

# Livelihood Trajectories in Nigeria's Cocoa economy: Evidence from South West Nigeria

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# Background information

- Livelihood trajectories may be defined as the pathways to securing the necessities of life by an individual, a household or a community.
- People move in and out of different livelihood systems based on the ability of such to secure the positive outcomes desired
  - Rationality
- The Nigerian cocoa industry has witnessed several decades of changes in livelihood options and outcomes
  - Decision on participation, labour allocation
  - Outcomes (income, food security)
  - Policy interventions



- But,
  - Is the sector able to meet the livelihood needs of the actors?
  - How do people get involved in the cocoa economy?
  - What is the impact of such development on men/women employment opportunities, income, food security, and health outcomes?
  - What constrains cocoa smallholders production?
- Hence, the livelihood trajectories within the cocoa economy in the Southwestern parts of Nigeria was examined.



# Methodology

- Study Area
  - Osun and Ogun States
  - Four communities, two each from Osun and Ondo states.
- Research Approach
  - Mixed method
  - Sequential exploratory
    - Qualitative (Osun and Ondo)
    - Quantitative (Ondo)
- Data Analysis
  - descriptive
- Caveat
  - Exploratory study
  - Basic information to feed into upcoming survey



## Approach

- Site selection
- Initial contact
  - LGA leaders
  - Extension agents
- Stakeholders' meeting
  - Male and female farmers
  - Policy makers
  - Farmers' associations
  - Other actors along the cocoa VC
- Key Informant Interviews(KII)
  - Community leaders
  - Leaders of associations
- Focus group discussions (FGDs)
  - Separate male and female groups
  - Combination of male/female
- Oral Interviews with individual farmers

## Description

- Multi-ethnic communities
  - Majority Yoruba
  - Igede, Hausa and Igbo
- The traditional position of leadership comprised of the King (Oba) and chiefs, who are heads of the quarters within the communities.
- Others
  - Religious leaders,
  - the leaders of town development union,
  - Youth leaders
  - Women leaders
  - trade and enterprise groups



# Socioeconomic Characterization of Respondents



	MALE	FEMALE	ALL
Age of household head (years)	45.86 (14.59)	45.62 (10.57)	45.80 (13.54)
Household size	6.36 (4.28)	5.92 (1.89)	6.24 (3.78)
Number of dependents	4.56 (3.17)	4.69 (2.29)	4.56 (2.94)
Average monthly Food expenditure (₦)	25,000 (24, 604)	15, 538.46 (76,00.61)	22, 489.8 (21, 764)
Average monthly non-food expenditure (₦)	15, 847.22 (16, 578)	20, 307.69 (39, 733.25)	17,030.61 (24, 475)
Years of framing experience	23.11 (15.71)	1.62 (9.71)	22.18 (14.35)
Number of years in cocoa farming	19.72 (15.05)	16.54 (7.78)	18.88 (14.50)

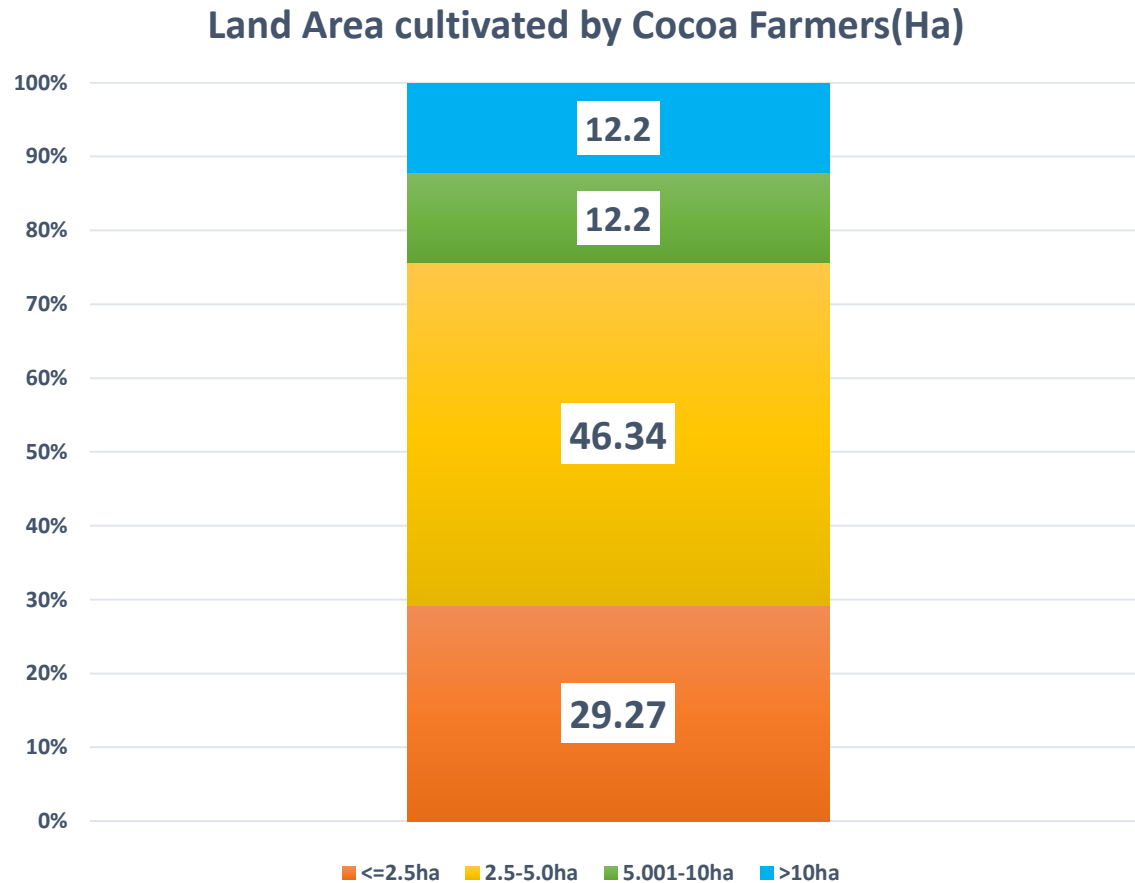
# Common Entry Point to Cocoa Production



- Tenure right
  - inheritance was adjudged as the most common since majority of the cocoa farmers are indigenes of their various communities.
  - Land/cocoa farm right through purchase is also a practice, although it is the least common of the practices.
  - leasehold involves the intended cocoa farmer taking land from the owner and paying a sum of money on the property over an agreed length of time.
  - Share cropping involves two individuals coming together, the original owner of the farm and the other person who possibly have financial resources to take care of the farm. The two parties then come together to strike a deal. The latter manages the farm.
- Ownership right is determined by:
  - indigeneship and ethnicity, which favour rights through inheritance.
  - Right through inheritance was also possible across different age groups and gender, and through marital relationships.

# Capital Accumulation

## Natural Capital (Land area cultivated)

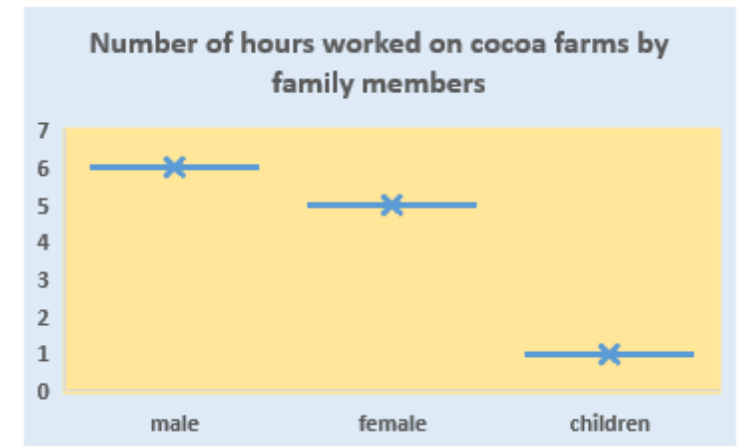


## Human Capital

- Labour allocation
- Hired Labour



## Family labour





# Gender specific major livelihood activities

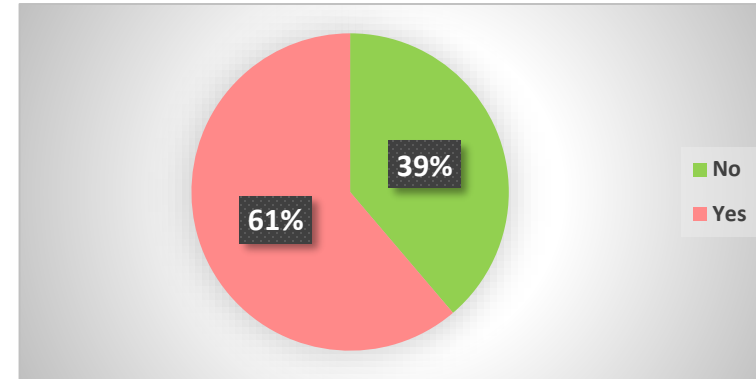


Osun state				Ondo state			
Male	Most important three	Female	Most important three	Male	Most important three	Female	Most important three
Trading	3	Trading		Trading	3	Trading	3
Farming	2	Farming		Farming	2	Farming	2
Cocoa enterprise	1	Cocoa enterprise	1	Cocoa enterprise	1	Cocoa enterprise	1
Driving		Akara frying	3	Driving		Akara frying	
Commercial cycling		Food processing		Commercial cycling		Food processing	
Bricklaying		plantain	2	Driving		plantain	
Artisan				Artisan			

## Physical Assets

- Physical assets are both productive and household assets
- Includes
  - Buildings
  - Trees
  - Home appliance
  - Farm implements
- Could be sources of consumption smoothing

## Social Capital



- Farmers belong to different social groups:
- Cooperative societies,
- Savings and credit groups
- Town development union
- Religious groups
- All Farmers Association on Nigeria (AFAN) and Cocoa farmers Association of Nigeria (CAN).

# Wealth status



Wealth status	Proportion of entire population	Characteristics
1	20	<ul style="list-style-type: none"> <li>a. Own houses up to three or four</li> <li>b. Politicians, traders, cocoa buyers</li> <li>c. Sell building materials</li> <li>d. Eat what they like, and food is rice</li> <li>e. Can afford schooling of children comfortably</li> <li>e. Some can send their wards oversea</li> <li>f. They are hardly farmers, and if one, have labourers in good number</li> <li>g. Own cars and live in good apartments</li> <li>h. Can easily access credit</li> <li>i. Can share crop with a cocoa farm owner</li> </ul>

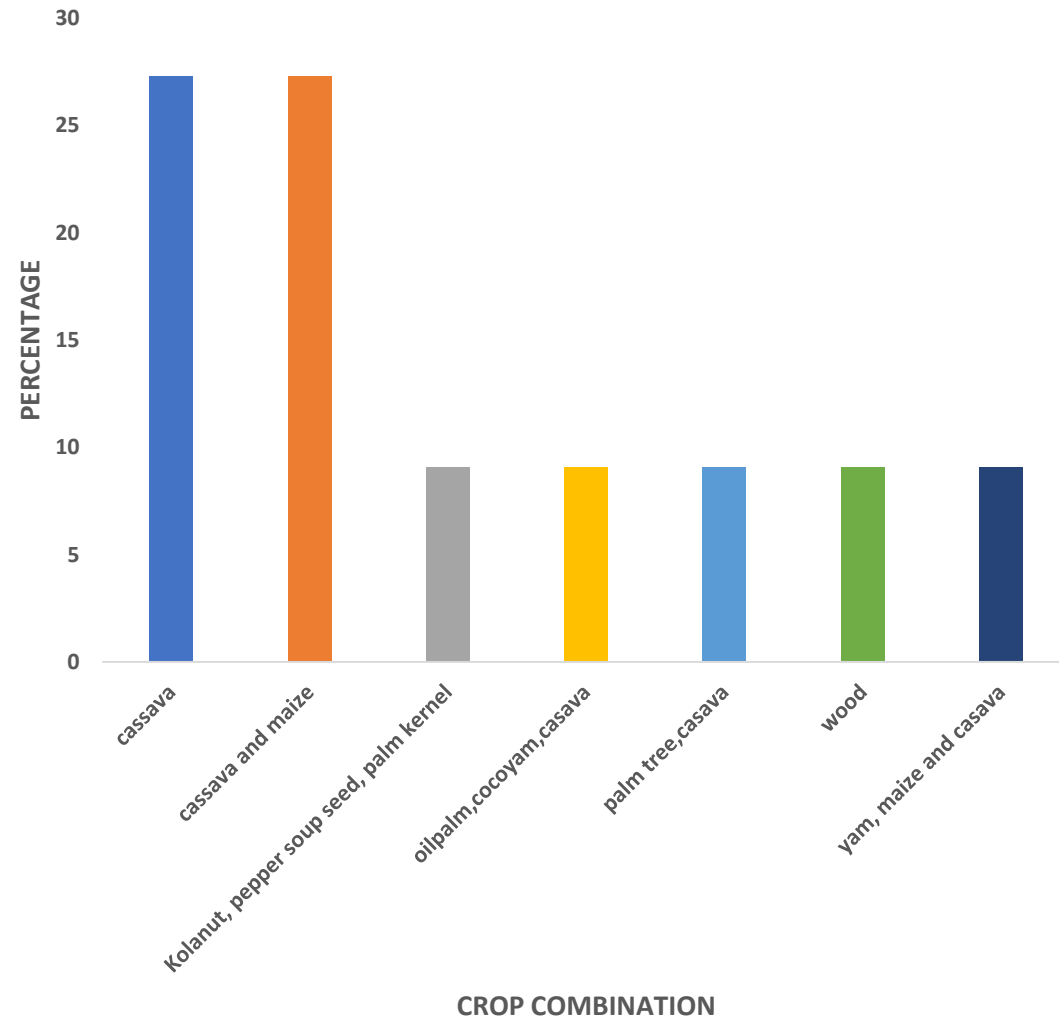
Wealth status	Proportion of population	Characteristics
2	40	<ul style="list-style-type: none"> <li>a. Farmers/cocoa farmers</li> <li>b. Traders</li> <li>c. Cocoa traders</li> <li>d. Afford school fees for wards and sometimes through debts</li> <li>e. Live in bungalow/face-me-I-face-you/brick houses</li> <li>f. Rented/build apartment</li> <li>g. Can lease out cocoa farms</li> <li>h. Eat three meals per day</li> <li>i. Run their farming/cocoa business on loan</li> </ul>
3	40	<ul style="list-style-type: none"> <li>a. Rented apartments</li> <li>b. Live in mud house</li> <li>c. Eat just anything not minding whether it is good for their body system</li> <li>d. Beg for food</li> <li>e. No/very poor means of livelihood</li> <li>f. Hired labour</li> <li>g. Widows</li> <li>h. Elderly</li> <li>i. Ethnic minorities</li> </ul>

# Seasonal calendar of Production Activities

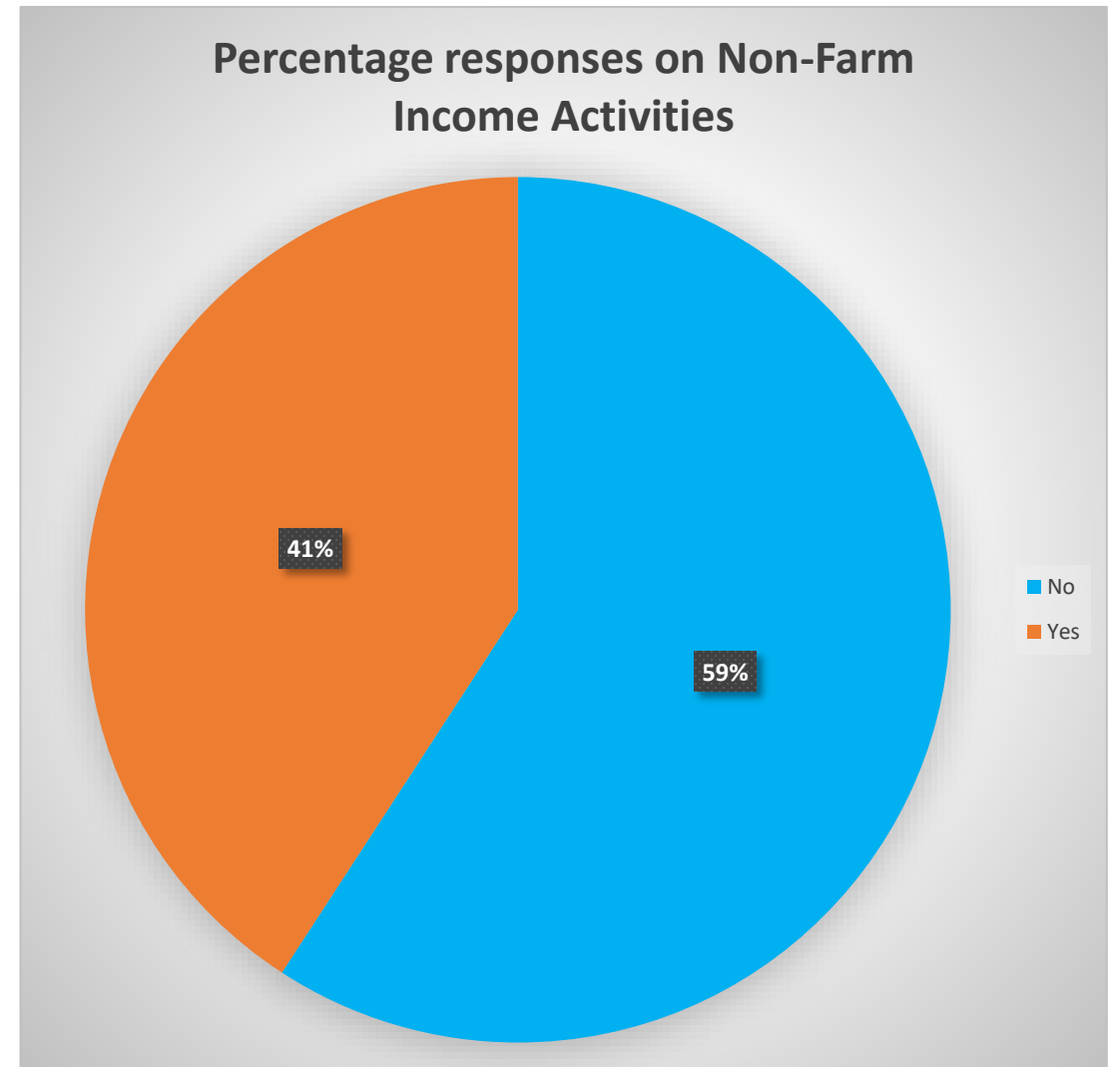


Activities	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Thinning		√	√	√								
Spraying	√	√	√	√	√	√	√					
Slashing			√	√	√		√	√	√			
Pruning off parasitic plants		√	√									
Pluck off spoilt cocoa	√	√										
Nursery activities	√	√	√							√	√	√
Transplanting					√	√	√	√	√			
Harvesting				√	√		√	√	√	√	√	√
Fermenting								√	√	√	√	√
Bagging										√	√	√
Drying								√	√	√	√	√
Selling											√	√
Supplying of seedlings							√	√	√			
Spaying with fungicides							√	√				
Planting of shade crop (plantain)					√	√	√	√				

## Other Crops cultivated



## Non-Farm Income Activities



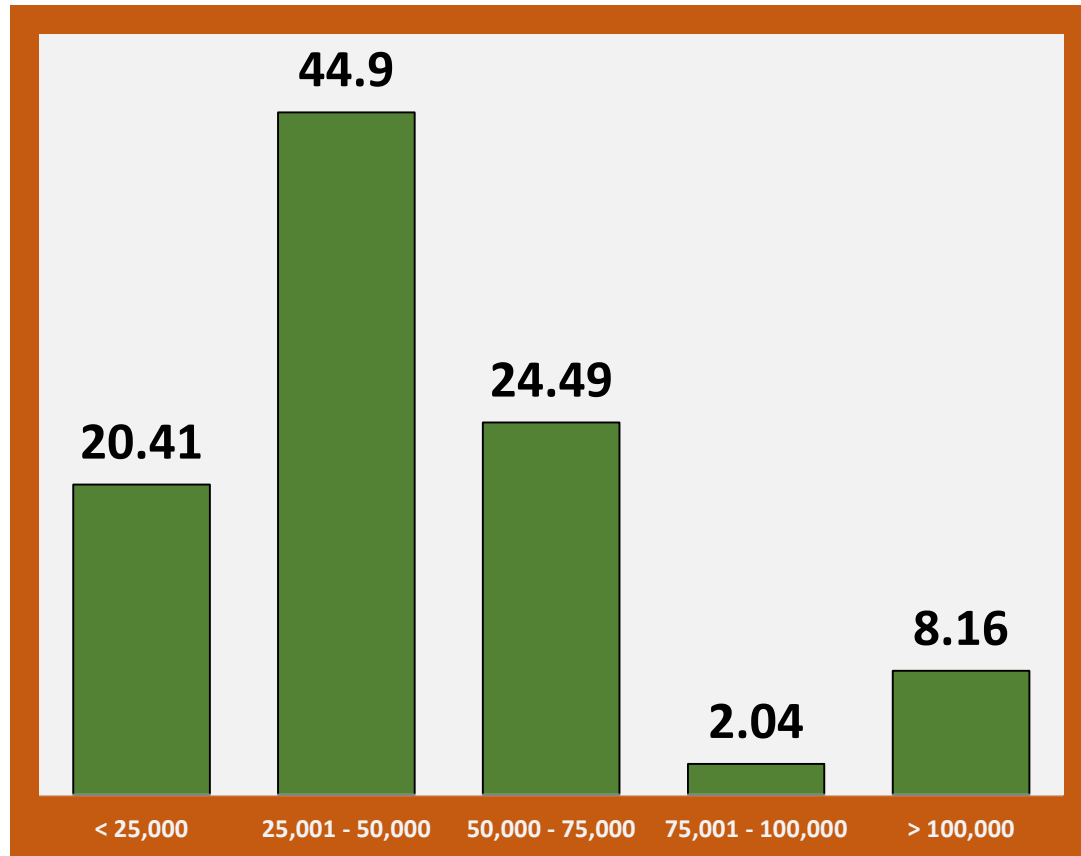
# Cocoa commercialization



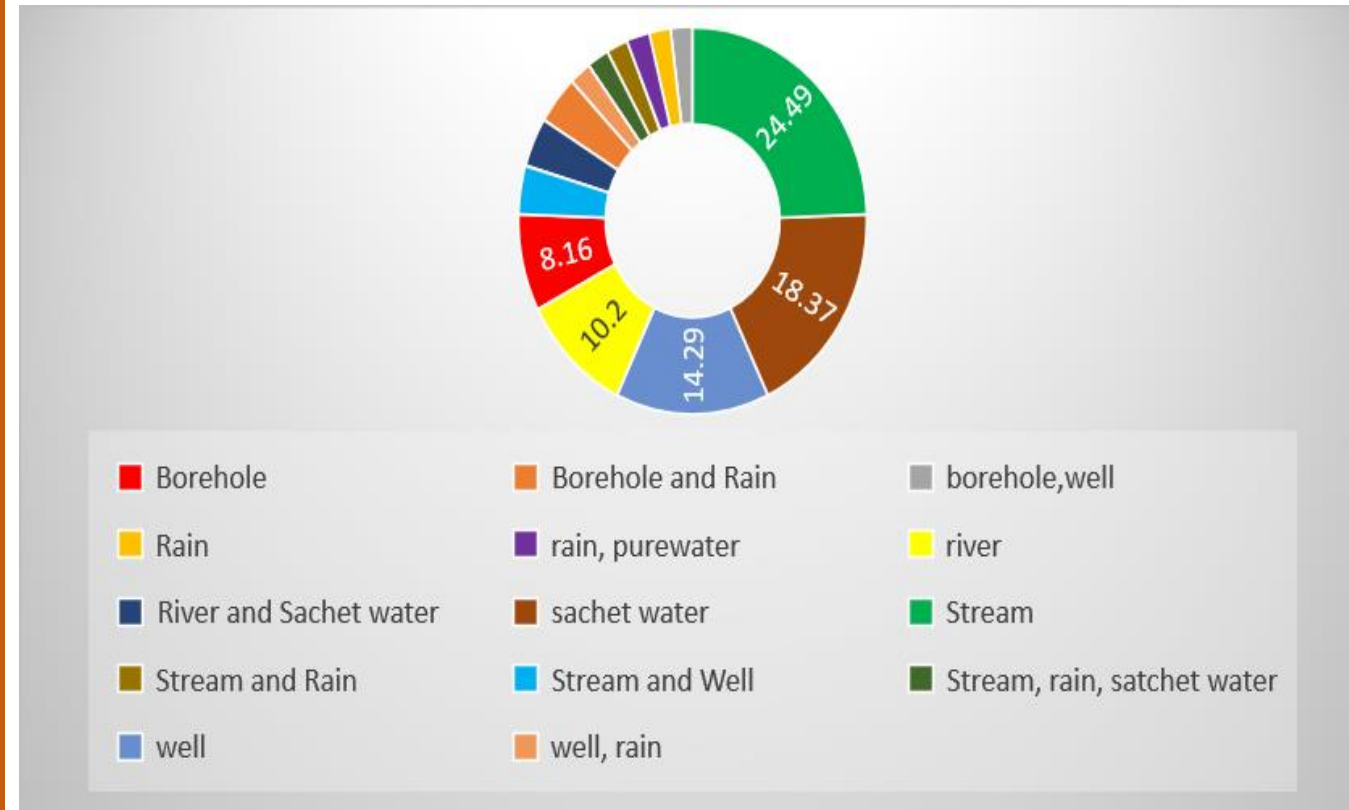
- 97% of beans sold
- Usually at farm gate
- Low processing capacity
- Waste utilization is low
- The most common and visible supply chain in the community include the farmer-produce buyer-merchants chain in both states.
- Although other bigger actors like cocoa based companies have shown interests in breaking into the existing chain for cocoa commercialization within the communities, this is still best described as anticipated.

# Outcome indicators

## Income



## Water and Sanitation



## Gender roles in cocoa production



### Major activities

### Gender representation

Spraying	Mostly men
Slashing	Mostly men
Trimming	Mostly men
Harvesting	Mostly men
Planting	Mostly men
Fetching water	Mostly women
Bean harvesting	Mostly women
Planting	Mostly men
Picking of pods	Mostly women
Fetching water	Mostly women
Produce buying	Men and women
Input dealers	Men and women
Transporters	Men



# Challenges to cocoa production

- It is a common position that cocoa is gradually losing its popularity as an economic crop.
- Mainstream constraints
  - Low productivity
  - Old trees; not replaced
  - Land tenure issues



# Current issues

- Apart from the mainstream constraints that plagued the cocoa production sector, more contemporary constraints are particularly strong in
  - Change in pricing policy.
  - Emergence of gold mining in Osun
  - Increasing logging activities in Ondo state,
  - Leading to
    - Losses of farmlands
    - Labour losses to higher turnover mining and logging activities





# Lessons learnt



- There is evidence that some basic livelihood needs are met
  - But, a lot of people are involved in non-farm activities and cultivation of other crops
  - Hence, outcomes are not directly traced to cocoa
- Entry point is mainly through traditional institutions,
  - Inheritance, lease holds, sharecropping
  - Implications for tenure rights, innovation adoption and large scale production
- Roles and responsibilities seem to be divergent among male and female actors in Osun state; but similar in Ondo state
  - Locational differences
  - Cultural values and norms
  - Market/economic opportunities
- Hence, the cocoa sector seems to be in transition
  - Becoming a secondary crop for smallholders
  - Opportunities for large scale investments if market potentials are recognised and cultivated.

THANK YOU FOR LISTENING