



DFCD Project Snapshot

Enhancing climate resilient, inclusive and traceable cocoa value chain in South-West Nigeria

3 February 2026

Name of client:	Plantation Industries Limited (PIL)
Website:	www.plantationltd.net
Region:	West Africa
Country:	Nigeria
Project duration:	3 years
Confirmed financing:	€350,000 grant from the DFCD Origination Facility €150,000 (pil co-financing: €100,000 cash + €50,000 in-kind)
Anticipated finance leveraged:	€13.2 million (\$ 15 million - expected FMO loan)

Who is our (prospective) client?

Plantation Industries Limited (PIL) is a leading Nigerian cocoa processor based in Akure, Ondo State, with over a decade of experience in sourcing, processing, and exporting high-quality cocoa derivatives. Since beginning operations in 2011, PIL has built a vertically integrated business model anchored on strong technical expertise, robust traceability systems, and advanced sustainability practices, including full polygon mapping and compliance with the EU Deforestation Regulation (EUDR).

PIL is a wholly owned subsidiary of Agro Traders Limited, with concentrated family ownership under CEO and Chairperson Mr. Kunle Ayoade. The company operates a modern processing facility producing cocoa liquor, butter, cake, and powder for European, Asian, and North American markets, maintaining certifications including FSSC-22000, Kosher, Halal, and UTZ.

Plantation Industries currently sources cocoa from 12,000 smallholder farmers organized under four certified cooperatives across Ondo, Osun, Ogun, and Cross River States – Nigeria's primary cocoa-producing regions. The company plans to expand this network to 32,000 farmers by 2027 while increasing annual processing capacity from 18,000 MT to 40,000 MT, positioning itself to meet growing global demand for traceable, climate-smart, deforestation-free cocoa.

PIL's integrated supply chain links farmers, cooperatives, aggregators, and processing operations through 113 licensed brokers and 77 Licensed Buying Agents, ensuring transparency and traceability from farm to factory and onward to international markets. As an early mover on polygon mapping and EUDR compliance, PIL is well-positioned as one of Nigeria's most advanced providers of sustainable cocoa. The company's London-based liaison office further strengthens its international presence and export compliance capabilities.

Why do we fund this project?

Nigeria's cocoa sector faces significant climate vulnerability, biodiversity loss, and social inequality challenges that threaten both farmer livelihoods and long-term supply sustainability. Rising temperatures, erratic rainfall patterns, prolonged dry spells, and increased pest and disease pressure are reducing yields across the cocoa belt. These climate stresses are compounded by deforestation from land expansion, soil degradation, aging cocoa trees with limited replacement capacity, and insufficient access to improved planting materials.

At the same time, global markets increasingly demand full traceability, zero-deforestation sourcing, and compliance with the EU Deforestation Regulation (EUDR). Most Nigerian cocoa processors currently process less than 15% of national production domestically and lack the systems to meet these stringent requirements, creating both a competitive gap and an opportunity for companies prepared to invest in compliance infrastructure.

The PIL project directly addresses these challenges by:

- **Strengthening climate resilience** through climate-resilient cocoa varieties, agroforestry rehabilitation, improved soil and water management, and drought-tolerant planting materials.
- **Ensuring EUDR compliance** via fully integrated digital traceability systems covering 100% polygon-mapped farms with automated deforestation alerts and real-time verification.
- **Reducing deforestation risks** through systematic farm mapping, agroforestry promotion, shade tree integration, and landscape-level biodiversity enhancement.
- **Improving farmer livelihoods** by increasing productivity, securing access to premium markets, and providing structured extension services and training.
- **Addressing social vulnerabilities** including child labor risks through strengthened Child Labor Monitoring and Remediation Systems (CLMRS) and enhanced cooperative governance.

By supporting PIL to professionalize its sustainability systems, the project creates a scalable model for climate-resilient, EUDR-compliant cocoa production that can catalyze broader sector transformation across Nigeria's cocoa-growing regions.

What is the intended funding objective?

The Origination Facility support will de-risk and enhance PIL's expansion plans by addressing critical technical, environmental, social, and governance gaps during the development phase. The goal is to enable PIL to secure an expected €13.2 million FMO working capital loan while ensuring robust ESG compliance, full EUDR readiness, and inclusive farmer engagement across an expanded sourcing network.

While PIL has already initiated several sustainability activities, including: agroforestry promotion, Good Agricultural Practices (GAP) training, digitalization pilots, and cooperative support – these efforts remain small-scale and fragmented. Important gaps persist, including high costs of EUDR compliance implementation, limited smallholder extension capacity, incomplete digital integration across procurement and payment systems, and weaknesses in Environmental and Social Management Systems (ESMS) and Gender Equality and Social Inclusion (GESI) frameworks.

The Origination Facility will enable PIL to organize, strengthen, and scale these interventions so they reach more farmers and deliver measurable improvements in climate resilience, traceability, and social inclusion. This structured support will directly reduce investment risk and strengthen PIL's capacity to service the proposed debt while building a sustainable, compliant, and inclusive cocoa supply chain.

With SNV's technical support, project KPIs will be designed from the outset in a simple, practical, and measurable format. This will ensure clear prioritisation of outcomes, alignment with PIL's operational systems, and an efficient, fit-for-purpose mechanism for tracking progress throughout implementation and into the impact measurement phase.



The grant will be used for undertaking

The **€350,000 Origination Facility grant** will fund five targeted de-risking milestones:

Milestone 1: Digital Traceability Upgrade

- Create unique digital profiles for all existing and new farmers (12,000 → 32,000).
- Complete plot registration and polygon mapping with GPS coordinates for EUDR verification.
- Implement blockchain-enabled traceability for secure, tamper-proof transaction flows.
- Digitize farmer deliveries, receipts, weighing, and payment systems.
- Integrate procurement records, sustainability indicators, and payment platforms.
- Deploy automated EUDR compliance checks, deforestation alerts, and supply-chain verification workflows.

Milestone 2: Cooperative Capacity Building

- Strengthen governance, leadership, transparency, and accountability across four (expanding to six) cooperatives.
- Improve financial management, bookkeeping, premium distribution, and internal controls.
- Establish child labor monitoring systems and social safeguards within cooperatives.
- Develop Environmental and Social (E&S) procedures, community health and safety protocols, and grievance mechanisms.
- Align cooperative E&S monitoring with PIL's ESMS framework.
- Organize linkages with nurseries, input suppliers, financial service providers, and training institutions.

Milestone 3: Extension Staff Capacity Building and Training

- Conduct Training Needs Assessment (TNA) to identify skill gaps across PIL's 30 extension staff.
- Develop standardized training curriculum covering GAP, agroforestry, climate-smart practices, EUDR requirements, pesticide management, and social safeguards.
- Deliver Training-of-Trainers (ToT) programs to build internal expert capacity.
- Provide field-based practical training on pruning, farm rehabilitation, pest management, and climate-resilient agronomy.
- Train extension staff on digital tools for farm mapping, farmer profiling, and EUDR verification.
- Introduce harmonized monitoring templates, checklists, and digital tracking tools.

Milestone 4: Seedling R&D and Demonstration Plots

- Establish 12 demonstration sites (0.5–1 hectare each) across cooperative zones showcasing climate-smart agroforestry models.

- Develop improved cocoa and shade-tree seedling nurseries (operated by cooperatives or youth groups).
- Conduct needs assessment to determine seedling demand and optimal farm replacement strategies.
- Deliver practical farmer training on spacing, pruning, soil fertility, integrated pest management, and farm rejuvenation.
- Distribute improved drought-tolerant, disease-resistant seedlings with on-farm planting support.
- Implement digital mapping and performance monitoring of demonstration plots to track adoption and productivity.

Milestone 5: Environmental & Social (E&S) and Gender Equality & Social Inclusion (GESI) Strengthening E&S Component:

- Conduct independent Occupational Health and Safety (OHS) and environmental compliance audit of factories and warehouses.
- Undertake ESMS gap assessment against IFC Performance Standards 1–4.
- Revise and consolidate ESMS policies, procedures, risk registers, incident reporting systems, and Stakeholder Engagement Plan (SEP).
- Develop updated OHS Standard Operating Procedures for machine use, chemical handling, warehousing, and confined spaces.
- Deliver targeted training for supervisors, worker representatives, and OHS committees.
- Establish factory-level OHS and environmental KPIs with management review processes.

GESI Component:

- Develop company-wide GESI Strategy and 3-year Action Plan with clear roles, KPIs, and monitoring mechanisms.
- Conduct mixed-methods GESI diagnostic (surveys, focus group discussions, key informant interviews) across farmers, cooperatives, and factory staff.
- Establish gender- and GBV-sensitive grievance mechanism with referral pathways.
- Develop and adopt GESI-responsive Gender-Based Violence (GBV)/Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) policy and code of conduct.
- Train sustainability, procurement, and field teams on GESI-sensitive engagement and social safeguarding.
- Promote women and youth participation in seedling nurseries, equipment management, data collection, and Village Savings and Loan Associations (VSLAs).

What are the expected impacts of the company from 2027?

Intended impacts will be measured from 2027 onwards, allowing sufficient time for origination interventions (such as traceability system upgrades, extension capacity building, and agroforestry adoption) to take full effect and translate into measurable, outcomes-level results grounded in operational reality.

- **Climate-resilient practices adopted by 32,000 smallholder cocoa farmers**, improving yields, incomes, and adaptive capacity through agroforestry, improved varieties, and climate-smart agriculture.
- **100% EUDR-compliant, digitally traceable supply chain** covering all sourcing zones with polygon mapping, automated deforestation alerts, and real-time verification.
- **12 operational demonstration sites** serving 9,000–15,000 farmers (30–50% of network) as practical learning hubs for climate-smart cocoa production.
- **Strengthened cooperative governance** across six cooperatives representing ~30,000 farmers, with improved financial management, child labor monitoring, and E&S compliance systems.
- **Enhanced extension capacity** with 30 trained extension staff delivering standardized, digitally supported farmer advisory services.
- **Processing capacity expansion from 18,000 MT to 40,000 MT**, enabling increased value addition and export market access.
- **Improved gender and youth inclusion** through structured GESI framework, women's economic empowerment initiatives, youth-led enterprises, and gender-sensitive grievance mechanisms.
- **Robust ESMS aligned with IFC Performance Standards**, reducing operational, social, and environmental risks across factory and supply chain operations.
- **Sustainable livelihoods for rural communities** through increased cocoa productivity, premium market access, alternative income opportunities, and strengthened farmer organizations.

Environmental and social rationale

- **Social inclusion:** The project integrates comprehensive GESI considerations through targeted interventions including women's economic empowerment via VSLAs and nursery enterprises, youth engagement in digital services and seedling production, and strengthened cooperative leadership representing marginalized groups. A gender-sensitive grievance redress mechanism linked to supply chain and community engagement will ensure accessible reporting and response systems for all stakeholders.
- **Environmental sustainability:** Best practices for climate-smart cocoa production, agroforestry systems with shade tree integration, soil and water management, and energy-efficient plant operations will reduce the carbon footprint, enhance biodiversity, improve resource stewardship, and strengthen long-term landscape resilience. Full polygon mapping and EUDR compliance will eliminate deforestation risks across the entire supply chain.
- **Risk management:** Key risks addressed include supply chain disruption, EUDR non-compliance, child labor in the cocoa value chain, workplace health and safety, environmental incidents, and operational inefficiencies. Strong quality assurance and monitoring systems—including upgraded ESMS, comprehensive GESI framework, strengthened cooperative governance, digital traceability infrastructure, and enhanced extension capacity—will systematically mitigate these risks.
- **Alignment with DFCD:** Classified as Rio Marker 2 (Adaptation – principal objective), the project directly supports climate-resilient rural livelihoods, sustainable agricultural production, and inclusive economic growth. It diversifies income sources, reduces climate vulnerability through agroforestry and improved varieties, enhances adaptive capacity of smallholder farmers, and creates a scalable model for climate-smart cocoa production aligned with international sustainability standards.

Contact us

For more information and if you want to share any confidential information you may have regarding the intended project or company, please contact: dfcd@snv.org



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Dutch Fund for Climate and Development