

Operational Activities of Cocoa Export Processing Factories in Ondo State, Nigeria

Adedamola Olanrewaju Akinfolarin, Joseph Olumide Oseni and Peter Braimoh Imoudu

*Department of Agricultural Economics and Extension, Federal University of Technology,
PMB 704, Akure, Ondo State, Nigeria
E-mail : oseni156@yahoo.com*

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ABSTRACT The specific objectives are to: examine the organizational structure of the cocoa Export Processing Factories in the study area, investigate the contribution of cocoa Export Processing Factories to the quality and quantity of cocoa beans in Nigeria, examine the effects of incentives granted by the Federal Government to encourage cocoa exports on the productivity and efficiency of cocoa Export Processing Factories, identify the major constraints facing cocoa Export Processing factories in the study area. Data were collected from both primary and secondary sources. The primary data were collected from the three cocoa processing factories in Ondo State, three recognized cocoa exporters with international affiliation, and sixty cocoa marketers within the state, using structured questionnaire. The secondary data were collected from various publications of the Central Bank of Nigeria. The data collected were analyzed using descriptive statistics, Trend analysis, Profitability analysis, Correlation analysis and t - test. The study revealed that cocoa processing companies are confronted with a variety of challenges ranging from high cost of production including that of unpredictable and fluctuating prices of raw cocoa beans, inevitably high and additional cost of generators and diesel resulting from epileptic power supply to lack of funds when needed. The conclusion that can be drawn from this study is that Cocoa Export Processing Factories are operating at a loss. This might be partly due to the highly capital intensive nature of cocoa processing.