K E Y N O T E   A D D R E S S

Financing Nigeria's Cocoa Value Addition Drive

Delivered by Dr. Olasupo Olusi, the MD/CEO Bank of Industry at the Cocoa Value Addition Summit

Bola Ahmed Tinubu International Conference Centre, Abuja

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P R O T O C O L S

The Honorable Minister of Industry, Trade and Investment; Minister of Agric and Food Security. Minister of State for Industry, Distinguished Senator Abubakar Kyari. The reps of their excellencies, governors of our cocoa-producing states, here present. His Excellency EU Ambassador represented by Massimo de Luca ; Royal Fathers; distinguished leaders of the cocoa and food industries; our development partners; and above all the farmers, on whose labour this entire industry stands: good morning, and welcome to the Cocoa Value Addition Summit.

P A R T I — I N T R O D U C T I O N

Let me start by congratulating my boss, Senator John Enoh, Honorable Minister of State for Industry for convening this important summit. The theme from “Bean to Brand” encapsulates both the opportunity and direction Nigeria’s cocoa industry must travel. It also reminds us that some of the most important lessons about our future can be found in our past.

In 1965, the tallest building in tropical Africa rose over Ibadan. It was not built by oil. It was not built by foreign loans. It was built by cocoa, and its name says so: Cocoa House. The same crop, competently harnessed, gave this country the first television station in Africa, free primary education for a generation of children in the old Western Region, Liberty Stadium, and the then federal University of Ife, now OAU. Cocoa did not merely earn money for Nigeria. Cocoa revenues shaped one of the most remarkable episodes of Nigeria’s social economic development.

Now hold that image beside for second. Today, somewhere in Europe, there is another building, a factory. What goes into this building is beans grown in Ondo and Ikom and other parts of West Africa. Out of it come cocoa butter, cocoa powder, and, eventually, chocolate bars carrying names the whole world knows. The Cadburys, Hersheys, KitKats and my personal favourite, the Snickers of this world. The countries of Africa grow roughly seventy per cent of the world's cocoa. Yet of a chocolate bar's price on a European shelf, the farmer who grew the bean receives perhaps six to eight kobo in every naira.

The farmgate value of the entire world crop is in the order of fifteen to twenty billion dollars. The retail chocolate market is worth one hundred and thirty to one hundred and fifty billion.

Between those two buildings, the one cocoa built for us, and the one being built elsewhere from our cocoa, lies the entire agenda of this Summit.

PART II — THE JOURNEY SO FAR

Let me be direct about what happened, because honest diagnosis is the beginning of strategy.

Nigeria was once the second-largest cocoa producer on earth. We lost that position not to bad soil, or to bad farmers, but to bad choices. The oil boom pulled capital, labour and attention from cocoa. Decades of over-taxation through the marketing board discouraged replanting. And when we liberalised in 1986, we dismantled the institution without building its replacement. Thus leaving the sector, alone among the West African majors, without a regulator, a quality guarantee or a financing vehicle for nearly forty years.

But the truth is even at our peak in the 1960s, we exported beans and imported chocolate. Leadership in production never gave us leadership in value. So the ambition of this Summit is not to restore past glory. It is to capture a position in this industry that we have not held before. A visionary goal.

So, why is this the moment? Let me offer three reasons.

First, the market has been shaken as never before. Cocoa prices rose from under $3000 per tonne to a record near $13,000/tonne in December 2024, collapsed to around $3000 this past February, and stands near $6000 this week. Disruption of this kind reshuffles an industry, and reshuffles are precisely when new entrants find a seat at the table.

Second, Nigeria has just earned a windfall. Because our farmers receive close to world prices, cocoa exports brought in some N2.7 trillion naira in 2024. Our country has seen windfalls before. The oil windfall of the 1970s was consumed. This cocoa windfall can be consumed the same way; or it can be converted into processing plants, replanted farms and traceability infrastructure.

Third, the rules of the global market are being rewritten in our favour, *if we move quickly*. The European Union's deforestation regulation now requires every bean entering Europe to be traced to a mapped plot of land. That resets the race. If Nigeria maps its farms well and brands that compliance boldly, "*every Nigerian bean, mapped and deforestation-free*" can become our calling card.

PART III — NIGERIA'S STRATEGIC ENTRY POINTS

So where, exactly, should Nigeria enter this chain, worth roughly **US$127–150 billion in 2025**? We cannot act everywhere at once. Strategy is choice, and the sequence matters.

The first move is grinding — converting beans into liquor, butter and powder. Here is the fact that should embarrass us into action: Nigeria produces over 300,000 tonnes of cocoa a year, yet our effective grinding capacity is roughly 50,000 tonnes, and much of it sits idle. That is the widest gap between production rank and processing rank of any major origin in the world. Closing it alone multiplies the export value of the same crop two to four times.

And within grinding lies the smartest wedge of all: cocoa powder. Nigeria today imports cocoa powder, in billions of naira, to make the beverages our children drink every morning, while exporting the raw beans from which that powder is made. That is an absurdity we can fix within the next two to five years. Our beverage and biscuit industries are the anchor market; ECOWAS, under the AfCFTA, is the second.

The second move is industrial ingredients, specifically couverture, compounds and fillings, supplied to the bakers, biscuit-makers and dairies of Nigeria and West Africa. Nobody serves that market from within the region today.

The third move is provenance: *the idea that origin itself can be a source of value,* not just of supply. A certified, traceable Nigerian bean, from Ondo to Cross River, can command real premiums. Brands will follow, first at home for 250 million Nigerians, then across Africa, the Gulf and, in time, the world. Switzerland grows no cocoa, yet Swiss chocolate commands some of the world's highest prices. Value is built on reputation, and reputation begins, first, with a home market that believes in you.

PART IV — THE FINANCING IMPERATIVE FOR VALUE ADDITION

Now, what does all of this ask of finance? Cocoa will not be served by generic credit. It needs financing that is purpose-built, shaped around the biology of the tree, the rhythm of the harvest, and the economics of the factory.

A cocoa tree takes three to five years to bear. So replanting finance must carry grace periods matched to the tree, and here we call on our partners in primary agriculture — the Bank of Agriculture, NIRSAL and others — to co-finance and de-risk this segment alongside us.

A grinder must buy a year's beans in a four-month window, at world prices — hundreds of millions of dollars of seasonal finance for a single mid-sized plant. So we will convene, with commercial banks and our development partners, structured commodity finance: warehouse receipts, export prepayment, and working-capital facilities built around the crop cycle.

Processing plants and ingredient lines need patient term capital — seven-to-ten-year tenors that commercial balance sheets rarely offer, but which BOI exists to provide, and has been providing. In 2025, we disbursed over ₦164 billion to over 3,500 agro and food-processing businesses, financing factories, mills, packhouses and cold chains, and linking nearly forty-eight thousand smallholder farmers into industrial value chains.

Some critical investments are too large or too complex for any single firm to build alone. That is why we will also explore financing shared physical and digital platforms. Imagine a Cocoa Value Addition Park in the cocoa belt, with shared processing lines, quality laboratories, reliable power, effluent treatment and digital traceability. Such a platform would serve many processors at once and give even the smallest Nigerian processor access to infrastructure that is usually reserved for the largest firms.

Beyond our own balance sheet, we are mobilizing blended, concessional and patient capital from development partners, supported by guarantees and risk-sharing arrangements. An example of this is the 60 million euros credit facility we received from the European Investment Bank to develop the cocoa sector. This will help Nigerian processors compete more fairly with multinationals that have access to cheaper finance. And because finance alone is not enough, we will pair capital with business development support, technical advisory services and enterprise training, strengthening the costing, quality, standards and export documentation capabilities that often hold good businesses back even when capital is available.

Côte d'Ivoire has shown that the right incentives can attract world-class processors to origin. Ghana reminds us that government should not carry the market's price risk on its own balance sheet. Nigeria will draw from both lessons: BOI will provide the tenor and structure, while the market carries the price risk.

Above all, the Bank of Industry will not approach cocoa as a lending programme; we approach it as an ecosystem. We will advocate for our partners in this room to finance the nursery, the farmer cooperative and the warehouse, while BOI finances the grinding plant and the ingredients factory, the packaging line and the quality laboratory, the chocolate entrepreneur and the machinery that turns beans into brands. Industrial transformation is never one investment; it is many investments reinforcing one another.

Our role is not only provider of capital, but builder of markets, convener of partners, and catalyst for private investment many times the size of our own.

Distinguished guests, notice what this sequence delivers. Every tonne of cocoa powder produced at home is **import substitution**. Every tonne of butter, liquor and ingredients shipped to ECOWAS, the Gulf and beyond is **export promotion** leading to foreign exchange earned by our factories, not just our farms. Every grinding plant, laboratory and packaging line is **job creation** — skilled, dignified work for our young people. And together they foster the word at the roof of BOI's strategy house and the heart of this gathering: **industrialisation**.

For at the Bank of Industry, we hold to a simple conviction: **we are not in the business of financing commodities. We are in the business of financing value creation.**

CONCLUSION

Distinguished ladies and gentlemen, let this Summit not be remembered as an event. Let it be remembered as the founding of permanent alliances; government and industry, farmer and financier, state and federation, all moving in one direction.

Nigeria's first cocoa century was built on the bean, and it was lost with the bean. The next one will be built on what Nigeria does to the bean.

Sixty years ago, cocoa raised the tallest building in tropical Africa. I stand before you, convinced that it can raise something taller still: an industry worthy of the largest economy on this continent. **From bean to brand. From commodity to value.**

On behalf of the Board and Management of the Bank of Industry, I thank the Honorable Minister of State for Industry, Trade and Investment for the partnership that made this day possible; the joint Planning Committee for its quiet and diligent work; and each of you for the journey you have made and the commitments you will leave behind.

Thank you, and God bless the Federal Republic of Nigeria.

Dr. Olasupo Olusi, the MD/CEO Bank of Industry