



# ALERT ON THE SUPPLY OF CACAO FROM LIBERIA

How do a combination of factors and players encourage the presence of Liberian cacao in the Ivory Coast supply chain?

Independent Cocoa Observer Report - April 2024  
Country: Ivory Coast - Liberia  
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## Summary

Between October 2023 and March 2024 we, IDEF with the participation of ID Cocoa, carried out an independent monitoring investigation to better understand the flow of cacao between Liberia and Ivory Coast. More specifically, we sought to: confirm the existence of the trade; examine its role in driving deforestation in Liberia; understand the incentive structures driving the flow; and explore implications in the broader international effort to decouple cacao from deforestation.

Our investigation included a field mission in both Liberia and Ivory Coast, in an area that has experienced significant deforestation in the past year based on our analyses using Global Forest Watch. On the Liberia side, we spoke to cacao farmers and community members in the villages of Yargbeken, Touwloken and Partaken. On the Ivory Coast side, we spoke to representatives from multiple cacao cooperatives that allegedly purchase cacao from Liberian producers. Key observations include:

1. **Many foreign smallholders are migrating from Ivory Coast to Liberia to produce cacao.** At least 183 smallholders moved to the 3 villages we visited in Liberia. About 60 of those had arrived recently - between December 2023 and January 2024. Most of the farmers in the Liberian villages have kept their plantations in Ivory Coast;
2. **Cacao production is driving deforestation in Liberia:** we recorded 55 instances of primary forest conversion between 2018 and March 2024. The main driver: forest plots Liberian communities share with foreign cacao farmers;
3. **Cacao produced in Liberia is entering supply chains in Ivory Coast:** mainly due to a lack of infrastructure, most cacao produced in Liberia is sold across the border in Ivory Coast. There is also strong evidence - cooperative documents, and the testimonies from certified cooperative delegates and traders - that deforestation-risk cacao produced in Liberia is entering Cargill supply chains certified by Rainforest Alliance and FairTrade.

On the basis of these observations, we recommend:

- The Coffee and Cocoa Council of Ivory Coast accelerates the implementation of the national traceability system;
- The Ministry of Agriculture helps growers in Ivory Coast renew their plantations with further support from the European Union and multinational companies;
- The Liberian authorities work with the Ivorian authorities to combat cacao smuggling on both sides of the border;
- Cocoa exporters, in this case Cargill, and certification labels, in particular Rainforest Alliance and Fairtrade, need to strengthen their traceability systems, in particular field controls, for example by relying on external players to carry out this control and monitoring work in the field in order to reduce the risk of fraud.

## Introduction

[Research](#) has already shown how the availability of cheap fertile land in Liberia is a magnet for smallholders throughout West Africa. This is a major reason why between 2001 and 2022, Liberia lost 2.2 million hectares of vegetation cover, equivalent to a 23% decrease in vegetation cover since 2000. In 2022 alone, the country lost 150,000 hectares of natural forest (Global Forest Watch). Nevertheless, Liberia remains relatively rich in forest and biodiversity compared to other countries in West Africa, particularly, Ivory Coast. Since the 1950s, most of Ivory Coast's forests have been converted to agricultural land, particularly cacao plantations. As plantations age, production falls, and new land is

required and the process is repeated resulting in a relentless driver of deforestation<sup>1</sup>. As climate change worsens and production levels fall more drastically, so does the need for more land. Hence, the need for new frontiers like Liberia.

Mechanisms like the EU Deforestation Regulation (EUDR), which prohibits placing products associated with deforestation on EU markets, can help prohibit cross border smuggling and associated deforestation. But only if it is enforced and accompanied by stringent traceability, stronger governance and other improvements in producing countries. The government of Ivory Coast is working on a national traceability system, which could make smuggling more difficult, but this has yet to materialise.

## Methodology

The role of IDEF, as an independent monitor, is to ensure that stakeholders are able to make informed decisions. We do this by conducting investigations and publishing objective and explicit information about the realities of the cacao sector. We do not have an agenda. Our funding is from public sources. We do not accept funding from the cacao industry.

Our investigation began with desk research including the use of Global Forest Watch to identify priority areas based on land cover change, particularly clusters of recent deforestation alerts. In January 2024, we carried out a field mission in south-east Liberia, in Fishtown District 3 where we ground-truthed cacao driven deforestation and consulted residents of villages of Yargbeken, Touwloken and Partaken, stakeholders in border localities on the Ivory Coast side, cooperative delegates in Grabo, a tracker in Gbapet and a group of six producers in Françoiskro, which is one of the three camps where producers from Liberia and buyers from Ivory Coast meet to buy cacao.



Figure 1: Map of the field observation zone, based on data collected during the mission from 20 to 29 January 2024, IDEF

In accordance with our policy of transparency and quality monitoring, the draft final report was sent to stakeholders mentioned in the report. The reaction of the sector's regulatory authority in Ivory Coast,

<sup>1</sup> See François Ruf ([booms and crises in cacao](#)) and Freud Ellen et al ([cacao fields](#))

the Conseil du Café-Cacao, can be accessed via this [link](#). Cargill's comments can also be accessed via this [link](#). The Rainforest Alliance says it "takes note of the report and its recommendations". It points out that "information on Rainforest Alliance-authorized audit firms worldwide is public and available on our [website](#)". At the time of publication of this report, we had not received any reaction from Fairtrade.

## Observations

### Migration of cacao farmers from Ivory Coast to Liberia

The village chief of Yargbeken stated that since 2020, his village has welcomed and provided forest plots to precisely 48 people from Ivory Coast. Respondents in all 3 Liberian villages - Yargbeken, Touwloken, Partaken - indicated the arrival of 183 foreign cacao smallholders, including around 60 for the period from December 2023 to January 2024 alone. The majority of Ivorian smallholders continue to manage plantations in Ivory Coast as well because their families remain in Ivory Coast and it allows them "to have financial resources while waiting for the new plantation in Liberia to start producing cacao pods".

### Overview of local communities in Liberia

The Liberian communities we consulted view the arrival of foreign cacao smallholders positively. According to the chief of Yargbeken:

*"Cocoa has developed Ivory Coast. There are roads, hospitals, health centres and even electricity in the most remote villages. That's why we're delighted to welcome these people. They are going to help us produce wealth and the government will come and open the road for us because there will be a lot of cacao here. They don't look at us because they don't see any interest in our district. But thanks to cacao, our district will soon be prosperous. We have no drinking water because there are no boreholes. The roads are non-existent, even for two-wheelers like motorbikes. Walking can be difficult on certain tracks. If we develop cacao like in Ivory Coast, we'll soon have better living conditions. "*

This indicates strong incentives to convert forests to cacao plantations.



### Producers who have come to Liberia from Ivory Coast

At a public meeting attended by local Liberian communities, we heard from eight people who used to live in Ivory Coast but have now moved to Liberia because of the "availability of new forests" to clear for cacao. Six of these farmers still have their cacao plantations in Ivory Coast, "even if they don't produce as much cacao as they used to". Four young farmers, newly arrived in the Liberian jungle from Ivory Coast, also shared [their stories](#).

## Deforestation of primary forests to grow cacao

We documented the existence of cacao plantations in Liberia and new clearings of primary forest. Local informants indicated that the first plantations were established in 2005. We also observed cacao nurseries, an indicator that cacao plantations will continue to expand.



### Yargbeken Village

We identified a total of 36 plantations and 12 newly-cleared plots in the eastern and southern parts of Yargbeken village. In detail:

- o 13 cacao plantations with an average size of 7.3 hectares, created in 2018 that are producing;
- o 18 cacao plantations of 6 to 8 hectares created in 2021;
- o 5 cacao plantations being created (young cacao plants visible) whose surface areas could not be estimated due to the absence of the landowners and producers who work there;
- o 12 recently cleared forest plots with no cacao plants present at the time of the field mission.



## Partaken and Touwloken

The chief of Partaken, a small village with four main houses and two smaller houses set apart from the others, says that he has provided plots of land to 17 foreigners "to produce cacao". In Touwloken, an entire neighbourhood has been set up for the new arrivals the village chief's wife said that there are four families in the "*Burkinabè*" neighbourhood. They have been taken in by the village and given plots of land to produce "*cacao to share when the time comes*". The areas generally vary between six and eight hectares and are planted/shared (see Box 1).

Most of the foreigners we met while on mission identify as being from Burkina Faso. However, many were born and raised in Ivory Coast. One of them, aged 23, said he had never been to Burkina Faso. He was born and grew up in Abengourou in eastern Ivory Coast, in the heart of the old cacao-growing region where his parents still live and "*our old cacao plantation created by my father*".

### **Box 1: The vagueness surrounding planted/shared land: the seeds of a land crisis**

The individual interviews and the public meeting organised in Yargbeken revealed a clear difference in understanding of the planted/shared principle. The Liberians present at the meeting, starting with the Yargbeken village chief, explained very clearly what planted/shared means to them:

*"We give them the space to make cacao. When there's production, we'll share.*

*- By sharing, you mean the plantation?*

*"No. For us, sharing is about production. The plantation, like the land, remains our property".*

However, during the one-to-one interview with two young growers, it was their understanding that the plantation would be shared.

*"When the plantation starts to produce, maybe a year after the first year of production, we'll divide it up, everyone will take their share and everyone will work without a plantation. I'll have my own plantation and my tutor will have his share. In the same way that my father built our current plantation in Abengourou".*

These two testimonies clearly demonstrate that the two parties are not at the same level of understanding. The balance of power is in favour of the locals, especially as there is no document (at least at the time of the observation mission) formalising the parties' commitments.

The risk is that if the issue is not resolved and this vagueness persists, land disputes will arise. The grandchildren of locals will consider that their parents did not sell any plots of land, while the grandchildren of foreigners, who grew up on this land and have never had their presence questioned, will consider that the land was acquired by their ancestors and that they therefore own it. Even though the law of the land does not recognise rural land ownership for non-nationals.

## Cacao produced in Liberia is entering supply chains in Ivory Coast

Our field mission confirms that cacao produced in Liberia is entering supply chains in Ivory Coast

### Factors favouring the sale of Liberian cacao in Ivory Coast

There are three main reasons for the presence of Liberian-produced cacao in the Ivory Coast supply chain. Firstly, there is the proximity of the villages in the Canton of Yargbeken to the first towns in Ivory Coast. All one has to do is cross the Cavally River in a pirogue in around ten minutes, then walk for around thirty minutes to reach Françoiskro, the main meeting point between cacao producers from Liberia and buyers from Ivory Coast.

Secondly, and this was the reason most often put forward in the discussions, is that Liberia lacks the road infrastructure to link up with the other towns in the country. *"Even if we wanted to, we have no way of selling cacao from here to Liberia. There are no roads. A long time ago, the Wingo cooperative used to come here to collect cacao. But the people in charge say they've lost several lorries because of the state of the road. So they don't come any more. But production is increasing all the time. Our only choice is to cross the Cavally<sup>2</sup> and meet the buyers in Françoiskro<sup>3</sup>"* laments the local representative of District 3.

According to the chief of Yargbeken, *"if we had the road, we'd be selling our cacao in Liberia. Because the buyers on the other side don't provide any service. For example, when we ask them for products to treat our plantations, they refuse. The same goes for loans when we're in financial difficulty. This is because we are not recognised. As soon as they buy cacao, they say it comes from Ivory Coast. And they don't share all the benefits. We're well aware of that. But it's difficult."*



*Figure 6: Bridge on the main road linking the target zone to the interior of the country, 27 February 2024, IDCocoa*

Thirdly, demand is high among buyers in Ivory Coast. In addition to the fact that the producers come from Ivory Coast and therefore have easy contacts with the buyers to whom they usually sell.

Also, although it was only mentioned by one person, there is the currency factor. When farmers sell in Ivory Coast, they are paid in CFA francs. This suits the Liberians perfectly, since they do their shopping in Ivory Coast. And it's even more convenient for growers who don't know the Liberian exchange rate and who, in any case, have their whole family still in Ivory Coast. They can therefore send money directly without currency conversion costs.

## The flow of cacao

Thanks in particular to discussions at the public meeting in Yargbeken, individual interviews with the chief of the village of Yargbeken, with François, chief of Françoiskro, and three testimonies, including that of a cooperative delegate who is a certified supplier of the Cargill group, and those of two other trackers linked to two other cooperatives, we are able to describe the flow of cacao from Liberia to Ivory Coast (Figure 7).

<sup>2</sup> The Cavally River. The locals simply say the Cavally without the word river before it.

<sup>3</sup> A two-house camp located in Ivory Coast on the banks of the Cavally river, which marks the border between the two countries.



Figure 7: Map based on data collected in the field between 20 and 29 January 2024, IDEF

The traditional way of transporting cacao is to pay young people from the village to carry the sacks of cacao on their heads from the village to the banks of the Cavally river "because there are no roads, so it's impossible to use motorbikes", explains a local man who is keen to point out that he has welcomed three producers from Ivory Coast to his land.

Transporting a bag from the village to the river bank costs 2,000 FCFA (3 euros) per bag of up to 50 kilograms, which is different from the jute bags used to transport cacao to the factory. The cacao is then loaded into a pirogue to cross the Cavally river. When the cacao is stored on the banks of the river, this time on the Ivorian side, it is transported by motorbike to the meeting points with the buyers, the main one being the Françoikro camp.



Figure 8: Transporting cacao from Liberia to Ivory Coast by pirogue across the River Cavally, 28 February 2024, IDCocoa

Buyers are generally independent trackers from Grabo, SOGB<sup>4</sup>, Menninké, Béréby-carrefour and San-Pedro. Other buyers live in localities within the town of Grabo, such as Moussakro and Gbapet. They are delegates from cooperatives.

### Cocoa bought without a trace: not seen, not taken

These two main buyers arrive at the meeting points indicated. They buy the cacao in cash and take care not to issue receipts. The sellers don't even ask for receipts, as they're happy to have found a buyer for their goods. "I've never asked for a receipt. Why should I?" asks the head of the village of Yargbeken. Another concludes: "Buyers don't even have receipts anyway. So even if you ask for it, you won't get it."



Figure 9: Bagged cacao from Liberia stored on the banks of the River Cavally on the Ivory Coast side, 28 February 2024, IDCocoa

#### **Box 2: The circuit explained by a player within the system**

One cooperative delegate in Ivory Coast agreed to explain his work on the understanding that he would not be quoted and that the name of the cooperative concerned would not be mentioned. In any case, *"almost all the cacao here comes from the other side - there's no good field here that produces well"*, he says at the outset, with a certain lightness that illustrates his state of mind. According to him, *"there's nothing serious"*. If it were, *"it would have been stopped a long time ago"*. The reason is simple: *"everyone knows. Even those who come to do a certification audit. Some people have lost their certificates. That's true. But that's because they didn't manage it. Everyone's eating into it,"* he points out.

*"In practical terms, as a delegate of the cooperative, I have a quota to fill. At the cooperative, we know that our members' production won't be enough to reach the required volume. We organise ourselves accordingly. The cacao bought with the Liberians is not kept separate. It's all put together in the shop with the members' cacao. The only thing we do is classify the cacao according to the certificate. For example, as the cooperative has UTZ (now Rainforest Alliance) and Fairtrade certification, we put UTZ cacao on one side, Fairtrade on the other and ordinary on one side. This organisation is based on orders and not on the source of the cacao. So, for example, depending on the volume of certified contracts we have, we place the cacao in the shop. For example, for UTZ, when I come with the cacao, my entire delivery can be stored in UTZ. The delivery includes cacao from Liberia, as I explained. But that's not a problem. We need to reach the volume of the order. That's the most important thing. When we have to make the loads, we take the cacao out of the shop, put it in the sun during the day and mix it all together. Then we fill the jute bags that are required for delivery to the factory. If it's a load for an order of certified*

<sup>4</sup> Société de caoutchouc de Grand-Béréby - the site houses the rubber plantations as well as housing for the company's staff. Over time, it has become a locality in its own right, and is referred to by local residents as a village.

*cacao, we fill the bags and seal them. Before, there was no need to seal. But for the last two or three years, they (exporter - Cargill) have been sending this. So we put the bags on and load the truck. When it's a load for an order of ordinary cacao, we fill the bags in the same way, but without sealing them. Our cooperative only delivers certified cacao to Cargill. Others buy ordinary cacao. But I don't have any information on that, I don't know them.*

## Analysis

### A trend likely to continue

The observations made during this field mission have important implications. What we are witnessing is the displacement of deforestation for cacao production, which threatens not only biodiversity, but also compliance to the EU Deforestation Regulation. There is also considerable reputational risk to buyers and exporters. While it is certainly understandable why communities in Liberia are eager to expand cacao plantations, there is risk of destabilising customary land tenure regimes and a similar future to that current faced by cacao farmers in Ivory Coast: depleted soils, vulnerability to climate change and pod diseases and ultimately diminished revenue. Make no mistake: Ivorian farmers are now paying the consequences of decades of unsustainable farming practices.



In Liberia, as shown in the images below, we found an endless expanse of primary forest. Younger cacao producers prefer to establish new plantations at the expense of forests due to costs: acquiring fertile soil relies on labour rather than input, which means converting forests is perceived as the only option for poorer smallholders.

Liberia, or to be more precise the Liberian forest, is being taken by storm, and if the momentum continues, the country will become the new cacao Eldorado of West Africa. Liberian communities say *"cacao has developed in Ivory Coast. That's why we welcome cacao producers here. They are going to make cacao and we are also going to develop, like Ivory Coast"*. This implies that the deforestation that has begun will continue in favour of cacao in the area covered by this report. In the absence of intervention by the authorities, the expansion model involving the clearing of more and more forest, which has been successful in Ivory Coast, will be the same model in Liberia

### Potential for land disputes

The difference in understanding of the planted/shared land tenure systems among Liberian communities and foreign cacao producers is concerning. In the absence of written agreements and/or long standing trust and understandings, there is real risk of land conflicts.

### Traceability systems are clearly not robust

Based on our investigation, it is simply too easy to cheat traceability systems, including those of major certifiers Rainforest Alliance and Fairtrade. In particular that of the cooperative delegate in box 2 of this report, demonstrates the weakness, if not the absence, of supply chain control mechanisms. To such an extent that cacao produced in another country finds its way not only into the supply chain but into *certified* supply chains whose promise is to guarantee consumers a product that complies with a certain

number of requirements, starting with its origin. This situation raises the question of the credibility of the mechanisms put in place by the certification labels mentioned.

Our observations also raise questions about the willingness of exporters, namely Cargill, to put in place robust control of its direct supply chain. In a previous independent observation report, "[Ivory Coast: Risk of illegal cacao supply in the Guémon region](#)", we already called Cargill's attention to the weakness of its traceability system based on barcode seals. We recommended that Cargill strengthen its traceability control system by involving an external party responsible for monitoring, and that they avoid sourcing cacao from cooperatives offering both certified and ordinary cacao.

The core problem is that current traceability solutions rely on trust and there are strong incentives to lie to optimise revenue. Until serious investments are made in law enforcement, independent audits and new solutions resistant to garbage-in, garbage-out, we expect continued contamination of Ivorian supply chains with cacao produced in Liberia.

## Implications for EUDR & related donor support

Understandably, investments in sustainable cacao have focused on the world's two leading producers, Ivory Coast and Ghana, including the adoption of the ARS-1000 regional standard on sustainable cacao and some progress towards national traceability systems. But deforestation risks are relatively low in these countries because they have already lost most of their forest and because most plantations were established well before the EUDR December 31, 2020 cut-off date. The EUDR benchmarking system and European Commission funding mechanisms need to take into account the flow of cacao from forest-rich to forest-poor jurisdictions along with the reality that traceability and certification systems are weak.

## Everyone loses, except big companies

Cacao producers are not receiving certification premium payments even though their cacao is being sold to certifiers. Liberia is not benefitting from additional tax revenue. Local communities and farmers are potentially headed towards land disputes. And the Liberian forest along with its ecological services, are under increasing threat. Ivory Coast will not benefit either, since the existence of a new production zone would lead to the level of supply being maintained and consequently low prices. Meanwhile the multinationals, while they may face some reputational risks, will continue to benefit from a supply of low cost cacao.

## Conclusion

The migration of cacao smallholders from Ivory Coast to Liberia began between 2018 and 2019 with a small group of producers from the east and south-west of Ivory Coast in the form of "*explorers*". Since then, this first wave has become recruiters and intermediaries between new arrivals and local Liberian communities. The main producers in the area covered by this report are of Burkinabe origin, followed by Ivorians (Baoule). The main reason for this migration is the search for new forests to create new cacao plantations. All the cacao is sold in Ivory Coast and bought by supposedly independent trackers who then sell to the cooperatives, but there are also delegates affiliated directly to cooperatives with Rainforest Alliance and Fairtrade certification labels. Cocoa bought in Liberia is then registered in the name of producers in Ivory Coast to facilitate its sale on the Ivorian market. This a wake-up call to anyone concerned about sustainable cacao: deforestation-risk cacao produced in Liberia is entering certified supply chains in Ivory Coast and the time to act is now.

# Recommendations

## To Ivorian authorities

- Continue and accelerate the implementation of the national traceability system and the distribution of producer cards by the Conseil du Café-Cacao;
- The Ministry of State, the Ministry of Agriculture and Food Production, should set up a concrete support programme for producers to help them invest in and renew their plantations;
- Open a discussion forum with stakeholders on the granting of approval as an on-farm purchasing operator by the Cocoa and Coffee Board;
- Cooperate with the European Union to put in place robust controls to identify cacao from land clearing after the EUDR reference date (31 December 2020).
- Open discussions with the Liberian authorities to tackle this challenge together and, above all, share Ivory Coast's experience, particularly with regard to land issues, the functioning of the cacao market, the structuring of local players, etc.

## To European decision-makers

- Extend discussions on sustainable cacao to countries that still have significant forest cover, so that risks can be reduced through dialogue with local stakeholders;
- Support financially the implementation of the national traceability system underway in Ivory Coast and politically by recognising only this system so that exporters abandon their individual systems and commit fully to the national traceability system process (if it works);
- Set up practical support programmes to enable producers to invest in land that has already been deforested and to continue farming there, in order to limit the waves of people leaving in search of new forest plots to destroy, particularly for cacao;
- Establish a solid, long-term support mechanism for independent monitoring initiatives in producer countries;
- Consider how a country's proximity to other potentially high-risk countries can be taken into account in the country risk assessment system.

## To Liberian authorities

- Initiate discussions on a model for cacao production that safeguards its forest cover and communities;
- Work with the Ivorian authorities to combat cacao smuggling on both sides of the border;
- Invest in the border areas with Ivory Coast, particularly in terms of road infrastructure, health centres and access to drinking water

## To Cargill

- Strengthen its traceability system, in particular field controls, for example by using an external party to carry out these controls and monitoring in the field in order to reduce the risk of fraud;
- Carry out a full audit of its supply chain and make the results public;
- Do not buy from suppliers who sell certified cacao and ordinary cacao at the same time. This increases the risk of supply chain contamination

## To Rainforest Alliance and Fairtrade

- Strengthen controls by carrying out regular independent investigations and making reports public;

- Make public the list of audit firms and individual audit consultants appointed and the areas in which they operate;
- Carry out a full audit of the entire label control system and make the results public.

Regarding the latter recommendation, the Rainforest Alliance responds: "With respect to individual auditors, these individuals have employment/service contracts with Rainforest Alliance-authorized audit firms. The Rainforest Alliance therefore has access to certain information about them, as needed. However, for personal data protection reasons, it is impossible under current legislation in Ivory Coast for us to make this data public on our website without the prior consent of those concerned."