

Canopy Trust 2026

SECTOR BRIEF

COCOA

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Building cocoa value chains without deforestation in the Congo Basin

The Challenge: Cocoa expansion is becoming a major driver of deforestation

Cocoa is an important and growing cash crop in parts of the Congo Basin, particularly Cameroon, the Democratic Republic of the Congo (DRC) and the Republic of the Congo (RoC). It has the potential to raise rural incomes, diversify exports and support local value creation. But cocoa expansion also carries a significant forest risk: in forest-rich landscapes, increasing production can be achieved either by improving existing farms and restoring degraded land or by clearing forest.

Globally, an estimated 2–3 million hectares of forest were lost to cocoa production between 1988 and 2008. In Cameroon, a 2025 study around Ntui found that cocoa expansion is already driving deforestation.

Farmers attributed it to poverty and low yields, combined with land scarcity, migration, population growth, and high land and labour costs.

Cocoa can also support a different development pathway. Because cocoa can be grown under shade, well-designed agroforestry systems can combine cocoa with fruit, timber and native trees, diversify farmer income, maintain substantial tree cover and improve climate resilience. The central challenge is therefore not whether cocoa grows, but where and how it grows.



Most of the world's cocoa is produced in Africa, which accounted for around 76% of global production in 2020/21.

While Côte d'Ivoire and Ghana remain the dominant producers, cocoa production has also expanded rapidly in Cameroon, the Congo Basin's largest producer. Marketed production reached a record 309,518 tonnes in 2024/25, the highest level since the mid-1990s, before falling 20% to 247,914 tonnes in 2025/26 as adverse weather reduced yields. This volatility shows how exposed farmer incomes are to climate shocks, which can add pressure to expand into forest.



Cocoa sector dynamics:

- Growing export-oriented cash crop, with Cameroon the Congo Basin's largest and most established producer.
- Predominantly produced by smallholders and cooperatives, often with limited access to finance and agronomic services.
- High prices and strong demand can increase incentives to expand planted area, driving deforestation.
- Ageing or low-yielding farms can make clearing fertile forest land appear more attractive than rehabilitation.
- Cocoa can be produced in complex agroforestry systems that retain shade and economically valuable trees.
- Traceability and geolocation are increasingly central to access to European markets under the EU Deforestation Regulation (EUDR).

The Opportunity: Building sustainable cocoa value chains

Cocoa is gaining ground in the Congo Basin, and how that growth unfolds will shape the region's forests for decades. For now, there is still time to expand the sector without sacrificing them.

The strongest pathway is to raise output and value on existing farmland. Rehabilitating ageing plantations, improving planting material and agronomy, adopting regenerative practices and strengthening farmer organisation can lift yields without expanding the agricultural frontier. Better fermentation, drying and storage increase the value captured from each kilogram. Further along the chain, local processing, origin branding and access to premium, deforestation-free markets can raise returns without requiring more land. Any expansion should target degraded or previously cultivated land, leaving natural forest intact.

Agroforestry is central to this opportunity. Cocoa grown with shade, fruit and timber trees generates multiple income streams, improves soil and microclimate conditions and strengthens resilience to climate variability.

Quality is also becoming a competitive advantage. Cameroon is one of only three African countries, alongside Ghana and Madagascar, on the International Cocoa Organization's list of fine-flavour cocoa exporters, and the only one in the Congo Basin. With swollen shoot virus severely affecting production in Côte d'Ivoire and Ghana, its cocoa is increasingly attractive to international traders.

Market regulation reinforces the commercial case. Under the EU Deforestation Regulation (EUDR), large and medium operators must show from 30 December 2026 that cocoa placed on the EU market is deforestation-free (no deforestation after 31 December 2020) and legally produced; most micro and small operators follow from 30 June 2027. These obligations are passed down the supply chain, making farm mapping and traceability conditions of market access. Cameroon already has some certified, traceable supply chains, but other Congo Basin countries will need substantial investment in farmer registration, cooperatives and monitoring.

Sustainable cocoa's untapped opportunity:

- Deforestation-free growth, prioritising rehabilitation of existing farms and degraded land over forest conversion.
- Productivity gains from pruning, grafting, replanting with improved planting material, soil fertility management, and pest and disease management.
- Agroforestry systems combining cocoa with native shade trees, fruit and timber species.
- Premium markets for high-quality, traceable and deforestation-free cocoa, supported by Cameroon's fine-flavour status, origin branding and certification.
- Value addition through better fermentation, drying, sorting and storage, local processing into semi-finished products and chocolate, and use of by-products such as pulp and husks.
- Income diversification through honey, timber, fruit, biochar and other complementary products.
- Digital procurement, farm geolocation and traceability systems that support EUDR-aligned sourcing.

Key barriers to scale

Despite strong long-term demand, sustainable cocoa value chains in the Congo Basin face significant financial, technical and institutional barriers. These vary between Cameroon's established sector and emerging producers such as the DRC, RoC, Gabon and the Central African Republic (CAR).

At farm level, many producers have limited access to finance, improved planting material and extension services. Plantations are often old, with yields typically below 500 kg/ha against more than 1,000 kg/ha achievable with improved practices. Rehabilitation requires upfront investment, and returns may take several years to materialise. Insecure land tenure weakens the incentive to invest further. Where rights are customary or undocumented, farmers may be reluctant to commit to long-term rehabilitation, and clearing forest can itself serve to establish a land claim. Ageing farmers, youth out-migration and high labour costs add to these constraints.

Increasing productivity alone may therefore be insufficient to reduce deforestation. If cocoa becomes more profitable while forest land remains accessible and is perceived as more fertile, higher returns can create additional incentives for expansion.



Cameroon is building a domestic processing industry: local grinding passed 100,000 tonnes for the first time in 2024/25, about a third of national production. The government aims to raise production to 600,000 tonnes and process half of it locally. Doubling production on that scale would put forests at serious risk unless it comes from higher yields on existing land. The sector already faces documented cocoa-driven deforestation, making rehabilitation, traceability and zero-deforestation sourcing immediate priorities.

Productivity improvements need to be combined with land-use safeguards, traceability and incentives to rehabilitate existing agricultural land rather than convert natural forest.

Farmers also carry high market and climate risk. Farmgate prices are volatile and much of the value is captured further along the chain, while weather shocks and pest and disease pressure can sharply reduce yields, as Cameroon's 20% production drop in 2025/26 showed. Weak farmer organisation, fragmented supply chains and poor rural infrastructure further constrain access to inputs, finance and reliable markets, and limit investment in fermentation, drying, storage and quality control. Insecurity in parts of Cameroon's South-West region and eastern DRC also deters investment.

Child labour is a further key risk. Poverty and weak social infrastructure in cocoa-growing communities raise its incidence, and with emerging human-rights due diligence requirements, buyers increasingly expect child-labour monitoring, remediation and broader social safeguards as a condition of sourcing.

Traceability and land-use monitoring are becoming essential for deforestation-free markets but remain difficult to implement. Cocoa agroforestry is hard to distinguish from natural forest in conventional land-cover data, and farm mapping, geolocation and chain-of-custody systems are costly and technically demanding for smallholders and local enterprises. Without support, buyers may avoid hard-to-verify suppliers, excluding the smallholders who most need premium markets. Cross-border flows also undermine traceability, including deforestation-linked cocoa reportedly smuggled from RoC into Cameroon, DRC exports via Uganda and CAR cocoa routed through neighbours.

Policy and enforcement gaps compound these constraints. Farmers' awareness of forest-protection and zero-deforestation requirements is often limited, and enforcement of forest rules remains uneven. Better alignment of agricultural and forest policies, clearer land-use planning and tenure, and stronger communication of deforestation-free requirements are therefore important complements to farm-level investment.

Constraints to sustainable cocoa value chains:

- Limited access to finance, improved planting material and extension.
- Low yields, ageing plantations, and high upfront costs and delayed returns from rehabilitation.
- Insecure land tenure, which discourages long-term investment and can encourage forest clearing to claim land.
- Ageing farmers, youth out-migration and high labour costs.
- Child labour risk and growing human-rights due diligence requirements.
- Volatile prices without stabilisation mechanisms, low farmgate share, and growing exposure to weather shocks, pests and diseases.
- Weak farmer organisation, fragmented supply chains and poor rural infrastructure.
- Insufficient fermentation, drying, storage and quality-control capacity.
- High cost and complexity of traceability, compounded by cross-border smuggling, with a risk of excluding smallholders from deforestation-free markets.
- Limited awareness and enforcement of forest-protection and zero-deforestation policies.
- Insecurity in parts of the region, deterring investment.

Canopy Trust country snapshots: an uneven sector across the Congo Basin

Cameroon

SCALE	Major: ~250,000–310,000 t/yr
MAIN AREAS	Centre, South, East, Littoral, South-West
VALUE CHAIN	Relatively developed; cooperatives, exporters, growing local grinding
KEY CONSTRAINTS	Ageing farms, yields often <500 kg/ha; black pod, mirids; weak rural infrastructure
OPPORTUNITIES	Rehabilitation (>1,000 kg/ha achievable); fine-flavour status; certification; local processing

Central African Republic (CAR)

SCALE	Marginal: ~140 t (2024)
MAIN AREAS	Humid south, near Cameroon and DRC borders
VALUE CHAIN	Thin, informal; beans routed via Cameroon and DRC
KEY CONSTRAINTS	Chronic insecurity; very weak infrastructure and institutions
OPPORTUNITIES	Agroforestry livelihoods if security improves; integration into neighbouring chains

Democratic Republic of the Congo (DRC)

SCALE	Emerging: ~35,000–65,000 t/yr
MAIN AREAS	North Kivu, Ituri, Tshopo, Equateur
VALUE CHAIN	Fragmented; few exporters; some exports via Uganda
KEY CONSTRAINTS	Insecurity in the east; very high transport costs; weak statistics and policy
OPPORTUNITIES	Agroforestry on degraded land; post-conflict livelihoods; donor-backed traceability

Gabon

SCALE	Very small: negligible exports
MAIN AREAS	Coastal and inland humid zones
VALUE CHAIN	Small, fragmented; no processing
KEY CONSTRAINTS	Low policy attention; high labour costs; old plantations
OPPORTUNITIES	"Green" origin branding; niche specialty cocoa; carbon and biodiversity finance

Republic of the Congo (RoC)

SCALE	Small: ~15,000 t/yr
MAIN AREAS	Southern, central and northern forest zones
VALUE CHAIN	Under-developed; few cooperatives; no processing
KEY CONSTRAINTS	Low policy priority; old plantations; high transport costs; informal trade
OPPORTUNITIES	Forest-friendly agroforestry pilots; national goal to triple output



REGIONAL ANCHOR

Cameroon can serve as a regional anchor for research, training and quality control, while regional cooperation on standards and traceability can help emerging producers build deforestation-free supply chains from the outset.

The role of blended finance and Canopy Trust

These constraints can be addressed by combining technical assistance with catalytic capital. Many cocoa investments have strong long-term potential but need early spending on rehabilitation, cooperatives, traceability, safeguards and post-harvest infrastructure before they generate stable cash flows and can attract commercial finance.

Canopy Trust can help bridge this gap. Technical assistance can support project preparation (feasibility studies, financial modelling and market-linkage strategies), environmental and land-use groundwork, EUDR readiness and MRV.

Catalytic capital can finance nurseries, rehabilitation, aggregation and processing equipment, traceability systems that include smallholders, and working capital. Through risk-sharing instruments such as guarantees and first-loss capital, it can also help projects reach a scale and risk profile that attracts commercial investors and buyers.

The cocoa sector offers multiple scalable entry points for investment:

- Cocoa agroforestry and rehabilitation of existing farms, including professional rehabilitation service providers.
- New plantings on degraded or previously cultivated land.
- Nursery enterprises supplying improved cocoa and companion-tree seedlings.
- Aggregation and outgrower models linking smallholders to processors and long-term buyers.
- Bundled service models combining inputs, finance, extension and off-take contracts.
- Post-harvest infrastructure for fermentation, drying and storage.
- Domestic processing (starting with improved fermentation, quality control and small-scale grinding), premium and deforestation-free supply chains, and by-products such as honey, organic fertiliser and biochar.
- Traceability and deforestation-monitoring systems.
- Farmer finance, insurance, and carbon and biodiversity revenues, including REDD+.

Impact

Transforming cocoa value chains can deliver significant outcomes across forests, climate, livelihoods and inclusive economic development:

- Reduced forest conversion through rehabilitation, degraded-land development and deforestation-free sourcing.
- Higher and more diversified farmer incomes through productivity, quality and additional agroforestry products.
- Increased tree cover, carbon storage and biodiversity value in productive landscapes.
- Improved climate resilience through diversified shade systems, better soils and farm management.
- Rural jobs in nurseries, production, aggregation, fermentation, logistics, processing and sales.
- Stronger market access through traceability, quality assurance and EUDR readiness.
- Greater local value capture from premium beans and downstream processing.

Example: Sustainable cocoa value chain supported by Canopy Trust

Project	SCOOPS CECACAO
Location	Nkong-Nkeni, Bondjock, Centre Region, Cameroon
Sector	Sustainable cocoa value chain / agroforestry
Overview	A cooperative-led "tree-to-bar" cocoa model combining agroforestry, regenerative agriculture, post-harvest management and artisanal chocolate processing. The project aims to move beyond raw-bean exports and capture more value locally through premium beans, chocolate, biochar, honey and organic fertiliser, supported by a Centre of Excellence for training and agronomic optimisation.
Challenge addressed	• Low farmer incomes • Ageing orchards and soil degradation that drive expansion into forests • Growing exposure to climate variability • Limited processing infrastructure and market access
Canopy Trust role	Technical assistance to de-risk investment and enable scale-up of the project: • Deforestation-impact assessment • Environmental and social due diligence • Parcel-level agroforestry design and cooperative training • MRV-system design and biodiversity assessment
Expected Impact	• Forests (SDG 15): maintain tree cover through agroforestry and deforestation-free sourcing. • Climate (SDG 13): build resilience and store carbon through agroforestry and by-product use. • Gender (SDG 5): open skilled and leadership roles to women. • Jobs & incomes (SDG 8): raise incomes and create jobs through local processing and diversified revenues.

As cocoa expands across the Congo Basin, generating more value from existing farmland through higher yields, agroforestry, local processing and traceability offers a path to rural development without deforestation.



Canopy Trust is building a pipeline of high-impact investment opportunities in the cocoa value chains across the Congo Basin to reduce deforestation. Learn more about Canopy Trust: www.canopytrust.org