

THE PHOENIX FUND

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LIBERIA -- Cocoa Seed Farming Practices Help Bring Community Out of Poverty

Background

Prior to the civil war, Liberia produced and sold cocoa for export on the world market. Farmers throughout Liberia still maintain cocoa farms or trees but the income they receive is minimal because production is low and the quality of the beans produced is poor.

The Phoenix Fund Venture

In October 2007, the Phoenix Fund granted Mercy Corps' Liberia Team \$50,000 to partner with the Liberia Produce Marketing Corporation (LPMC) to rehabilitate an 80 acre cocoa farm at Compound #2 in Grand Bassa County. Nearby farmers were to re-establish the farm as a new business in the following way:

- New varieties of cocoa trees were planted and farmers received training in improved cocoa cultivation through a "cash for work" program.
- Farmers were organized into cooperatives for better bargaining power.
- When the cocoa is ready for market, the expectation is these farmers will be in a better negotiating position to sell the cocoa and therefore increase their incomes.

The project initially focused on cocoa seeds as a viable business, but soon discovered that cocoa production will lead to greater income for the farmers, and have therefore focused on cultivating the trees for cocoa, rather than for cocoa seeds.

The Results

Cocoa trees take a couple years to produce marketable cocoa, so measurable income results will not be available for many months. However, the project clearly will have great benefit to local farmers, and therefore was awarded a grant from the USDA of \$1.7 million worth of soybean oil.

The proceeds from the sales of the oil will support a new venture to reestablish and improve agricultural capacity for up to 2500 farmers. Over a period of 18 months in four geographies within Liberia and based on the same model as the Cocoa Seed Farm Phoenix Fund project, farmers will select the crop that is best suited to their area and receive training & technical assistance on agricultural practices.

The following outcomes are expected at the end of this new project:

- For up to 2500 farmers, transporters, wholesalers and retails, 50% increase in yields and 50% increase in incomes
- 20 new businesses established with 5-15 new jobs for each business
- A Micro-Finance Institution established for lending to market clients, creating 2500 new jobs for women