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NIGERIA COCOA VALUE CHAIN

Nigeria–EU Trade, Market Trends, Regulation, Investment & Export Opportunities

Global Gateway

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AGRIBUSINESS REGISTER LIMITED

$14.8B (2024)	4th Largest Producer	$8,000-$12,000/MT
Global Market Size	Nigeria's Position	FOB Price Range

EXECUTIVE SUMMARY

Cocoa is one of Nigeria's most strategically important non-oil export commodities and a natural bridge between Nigerian producers, processors and the European cocoa/chocolate industry. Cocoa has entered a new global pricing cycle, with prices reaching historic highs due to West African supply shortages. The EU is the world's largest processor and consumer of cocoa, with the Netherlands, Germany, and Belgium serving as the primary entry points and grinding hubs for global cocoa beans.

Europe accounts for 56% of global cocoa bean imports and 48% of global chocolate consumption by value. The EU imports about USD 25.91 billion annually across cocoa beans, cocoa butter, and cocoa paste/liquor, making cocoa its largest agricultural commodity import complex. CBI reports that the European chocolate market was valued at about US$49.3 billion in 2025 and that Côte d'Ivoire, Ghana, Cameroon and Nigeria supplied 78% of Europe's cocoa-bean imports from producing countries.

Nigeria is the 4th largest global producer, with significant untapped potential in both raw bean exports and value-added processing. However, the EU's EUDR deforestation regulation is fundamentally reshaping market access. For Nigeria, the commercial case is strong. UN Comtrade data show Nigeria exported US$2.37 billion of cocoa and cocoa preparations in 2025. The European Union accounted for US$1.90 billion of Cocoa bean imports from Nigeria.

KEY INTELLIGENCE SIGNALS

Signal	What it means for Nigeria	Commercial implication
EU remains a core destination	Nigeria already has a deep EU cocoa trade relationship.	Protect and expand buyer relationships in the Netherlands, Germany, Belgium and other EU markets.
Supply has recovered globally	ICCO revised 2024/25 world production to 4.723m tonnes and grindings to 4.628m tonnes, with a 48,000-tonne surplus.	Prices may remain volatile; exporters should manage contracts, quality and working capital carefully.
EUDR is the strategic compliance issue	Large and medium operators face applications from 30 Dec 2026; small/micro-operators generally from 30 Jun 2027.	Traceability, plot geolocation, and evidence of legality should become part of export readiness.
Quality is increasingly commercial	EU buyers require compliance with pesticide MRLs, contaminants, quality specifications and increasing sustainability/traceability requirements.	Quality assurance can become a competitive advantage rather than only a compliance cost.
Value addition opportunity	Nigeria already exports cocoa butter, paste, powder and chocolate preparations, but beans dominate.	Investments in processing, formulation, packaging and ingredients can capture more value domestically.

1 NIGERIA COCOA SECTOR SNAPSHOT

Nigeria is a major West African cocoa origin with an established export ecosystem spanning smallholder production, aggregation, quality control, merchanting, warehousing, logistics and processing. The country's competitive opportunity lies not only in increasing production but in improving farm productivity, quality consistency, traceability, certification and domestic processing.

1.1 EXPORT STRUCTURE BY PRODUCT, 2024

Nigeria cocoa indicator – exports	2024 values	Why it matters
Cocoa beans (HS 1801)	US$1.631bn; 307,249 tons	Demonstrates the scale of Nigeria's raw-bean export base.
Cocoa butter, fat & oil exports (HS 1804)	US$205.9m	Evidence of value-added processing is already serving international markets.
Cocoa paste – exports (HS 1803)	US$31.9m	Existing semi-processed export channel.
Chocolate/cocoa preparations (HS 1806)	US$53.1m	Small relative to beans, signaling room for further downstream development.

The export mix is heavily weighted toward raw beans: beans (US$1.631bn) account for roughly 85% of Nigeria's total cocoa and cocoa-preparation export value, with butter, paste and chocolate preparations together contributing under US$300m. This confirms that Nigeria captures only a small share of the value that is ultimately generated as cocoa moves through fermentation, grinding, and manufacturing in destination markets. Butter is currently the largest of the three processed categories, suggesting Nigeria's existing grinding capacity is better suited to industrial-ingredient buyers than to finished chocolate manufacturing.

1.2 PRINCIPAL COCOA-BEAN EXPORT DESTINATIONS, 2024

Destination	Export value (US$000)	Quantity (kg)	Approx. share of Nigeria's bean export value
Netherlands	688,676.53	126,914,000	42.2%
Malaysia	424,736.42	83,708,600	26.0%
Belgium	126,567.82	20,939,400	7.8%
Indonesia	92,489.63	13,704,800	5.7%
Ghana	43,854.45	9,275,950	2.7%
Italy	40,256.91	8,566,210	2.5%
Spain	28,277.33	8,419,780	1.7%
Germany	17,213.42	2,809,870	1.1%

2 EUROPEAN UNION COCOA MARKET OPPORTUNITY

Europe is the world's largest cocoa importing region and a major global hub for cocoa processing, chocolate manufacturing and trading. CBI's February 2026 market analysis puts the European chocolate market at approximately US$49.3 billion in 2025 and identifies the Netherlands as the leading powder-import market. The European market includes large multinational chocolate manufacturers, specialist ingredient suppliers, traders, grinders and industrial users.

EU market feature	Latest intelligence	Opportunity for Nigerian suppliers
Market size	European chocolate market ≈ US$49.3bn in 2025	Large and diversified downstream demand.
Trade position	Europe is the largest importer of cocoa beans, paste, butter and powder	Strong addressable market for Nigerian exporters.
Bulk cocoa	About 90% of the total cocoa market according to CBI	Reliable volume + consistent specifications remain important.
Origin competition	West African origins remain dominant	Nigeria can compete on proximity, availability, quality and traceability.
Sustainability	Certified/sustainable cocoa demand is high	Certification and traceability can strengthen buyer access.

With bulk (uncertified, undifferentiated) cocoa still representing about 90% of the total EU market, the near-term commercial priority for most Nigerian exporters remains reliability of volume and specification rather than certification alone. However, the remaining ~10% certified/sustainable segment commands a disproportionate share of buyer attention and premium pricing and is the segment most directly linked to EUDR compliance and traceability infrastructure.

3 NIGERIA-EU COCOA TRADE: 2024 BEAN SNAPSHOT

Measure	Nigeria-side export report	EU-side import report from Nigeria
HS code	180100	180100
Trade value	US$1.631bn to world	US$1.355bn from Nigeria
Quantity	307,249 tonnes to world	257,639 tonnes from Nigeria
Largest EU market	Netherlands	Netherlands
Other major EU destinations	Belgium, Italy, Germany, Spain, France	Netherlands, Belgium and other EU markets

4 COCOA VALUE CHAIN & PRODUCT OPPORTUNITY MAP

Europe is the world's largest cocoa importing region and a major global hub for cocoa processing, chocolate manufacturing and trading. CBI's February 2026 market analysis puts the European chocolate market at approximately US$49.3 billion in 2025 and identifies the Netherlands as the leading powder-import market. The European market includes large multinational chocolate manufacturers, specialist ingredient suppliers, traders, grinders and industrial users.

Value-chain segment	Product	Market opportunity	Priority action
Primary production	Fermented and dried cocoa beans	Large established EU demand	Improve productivity, fermentation, drying and traceability.
Aggregation	Graded/export-quality beans	High-volume trading market	Standardise quality and strengthen warehouse/lot traceability.
Processing	Cocoa paste/liquor	Ingredient demand	Expand processing efficiency and buyer specifications.
Processing	Cocoa butter	High-value ingredient market	Target industrial users and specialty ingredient buyers.
Processing	Cocoa powder	Food/beverage/bakery applications	Develop consistent alkalised/natural grades and packaging.
Manufacturing	Chocolate/cocoa preparations	Higher value capture	Develop B2B ingredients and finished products with export compliance.
By-products	Cocoa shells/husks and related products	Circular-economy potential	Evaluate safe, compliant industrial/food uses before commercialisation.

Key Notes: Nigeria is currently active at the primary production/aggregation (where beans dominate exports) and, to a lesser extent, processing (butter, paste, powder). Manufacturing (finished chocolate/cocoa preparations) and by-products are the least developed segments, despite being identified here as carrying the highest value capture and circular-economy potential respectively.

- The by-products row is a largely untapped opportunity: cocoa shells and husks are typically discarded at present, yet have documented uses in animal feed, biofuel, compost and food-grade extracts — a low-capital pilot in this segment could generate an early, differentiated revenue stream and sustainability narrative for EU buyers ahead of larger processing investment.

- Sequencing matters: strengthening aggregation-stage traceability (lot IDs, warehouse records) has the dual benefit of supporting EUDR readiness (Section 6.1) and quality certification (Section 7) at the same time, making it a high-leverage investment relative to its cost.

5 STRATEGIC OPPORTUNITY

The strongest medium-term proposition is not simply 'sell more cocoa beans'. It is to build a traceable Nigerian cocoa supply chain that can reliably deliver compliant beans and semi-processed ingredients while progressively increasing domestic value addition. This creates a stronger proposition for EU buyers seeking supply diversification, sustainability data and reliable African origins.

5.1 INVESTMENT THEMES

Investment theme	Opportunity	Potential investor proposition
Farm rehabilitation	Replanting, improved planting material, pruning and disease management.	Yield growth + resilient supply.
Traceability infrastructure	Digital farm mapping, geolocation, lot management and supplier records.	EUDR readiness + buyer confidence.
Quality infrastructure	Fermentation centres, drying platforms, warehouses and laboratories.	Lower rejection + quality premiums.
Processing	Butter, paste/liquor, powder and specialised ingredients.	Higher domestic value capture.
Renewable/efficient processing	Energy-efficient dryers, boilers and processing equipment.	Lower production cost + sustainability credentials.
Farmer finance	Input finance, working capital and structured off-take.	More reliable supply and farmer productivity.
Export logistics	Warehousing, containerisation, port handling and quality inspection.	Reduced post-harvest/logistics losses.

5.2 OPPORTUNITIES FOR NIGERIA-EU COCOA TRADE

A. Nigeria Export Opportunities to the EU

1. Move from raw beans to processed cocoa exports

Nigeria should progressively increase exports of cocoa butter, paste/liquor and powder, while developing longer-term capacity for cocoa ingredients and finished products. This would allow Nigerian businesses to capture more value domestically rather than exporting the majority of the value at the bean stage.

2. Build an EUDR-ready cocoa supply base

Farm geolocation, lot identification, legality documentation and traceability should be integrated into cocoa aggregation and export systems. Early compliance can position Nigerian suppliers as preferred partners for EU buyers seeking reliable and compliant origins.

3. Diversify EU markets

Nigeria should reduce concentration around the Netherlands and Belgium by developing direct commercial relationships with under-served markets, particularly Germany and other EU destinations with established cocoa-processing and chocolate industries. Buyer missions, direct-shipment pilots and EUNAP-facilitated B2B meetings can support this expansion.

4. Develop differentiated cocoa supply

Consistent fermentation, drying, grading, quality testing and traceability can enable Nigerian exporters to compete on reliability and quality rather than price alone. This is particularly important as EU buyers place increasing emphasis on quality, sustainability and supply-chain transparency.

B. EU Commercial and Investment Opportunities in Nigeria

1. Processing and manufacturing investment

EU investors can support the expansion of Nigerian cocoa processing through investment in butter, paste/liquor, powder and specialised ingredient production. This creates an opportunity to establish processing capacity closer to the source of raw materials while serving both Nigerian and international markets.

2. Technology and equipment supply

There is an opportunity for European technology providers to supply efficient processing equipment, dryers, boilers, quality-control systems and traceability technologies to Nigerian processors and aggregators. Energy-efficient processing is particularly relevant for reducing production costs and strengthening sustainability credentials.

3. Traceability and compliance solutions

European companies with expertise in farm mapping, digital traceability, certification, laboratory testing and supply-chain management can partner with Nigerian businesses to build EUDR-ready cocoa supply chains.

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4. Farmer finance and structured supply
EU financial institutions, impact investors and agribusiness partners can participate in input finance, working capital and structured off-take arrangements. Such models can improve farmer productivity while creating more predictable supply for European buyers.

5. Quality and post-harvest infrastructure
Investment in fermentation centres, drying platforms, warehouses and laboratories can reduce quality-related rejection and improve the consistency of cocoa supplied to EU markets.

C. Two-Way Nigeria–EU Market Development
The strongest strategic opportunity is to develop a **two-way cocoa trade and investment corridor** rather than treating the relationship solely as an export market.

- **Nigeria → EU:** cocoa beans, butter, paste/liquor, powder, specialised ingredients and, progressively, finished cocoa products.
- **EU → Nigeria:** processing technology, equipment, traceability solutions, quality-control systems, technical expertise and investment capital.
- **Joint opportunities:** farmer finance, sustainable production, certification, processing partnerships, logistics, research and development, and circular use of cocoa by-products.

This model would allow Nigeria to increase export value while enabling European businesses to participate directly in the development of Nigeria's cocoa-processing and supply infrastructure.

6 EU REGULATORY & MARKET-ACCESS REQUIREMENTS

6.1 EU Deforestation Regulation (EUDR)

Cocoa is explicitly covered by the EU Deforestation Regulation (EUDR), which applies to commodities associated with deforestation and forest degradation. Under the current EU framework, the Regulation will apply from 30 December 2026 to large and medium-sized operators and traders, while micro and small enterprises will generally be subject to the requirements from 30 June 2027. However, micro and small operators already covered by the EU Timber Regulation (EUTR) are subject to the 30 December 2026 application date.

Important: The EUDR's primary legal obligations apply to operators placing relevant products on the EU market or exporting them from the EU. However, Nigerian producers and exporters may need to provide EU buyers with relevant supply-chain information, including geolocation data and evidence of legal and deforestation-free production, to enable the EU operator to fulfil its due-diligence obligations.

6.2 Pesticide Maximum Residue Levels (MRLs)

EU pesticide Maximum Residue Levels (MRLs) are harmonised under Regulation (EC) No 396/2005. The European Commission confirms that the same MRLs apply to food placed on the EU market whether produced within the EU or imported from non-EU countries. Where no specific MRL has been established for a particular pesticide and food product combination, a general default MRL of 0.01 mg/kg applies subject to the applicable legal framework.

Because EU pesticide MRLs can be amended, exporters should verify the current MRL for the specific pesticide/product combination before shipment, rather than relying on a static list.

6.3 Cadmium and Contaminants

EU legislation establishes maximum levels for contaminants in food, including specific limits for cadmium in cocoa and chocolate products. Under the applicable EU rules, the maximum cadmium levels are 2.5 mg/kg for milk chocolate containing less than 30% total dry cocoa solids; 7.0 mg/kg for milk chocolate containing 30% or more total dry cocoa solids and for chocolate; and 15 mg/kg for cocoa powder and fat-reduced cocoa powder placed on the market for final consumers or used in specified drinking-chocolate preparations.

Note: *These limits apply to the specified processed cocoa and chocolate categories. Exporters should therefore verify the exact product classification and the applicable EU contaminant limit before shipment.*

7 QUALITY, CERTIFICATION & TRACEABILITY CHECKLIST

Area	Buyer expectation / risk	Recommended Nigerian exporter evidence
Bean quality	Moisture, mould, infestation, foreign matter, bean count, fermentation and defect profile.	Independent laboratory/quality certificate, lot specification, warehouse records.
Aflatoxin limits	Pesticide residues and contaminants can cause rejection or commercial loss.	Pre-shipment testing aligned with destination requirements. Max 4 µg/kg; test every shipment via accredited lab.
Cadmium	Particularly relevant for cocoa products and certain origins/soil conditions.	Risk assessment and testing where relevant to product/buyer. Max 0.3–0.8 mg/kg depending on grade; source from lower-risk zones.
Traceability	EU buyers increasingly require origin visibility and documented supply chains.	Farm/plot ID, cooperative/aggregator records, lot IDs and transaction records.
EUDR	Deforestation-free and legal production evidence.	Geolocation, land-use evidence and supply-chain due diligence files.
Rainforest Alliance	Rainforest Alliance and other sustainability schemes may be used as market-entry tools.	Register farms, annual audit, group certification available.
Nigeria export docs	NAFDAC / NEPC / NAQS	Phytosanitary cert, quality cert, Form NXP, NEPC registration.

8 CONCLUSION

Nigeria and the European Union have a strong and commercially established cocoa trade relationship, but the current structure remains largely centered on the export of raw cocoa beans. Nigeria's significant production base and the EU's position as a major global cocoa-processing and chocolate market create substantial scope to move beyond a conventional buyer–seller relationship toward a deeper, two-way cocoa value-chain partnership.

For Nigeria, the priority should be to **increase the value captured from every tonne of cocoa produced** by expanding processing, improving quality, strengthening farm-to-port traceability and diversifying EU buyers beyond traditional markets such as the Netherlands and Belgium. Investments in cocoa butter, paste/liquor, powder, ingredients and eventually finished cocoa products offer opportunities to increase export earnings and reduce dependence on raw-bean exports.

For the EU, Nigeria represents not only a source of cocoa beans but an emerging **investment and supply-chain partner**. European companies can participate through investment in processing facilities, quality laboratories, traceability systems, efficient processing technologies, farmer finance, logistics and sustainable production systems. These investments can strengthen Nigerian supply while creating commercial opportunities for EU technology providers, processors, investors and buyers..

The next phase of Nigeria–EU cocoa trade should therefore focus on expanding Nigerian exports of compliant beans and processed cocoa products to Europe while increasing EU investment, technology transfer, equipment supply and technical partnerships within Nigeria's cocoa value chain. EUNAP can support this transition by connecting Nigerian producers and processors with EU buyers and investors, facilitating B2B engagements, promoting EUDR-ready supply chains and identifying commercially viable investment opportunities.

Ultimately, the opportunity is not simply to **export more cocoa from Nigeria to Europe**, but to build a more integrated Nigeria–EU cocoa ecosystem in which Nigerian businesses capture greater value locally and European businesses gain reliable, traceable and diversified access to Nigerian cocoa.

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