From Cocoa House to Cocoa Nation:

A Legal and Policy Call for Nigeria's Economic Rebirth through Agro-Industrialisation

Authors

Seyi Adisa
Co-Founding Partner

Boluwatife Asanya
Associate

Introduction

Since the discovery of oil in 1956, Nigeria's economic engine has been fuelled by crude exports. However, considering volatile global oil prices and growing climate concerns, there is an urgent need for a strategic shift toward a more sustainable and resilient economic model. The pressing national question is: What will define Nigeria's economic identity in the 21st century? We propose that the answer lies in our soil — cocoa, the sleeping giant in our hands. T & A Legal strongly recommend that Nigeria embraces agro-industrialisation through the cocoa value chain to drive national prosperity and reposition agriculture at the heart of its economic transformation.

Current State of the Cocoa Industry in Nigeria

Nigeria remains among the top cocoa-producing countries globally, with an annual yield of approximately 300,000 metric tonnes.[i] According to federal projections, this figure is expected to reach 500,000 tonnes by 2025.[ii] Cocoa cultivation has expanded to 22 states up from 16 just a few years ago and now directly supports the livelihoods of over 350,000 farmers. Ondo State alone contributes 25% of national output.[iii]
Despite this capacity, Nigeria continues to export approximately 80% of it cocoa as raw beans, while only 20% is processed.[iv] In 2024, cocoa bean exports totalled ₦1.2 trillion ($780 million), positioning Nigeria as the fourth-largest exporter globally.[v] Major importers include the Netherlands, Indonesia, Belgium, Malaysia, Germany, and Italy. More striking is the fact that the domestic processing industry remains critically underutilised, with just five operational factories running at a mere 8% capacity, a combined utilisation of only 20,000MT annually.[vi]

Meanwhile, Nigerian consumers spend billions on imported chocolate, cocoa-based beverages, creams, and pharmaceutical products, all derived from cocoa we grow but do not refine. This is a paradox that must end. The global cocoa value added market is worth over $100 billion annually.[vii] Within this, the cocoa derivatives market (butter, powder, liquor) is valued at $25.04 billion in 2024, and projected to grow to $6.59 billion in 2025. [vi

[i] Nigerian Export Academy. (n.d.). Cocoa exportation in Nigeria. https://nigerianexportacademy.com/blog/cocoa-exportation-in-nigeria
[ii] Punch Nigeria. (2025, March 9). Nigeria targets 500,000 tonnes cocoa output to challenge global leaders. https://punchng.com/nigeria-targets-500000-tonnes-cocoa-output-to-challenge-global-leaders/
[iii] Federal Ministry of Agriculture and Rural Development. (2024). Cocoa production report 2024. FMARD.
[iv] Proshare Economy. (2024). Nigeria's
[v] BusinessDay. (2024). Why Nigeria's cocoa processing sector is underperforming. https://businessday.ng
[vi] International Institute for Environment and Development. (2022, November). The global cocoa value-added market is worth over $100 billion annually. https://www.iisd.org/system/files/files/2022-11/2022-global-market-report-cocoa.pdf
[vii] Towards FnB. (2025, April 15). Cocoa derivative market size to capture USD 45.7 Bn by 2034. https://www.towardsfnb.com/insights/cocoa-derivative-market
[viii] Towards FnB. (2025, April 15). Cocoa derivative market size to capture USD 45.7 Bn by 2034. https://www.towardsfnb.com/insights/cocoa-derivative-market

For example, the global cocoa butter market alone is estimated at $8.86 billion in 2025, projected to reach $10.59 billion by 2035, growing at a CAGR of 1.8%.[ix] 50% of cocoa butter is used in chocolate, 25% in cosmetics, and 25% in pharmaceuticals. Similarly, the cocoa liquor market is expected to grow from $11.33 billion in 2023 to $17.36 billion by 2030.[x] With cocoa prices soaring $12,000 per metric tonne in 2024 Nigeria[xi] is forfeiting significant value by remaining a primary commodity exporter.

This missed opportunity is evident when we look at the global scene. Côte d'Ivoire, the world's largest cocoa producer, exported cocoa beans valued at $3.32 billion in 2023,[xii] Ghana's processed cocoa products generated about $1.1 billion in the same year.[xiii] In stark contrast, Nigeria, generated only $669 million from raw beans alone. [xiv]

Addressing the Policy Vacuum

This underperformance is not merely economic; it is legal and structural. As legal advocates for sustainable economic reform, T & A Legal are advocating for legislative intervention to address this gap. In particular, the passage of the National Cocoa Management Board Bill, a legislative framework critical to empowering the National Cocoa Management Committee (NCMC), which was established in August 2022. Currently functioning in a quasi-administrative capacity, the NCMC has provided invaluable recommendations such as the creation of a national cocoa database, updating forest maps to track deforestation-free cocoa, and fostering a balanced public-private partnership model to strengthen and scale the industry. However, without legal backing and adequate funding, the NCMC cannot fulfil its mandate. We call on the National Assembly to expedite the passage of the National Cocoa Management Board Bill, which will:

- Provide a robust legal framework for quality assurance and export regulation.
- Enable oversight of plantation renewal, access to finance, and compliance with environmental standards.
- Foster international competitiveness, positioning Nigeria alongside Ghana and Côte d'Ivoire.

[ix] Future Market Insights. (2025, March). Cocoa butter market size, trends & forecast 2023–2033. https://www.futuremarketinsights.com/reports/cocoa-butter-market
[x] Research and Markets. (2024). Global cocoa liquor market outlook report: Industry size, competition, trends and growth opportunities by region, YoY forecasts from 2024 to 2031. https://www.researchandmarkets.com/reports/5800302/global-cocoa-liquor-market-outlook-report
[xi] Bassey, E. (2024, December 5). Cocoa, cashews boost agricultural exports. The Nation Nigeria. https://thenationonlineng.net/cocoa-cashews-boost-agricultural-exports/
[xii] Trendeconomy. (2024, January 28). Nigeria | Exports | Cocoa beans | 2023. https://trendeconomy.com/data/export_h2/Nigeria/1801
[xiii] Statista. (2023, November). Contribution of cocoa to the gross domestic product (GDP) at constant prices in Ghana from 2014 to 2027 (in billion Ghanaian cedis). https://www.statista.com/statistics/1235774/contribution-from-cocoa-sector-to-gdp-in-ghana/
[xiv] World Integrated Trade Solution. (2024). Nigeria cocoa beans, whole or broken, raw or roasted exports by country | 2023. https://wits.worldbank.org/trade/comtrade/en/country/NGA/year/2023/tradeflow/Exports/partner/ALL/product/180100

Recommendations for Cocoa Value Chain Revolution

T & A Legal supports a comprehensive **10-year Agro-Economic Roadmap** anchored in the commodification of agricultural products, starting with cocoa. We also recommend the following:

Strengthening European Union Deforestation Regulation Compliance (EUDR), especially in traceability and sustainable sourcing, through legal reforms and farmer education.

Establishment and Enforcement of the National Cocoa Management Board Act, empowering the NCMB to lead policy, research, quality control, and export development.

Assessment and Rehabilitation of Existing Processing Facilities, supported by fiscal incentives for modernisation.

Attraction of Foreign Direct Investment (FDI) to expand cocoa processing capacity, leveraging Nigeria's large consumption base.

Empowerment of cocoa industry groups such as Cocoa Farmers Association of Nigeria and Cocoa Association of Nigeria to train farmers and Local Buying Agents on EUDR compliance, ethical sourcing, pesticide safety, modern techniques, and cocoa preservation.

Support for Cocoa Research Institute of Nigeria (CRIN) through increased funding, nationwide dissemination of improved seedlings, and commercialisation of value-addition research.

Nationwide Public Awareness Campaign repositioning Nigeria as a value-added agro-industrial hub, with cocoa at its core.

Vision for the Future of Nigeria's Cocoa Industry

Shifting from the export of raw cocoa beans to the local processing of high-value products such as chocolate, cosmetics, beverages, pharmaceuticals, and industrial inputs has the potential to unlock massive economic gains for Nigeria. This transition could provide several benefits:

Job Creation: It would create millions of jobs across the cocoa value chain, from farming to manufacturing to distribution.

Economic Stability: By increasing the export of processed goods, Nigeria could stabilise the naira and strengthen its balance of trade.

Global Competitiveness: Nigeria could position itself as a leader in the global cocoa value chain, competing with giants like Côte d'Ivoire and Ghana in the export of cocoa derivatives.

Every successful nation has defined its prosperity by its chosen niche. Israel chose technology, China embraced manufacturing, Singapore became a global financial hub, and Dubai rebranded itself through tourism. Nigeria must now choose agriculture, specifically, cocoa as its defining economic strength.

The shift to agro-industrialisation is not merely a financial opportunity; it is a chance to reclaim Nigeria's economic sovereignty, reduce dependency on oil exports, and position agriculture as the cornerstone of national prosperity. By tapping into the potential of cocoa, Nigeria can emerge as a global competitor in the cocoa value-addition market, ushering in a new era of economic growth and national pride.

Conclusion

The vision of Chief Obafemi Awolowo, who once used cocoa revenues to fund free education and build Nigeria's first skyscraper ''The Cocoa House'', is a powerful reminder of what is possible when agriculture is harnessed as a tool for nation-building. Today, that vision must be reimagined for the 21st century.

It is time to stop exporting poverty and start exporting prosperity; proudly made in Nigeria products from soil to shelf. From Cocoa House to Cocoa Nation, the time for action is now. Let us grow it, refine it, and export our excellence.

T & A Legal urges the Federal Government, legislators, private sector stakeholders, and international partners to recognise cocoa not merely as an agricultural commodity but as a strategic pillar of Nigeria's economic sovereignty.

T & A LEGAL

The information contained in this article is solely for educational purposes. It does not and is not intended to constitute legal or any other professional advice.

If you require any further information or professional advice on policy analysis, you can reach out to our Policy Desk at *contactus@tundeadisa.com* and we will be happy to provide any assistance you may need.

tundeadisa.com contactus@tundeadisa.com T & A Legal @tundeadisalp