities for cocoa actors to develop sustainable commercial operations.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Collaborate with the Bank of Sierra Leone, Ministry of Finance to create financing products that would be accessible to cocoa farmers with affordable loan conditions
- Establish a Special Purpose Vehicle such as a specialised Export Crop Financial institution that will give of guarantee loans to bona fide cocoa and other export crops farmers at affordable terms and conditions.
- Encourage and help farmers to secure consulting services to develop business plans. that would be acceptable for them to access loans and guide their investment plans.
- Link cocoa commodity associations and farmer based organisations to agricultural financial agencies.

3.7 Cocoa data and Statistics

Policy Context

There is little available data on the sector and data collected by some NGOs and exporters are not published. There is a weak monitoring and evaluation unit in the national extension service responsible for data collection along the cocoa value chain. A few consultants and NGOs collect data (e.g. mapping of farmers, yield per acre, potential income etc) relating to projects they are supporting. But these efforts are made in isolation without coordination among actors. At the ministerial level, there is hardly any reliable or publishable data on the sector.

Policy Goal

Reliable and accurate data bank on the cocoa sector is developed and available.

Policy Guidelines

Ministry of Agriculture and Forestry, SLARI and the NCDB will:

- Collect and publish annual sector statistics
- Collaborate with Stat. SL, SLARI, PMB, and other relevant stakeholders to collect information on the entire value chain, using GPS on all existing cocoa farms; as well as to determine potential land to be reserved for cocoa cultivation. This will assist future strategic planning
- Foster and support strengthening of the capacity of PEMSD, SLARI, PMB and other relevant stakeholders
- Publish and share information on a regular basis to all actors in the cocoa value chain

3.8 Cross Cutting Issues

3.8.1 Women and Youth

Policy Context

Women and youth manage about a quarter of the cocoa plantations although they have limited land rights and access to extension services, training and credits due to socio-cultural constraints. They are also underrepresented in farmer's organisations, public meetings and seldom play leadership roles in community activities. Nonetheless they are engaged in most of the activities relating to cocoa production from nursing seedlings, under brushing, pruning and marketing of beans.

Policy Goal

Women and youth play active and prominent and sustainable roles in the value chain.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Intensify sensitisation and dialogue with custodians of rural land on the benefits of providing access to land for women and youth
- Promote training and mentoring of women and youth through the national extension service.
- In collaboration with the Ministry of Social Welfare, Gender and Children Affairs and Ministry of Youth to give women and youth a voice in the cocoa sector governance and include them in all aspect of community engagement.
- Support the integration of women and youth producer groups in community cocoa supply chains
- Implement programs to change youth perception in cocoa farming
- Collaborate with other related ministry to establish special fund to promote women and youth participation in cocoa production and processing.

3.8.2 Security

Policy Context

Smuggling greatly reduces the volume of cocoa exported from Sierra Leone. The poor road network, price differences, porous and insecure borders coupled with limited capacity of the monitoring board are major reasons for smuggling of cocoa from Sierra Leone.

Policy Goal

Security in cocoa producing districts is enhanced and smuggling prevented.

Policy Guidelines

Ministry of Agriculture and Forestry will:

- Link customs, ONS and District Development Committee staff to address smuggling of cocoa from the country
- In collaboration with local authorities enforce bye-laws to ensure smugglers are brought to justice and face the full penalty of the laws