

Study Reveals Investor Interest to Surge in Côte d'Ivoire's Oil Palm Sector Amid Rising Demand

Abidjan, Côte d'Ivoire- July 12, 2024- Proforest and Tropical Forest Alliance research projects a lucrative investment opportunity in sustainable oil palm within the area of nurseries, primary production and processing in Côte d'Ivoire. With national demand on the rise, investors are eyeing opportunities to boost palm oil productivity and enhance processing infrastructure.

Some highlights of the Study:

- The government and stakeholders are working together to achieve a sustainable oil palm industry by 2030. This aims at transforming the sector into an economic growth engine whilst promoting responsible agricultural practices and fostering social inclusion.
- Côte d'Ivoire hopes to double its national production of palm fruit bunches from the current 2.3 million tonnes to 3.5 million tonnes by 2025. This significant increase is expected to have a direct impact on crude palm oil production, with a target of 750,000 tonnes constituting 34% growth.
- The oil palm sector in Côte d'Ivoire produces crude palm oil, palm kernel oil, 'kabakrou' soap, traditional liquor 'koutoukou', olein, and refined oil. Small scale operations primarily handle crude palm oil, palm kernel oil, soap production, and traditional liquor, whilst larger and medium-scale industries focus on converting palm kernel into olein and refined oil.

Investment Opportunities

The palm industry in Côte d'Ivoire is led by the National Agronomic Research Centre (CNRA).

- Investment prospects within the oil palm industry are centred around waste transformation, which is traditionally used by farmers as fertiliser. This practice also presents a unique opportunity for investors, who can tap into the growing market for sustainable energy solutions by financing waste conversion into renewable energy.
- Technologies to convert waste into renewable energy have been introduced in Sud Comoe region, illustrating an innovative approach to sustainability. There is also demand for palm oil to meet both local and regional markets.
- Crude Palm Oil (CPO) processing and primary production present more favourable prospects for sustainable cultivation and production of oil palm.

Challenges

- Despite a general legal framework and oversight by the agricultural and commerce ministries, the industry lacks specialised regulations.
- Small scale producers encounter barriers such as fluctuating farmgate prices and limited financial resources, setting them apart from their counterparts collaborating with industry players.
- Local palm growers face obstacles, such as acquiring palm seed clusters, dealing with labour shortages, and having limited access to high-quality seeds and fertilisers. Such challenges faced by smallholder farmers can affect the availability of local raw materials and palm oil by-products.

Recommendations

As Côte d'Ivoire seeks palm development in the National Development Plan (PND) 2021-2025 by promoting inclusive and sustainable growth through economic diversification, policy makers ought to create programmes aimed at narrowing the resource disparity between out-growers and independent farmers.

- Policymakers need to implement a structured policy review process to refine and optimise the strategies affecting the oil palm industry, ensuring they align with the diverse needs of all stakeholders.
- Financial institutions should actively broaden support for the oil palm sector by incentivising foreign investment and exploring alternative funding avenues like green financing to enhance sustainable development.
- The government needs to encourage investment in processing infrastructure for small scale operations to increase value addition and reduce inefficiencies.

Notes to editors

The [Tropical Forest Alliance](#) (TFA) collaborated with [Proforest](#) to conduct a study in Ghana, Cameroon, and Côte d'Ivoire to identify opportunities and challenges that could serve as a pilot for promoting investments in the oil palm sector in line with the original 2016 Africa Palm Oil Initiative (APOI) principles.

APOI transitioned to the [Africa Sustainable Commodities Initiative](#) (ASCI) in 2022, and is a multi-stakeholder platform that brings together national governments, traditional leaders, local communities and Indigenous Peoples, investors, producers and other stakeholders. The ASCI platform has defined and committed to a shared set of principles for the responsible production of agricultural commodities in Africa: protecting forests, good governance, and transparency and safeguarding human rights, whilst ensuring social benefits for farmers, communities and marginalised people.

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