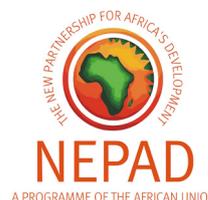




*Empowered lives.
Resilient nations.*



LIBERIA AGRICULTURE INVESTMENT OPPORTUNITIES BRIEF

**CAADP INVESTMENT FACILITATION
PROGRAMME**

2013

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PREAMBLE

The government of Liberia and the national stakeholders of the Comprehensive African Agricultural Development Program in Liberia are engaged in an agriculture sector investment attraction and development initiative to identify economically viable and inclusive business focused private sector investors to co-invest with the government and selected development partners. The government is confident that there are a number of profitable and mutually beneficial agricultural sector investment opportunities to explore and have developed this publication to highlight the analysis that has been undertaken to date and to share with prospective investors and partners information about what initiatives the government is making, or planning to make, with the objective that these public sector investments and incentives will attract investment from the domestic and international private sector.



INTRODUCTION

This Agricultural Investor Opportunities Brief is drawn from information gathered by Liberian stakeholders of the country's national Comprehensive African Agriculture Development Program (CAADP) to produce the Liberia Agriculture Sector Investment Program (LASIP). The Brief is intended to support the interest of the government in outlining the related private sector investment opportunities in the country and to serve as a comprehensive and easy to use tool to promote investment opportunities in the agricultural sector of Liberia.

CAADP was initiated in 2003 in Maputo, Mozambique as a continent-wide African Union initiative and is head-quartered in South Africa within the AU's NEPAD Planning and Coordinating Agency. Countries signing the CAADP compact adopt the core principles of:

- pursuing an average of 6% annual agricultural sector growth at country level;
- allocating 10% of the national budget to agricultural development;
- strengthening local ownership and promoting interventions based on country's opportunities and priorities;
- building partnerships with a broad spectrum of actors;
- promoting dialogue and building consensus among all key stakeholders for the priority issues to be addressed;
- enhancing peer-review and sound analytical work to inform stakeholders in the sector;
- enforcing mutual accountability to ensure sustainable resource utilisation;
- favouring regional complementarities within the framework of regional economic communities such as NEPAD, SADC, COMESA, ECOWAS and EAC; and
- enhancing policy reforms for a more favourable environment for agricultural growth.

Through adherence to these principles the aim is for CAADP countries to improve their abilities to: 1) attain food and nutrition security; 2) develop regional and sub-regional agricultural markets; 3) integrate farmers and pastoralists into the market economy; and 4) achieve a more equitable distribution of wealth.

To achieve these objectives CAADP focuses on four main pillars, namely,

- Pillar I: Extending the area under sustainable land management and reliable water management systems
- Pillar II: Improving rural infrastructure and trade-related capacities for improved market access
- Pillar III: Increasing food supply and reducing poverty and improving responses to food emergency crises
- Pillar IV: Improving agriculture technology and dissemination

Liberia Compliance with CAADP

Under the leadership of President Ellen Johnson Sirleaf, Africa's first female elected head of state, the government of Liberia (GOL) adheres to the vision and principles of CAADP and is a signatory to the framework. The national five year (2011-2015) agricultural sector strategic plan, LASIP, seeks to transform Liberian agriculture and maximize the sector's contributions to economic growth, employment and income generation, food and nutrition security, and poverty reduction. Toward this end, the Ministry of Agriculture is concentrating its actions and efforts on supporting smallholders with a focus on food crops (rice, cassava, and vegetables), value chains, and raising income. Under LASIP, the GOL has determined that the country needs to attract and invest \$950 million between the period 2011 – 2015.

To date roughly, \$200 million has been invested leaving a target of \$750 million that has yet to be secured.

Table: Summary of the LASIP for 2011–2015 (5-Year Programme, US\$ Millions)

	TOTAL COST OF LASIP (1)	ALREADY FUNDED (2)	FUNDING GAP (3)
Programme 1: Food and Nutrition Security			
Sub-Programme 1. Food Crops Production and Productivity Enhancement	212	54	158
Sub-Programme 2. Improved Nutritional Status and Management of Food Emergencies	115	25.5	89.5
Sub-Programme 3. Smallholder Tree Crops and Agro-forestry Development	51.8	18.2	33.6
Sub-Programme 4. Fisheries Development	22	12	10
Sub-Programme 5. Livestock Development and Promotion	11.1	1.1	10
Sub-Programme 6. Special Women and Youth Initiative	10	3	7
SUBTOTAL	421.9	113.8	308.1
Programme 2: Competitive Value Chains and Market Linkages			
Sub-Programme 1. Rehabilitation and Expansion of Rural Roads	170.65	20.15	150.5
Sub-Programme 2. Rural Agriculture Infrastructure and Labor-Saving Technologies	74.47	22.97	51.5
Sub-Programme 3. Market and Enterprise Development	18.61	8.61	10
Sub-Programme 4. Rural Finance Services	40	0	40
SUBTOTAL	303.73	51.73	252
Programme 3: Institutional Development			
Sub-Programme 1. Rebuilding the MOA and Improved Coordination and Management	23.4	6.9	16.5
Sub-Programme 2. Reviewing and Upgrading Selected Parastatals	6	0	6
Sub-Programme 3. Building Extension and Enhancing Technologies	14.5	0	14.5
Sub-Programme 4. Capacity Building of Farm-based Organisations	3	0	3
Sub-Programme 5. Revitalising Agriculture Research	40	0	40
Sub-Programme 6. Renewing Agriculture Education and Training	31.5	0	31.5
SUBTOTAL	118.4	6.9	111.5
Programme 4: Land and Water Development			
Sub-Programme 1: Land Reform and Capacity Building	12	3	9
Sub-Programme 2: Enhanced Land Husbandry	37.2	0	37.2
Sub-Programme 3: Expansion of Irrigable Land	11.5	0	11.5
Sub-Programme 4: Improved Wet and Degraded Land Management	43	0	43
SUBTOTAL	103.7	3	100.7
TOTAL	947.7	175.43	772.3

Liberia Agriculture Sector Investment Program (LASIP)

LASIP is a framework for the prioritisation, planning, coordination and harmonization of investments that will drive Liberia's agricultural development over the next decade. The LASIP identifies priority areas from which investment projects aligning national objectives and the CAADP will be developed. The program seeks to foster public-private partnership (PPP) in which investment growth for the export sectors will be spearheaded by the private sector, while the public sector will concentrate on the promotion of smallholder farmer growth and development.

- Priority value chains from the Minister's perspective
 - Rice and cassava as Liberia's staples
 - Diversification into fruits and vegetables
 - Small ruminants and fish
- Processing and upstream value addition
 - Processing and storage of crops needs improvements
 - Locally produced rice requires processing to be competitive with imports
 - Processing is a chance to build the private sector
 - Nutrition needs to be emphasised (e.g., through improved varieties and fortification)
- Actionable research and extension
 - Reviving the Central Agricultural Research Institute (CARI) by investing in specialists and labs
 - Wants basic research in rice seeds/breeding, but broader set of research capabilities needed (e.g., through regional cooperation)
- Capacity
 - Significant lack of agricultural data must be overcome
 - MOA is understaffed to accomplish all of the tasks in its mandate
 - Extension agents and qualified mid-level management are particularly needed

Source: Interview with Minister Chenoweth, 24.11.2010

Private Sector-oriented Investment Sub-programs. The Food Agriculture Policy and Strategy recognizes the priority of the private sector in the productive sector while the government regulates and promotes growth through the provision of access to smallholders and women. The private sector includes large commercial investors, small and medium enterprises (SMEs) both in agriculture production and services, and smallholders.

For commercial investors with portfolios of US\$10 million or less, Liberia has a "one-stop shop" process in which taxation and land constraints are handled by the National Investment Commission (NIC). This institution manages constraints of investors and provides a forum in which all government of Liberia institutions can participate.

Investments over US\$10 million are subject to inter-ministerial committee arrangements that also involve the NIC. The government of Liberia has concluded several concession agreements with various commercial investors for development of targeted sub-sectors within the agriculture and forestry sectors. In the agriculture sector, investor focus is now changing from rubber to other sub-sectors such as rice, palm oil, cocoa, coffee, and bananas. Presently, private commercial sector investment represents over 800,000 ha and 40,000 to 60,000 formal jobs, or 6% of the job market.

LASIP is anchored to, and aligned with the following policy documents:

- Liberia and the Comprehensive Africa Agriculture Development Programme: A Stocktaking Report of 2009;
- The FAPS of 2009;
- the NFSNS of 2008;
- Liberia's PRS of 2008; various county development agendas of 2008;
- CAAS-Lib of 2007; and
- the National Medium-Term Investment Program (NMTIP) of 2006.

Effective implementation is critical to achieving the goals of the LASIP investment programme. Appropriate arrangements to ensure continued focus, commitment, coordination, accountability of efforts and resources, and outputs at the national, sector, and local levels are as follows:

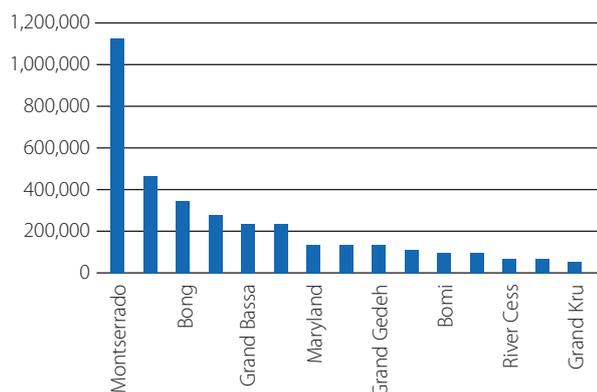
- a. *Cabinet-level oversight* led by the President of Liberia.
- b. A national *Stakeholders' Forum* that meets periodically for the purpose of sharing information and experiences about the investment programme implementation, reviewing implementation and policy direction that support implementation, and recommending appropriate programme adjustments to the MOA and Food Security and Nutrition Technical Committee.
- c. The *Food Security and Nutrition Technical Committee*, the country's highest sectoral level decision-making body, chaired by the Minister of Agriculture and including relevant institutions such as the Ministry of Finance, Ministry of Commerce and Industry, Ministry of Internal Affairs, and Ministry of Planning and Economic Affairs; Central Bank of Liberia; Environmental Protection Agency; Liberian Business Association; Liberian Bankers Association; and Liberia National Federation of Cooperative Societies to provide leadership and steer LASIP.
- d. The *Agricultural Coordination Committee* to provide technical assistance in management of the investment programmes while the MOA prepares annual plans drawing from elements of the investment priorities for resource mobilisation, allocation, and utilisation.
- e. A *Donor Working Group* that will review progress reports, solicit the views of donors, advocate for resource mobilisation within the donor community, and reassure donors of the government's continuing commitment to agricultural sector growth and development.
- f. A *County Development Steering Committee* that will coordinate inputs from the county level into MOA annual plans and programmes. The committee will monitor the implementation in local communities at sub-county levels. Communities will be assisted through their decentralised structures to organise, contribute to, and develop annual plans, as well as participate in the monitoring and evaluation (M&E) of investment activities.
- g. LASIP coordination and programming leadership will rest with the MOA. The LASIP management team is comprised of one Coordinator and four Programme Managers, and various support staff, that are based within the MOA's Project Management Unit (PMU, see below).

BACKGROUND SECTION

Social and Economic Context

Liberia's population currently stands at 3.5 million. Liberia's post-war economic growth was sustained in 2012, with estimated real gross domestic product (GDP) growth of 8.9%, led by the first full year of post-conflict iron ore exports, buoyant construction, and strong performance in services. Real GDP is projected to expand by 7.7% in 2013 and 5.4% in 2014, supported by further iron ore expansion and concession-related foreign direct investment (FDI).

Liberian Population



However, Liberia remains one of the world's poorest countries with a per capita gross domestic product (GDP) of only US\$ 700 (2012est.) Unemployment was widespread; in 2008 only 295,354 persons in a labor force estimated to be 1 million had jobs, and agriculture and forestry accounted for 60% of that quantum. Poverty remains a challenge. It is estimated that at least two-thirds of Liberians live in poverty—on less than one United States dollar per day. Liberia recognizes agriculture as a strategic sector because approximately 70% of the population depends on it for livelihood. It is a significant net contributor to the economy in terms of

employment and foreign exchange earnings, and a primary determinant of nutrition, education, poverty reduction, and rural transformation. Unlike education and other investments that have a long gestation period, the effects of agricultural investment on economic growth and development are fast.

Up to the present, the development of Liberia's agriculture sector has been funded primarily by donors. These include international/regional organizations such as the European Union, AfDB, and ECOWAS; agencies of the UN system including the World Bank; and bilateral donors such as China, Denmark, England, Germany, Japan, Sweden, and the USA.

Policy Framework

The government has prepared three important agricultural policy documents since 2006: the Statement of Policy Intent for the Agricultural Sector of 2006, the 2008 National Food Security and Nutrition Strategy (NFSNS), and the 2009 Food Agriculture Policy and Strategy (FAPS).

The Statement of Policy Intent for the Agricultural Sector was an interim measure that envisioned the holistic development of agriculture into a sustainable, diversified, income generating, modernized, and competitive sector well-integrated into domestic and international markets. The key objective of the NFSNS is to make certain that "all Liberians have reliable access to the food they need and are able to utilize that food to live active and healthy lives." It seeks to accomplish this goal by addressing four separate dimensions of food security: availability, access, utilization, and vulnerability. Also, the NFSNS calls for enabling factors such as sufficient human capacity, improved knowledge on household food security, and strengthened community-level actions.

Liberia is a food insecure country with 50.5% of the population food insecure or highly vulnerable. Increases in global food prices during the 2008 and 2009 economic meltdown presented both threats and opportunities for Liberia. The FAPS was developed within the context of the Lift Liberia Poverty Reduction Strategy and the global economic crisis, and it identifies specific sector and sub-

Activity type		Donors and Major Activities					
		USAID	EU	World Bank	SIDA	JICA	AfDB
Value chains / commodities	Rice	• Food for Peace • Food & Enterprise Dev (FED)	• Value chain development (combined with others chains)	• Rice productivity/research		• Rice productivity/research	• Rice in south
	Cassava	• Food for Peace • FED	• Priority crop		• Proposed focus on cassava, vegetables, palm oil, cocoa		
	Horticulture	• FED	• Vegetables				
	Livestock	• FED	• Livestock combined with rice				
Enabling enthronelement	Infrastructure	• RISE (feeder roads) • LESSP (energy)	• Main roads and bridges • Community development	• Main roads and bridges • Community development	• Feeder roads		
	Capacity	• EHELD (higher education in agriculture) FED	• MOA capacity building			• MOA capacity building	• MOA capacity building
	Policy	• FED		• Public expenditure review	• Proposed to be included in value chain work		

Source: USAID, donor interviews

sector policies and strategies that will be implemented to revitalize and strengthen the food and agriculture sector and to reduce food insecurity. The specific objectives of FAPS' are improved food and nutrition security, enhanced competitiveness and market linkages, and capacity building.

In December 2012, the government also launched a strategy to address persistent socio-economic challenges over the next five years, the Agenda for Transformation (Aft). This is its second poverty-reduction strategy, and the first step towards its Vision 2030 of turning Liberia into an inclusive middle-income country by 2030. The Aft will attempt to remove structural development obstacles through an estimated USD 3.2 billion program, more than half of which is planned for roads and energy. It also includes programs to improve social inclusion, particularly among the youth, and improve governance and public institutions

AGRICULTURAL SECTOR OVERVIEW AND PERFORMANCE

Liberia is blessed with ample natural resources that can sustain a vibrant agricultural sector and contribute significantly to poverty reduction.

Climate

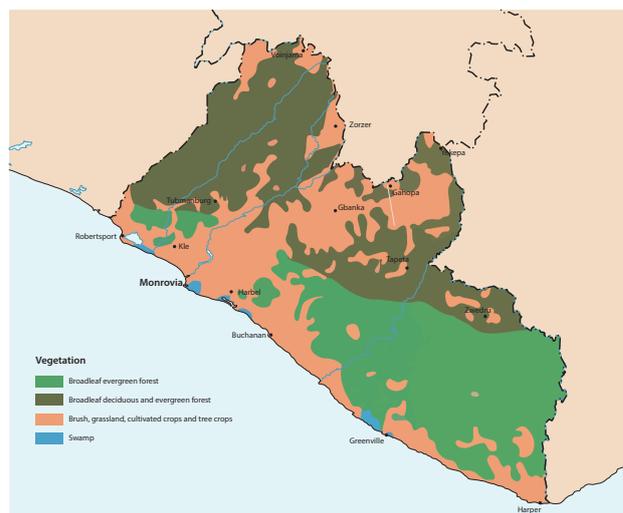
The country lies in the tropics. Annual rainfall is approximately 1,700 mm in the north and in excess of 4,500 mm in the south. It is generally accepted that most areas have a water surplus for five to eight months each year. Average temperatures vary between 24°C and 28°C, while relative humidity ranges from 65–80%. Sunshine averages two to eight hours per day, and wind conditions are described as generally mild¹.

Water Resources

Liberia shares international water resources with her neighbors; nine major perennial river systems and short coastal watercourses drain approximately 66% and 3% of the country, respectively. The irrigation potential is about 600,000 ha, of which only 1,000 ha can be described as relatively developed. The total water-managed area in 1987, including rice swamp control, was estimated at about 20,100 ha; these include equipped lowlands (2,000 ha) and non-equipped cultivated swamps (18,000 ha).

Land and Soil Resources

Land and Soil Resources: Liberia occupies a land area of approximately 111,370 km², of which 96,160 km² (86%) is dry land and the remaining 15,210 km² is covered by water. The country's coastline is made up of four physiographic units: coastal plains (up



to 100 meters above sea level [MASL]), interior hills (100–300 MASL), interior plateaus (300–600 MASL), and mountainous areas (in excess of 600 MASL). Land types present in Liberia include tidal swamps, coastal beach plains, flood plains, valley swamps, and low and high hills, all of which have different land use capabilities².

Liberian agriculture comprises food and tree crops, fisheries, and livestock. Rice and cassava are the main food crops, and rubber, oil palm, and cocoa are the dominant export oriented tree crops. Fisheries consist of industrial and artisanal industries, as well as aquaculture, while livestock is largely small ruminants.

Structure of Production

Forest-based farming systems cover the largest proportion of the land area in Liberia. They include tree crop-based systems in which vegetables and other food crops are produced on a minor scale, mostly in the central belt of the country; root crop based systems (with cereals) concentrated in the northern region; and fishing and land based mixed cropping enterprises along the coastal belt.

The three main structures of production are: (i) large plantations that produce major export crops such as rubber, oil palm, and to a lesser, degree coffee and cocoa; (ii) domestically owned, medium-sized commercial farms that cultivate industrial crops for export and livestock for the local market; and (iii) small household farms that use traditional production techniques and limited improved inputs.

Food Crops

Food production is growing in post-conflict Liberia. However, crop yields are low, value chains are undeveloped, and institutions that provide support services are very weak. Contributing factors include lack of improved planting materials; absence of integrated nutrient and pest management; high post-harvest losses caused by storage,

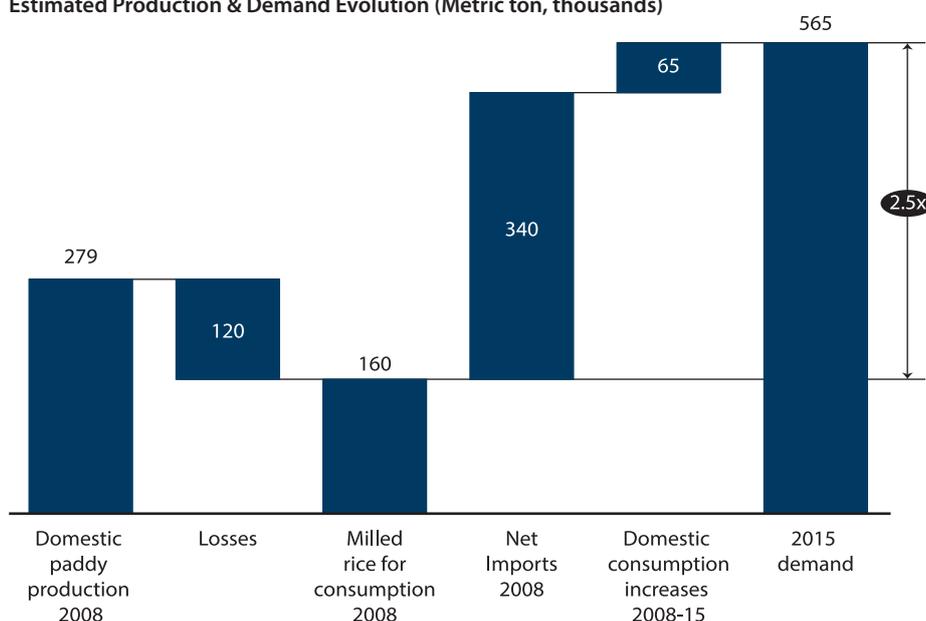
Table 2: Agriculture Land Capacity

Agro-Ecology	Drainage	Crop Suitability	Constraints	Improvement measures
Tidal Swamps	Poor	Intensive lowland rice	High tide destroys crops	Adequate drainage
Coastal Beach Plains	Poor to well-drained	Unsuitable for most crops except cassava, coconut, oil palm	Low fertility, low organic matters	Fertility management
Flood Plains	Poor to well-drained	Cocoa, oil palm, upland rice, irrigated rice possible	Potential flooding	proper timing of cropping activities, adequate drainage
Valley Swamps	Poor	Lowland rice	Water logging, low nutrient, low organic matters	Adequate drainage, fertility management
Low Hills	Well-drained; foot slopes poorly drained	Upland rice, vegetables, cassava	Low fertility, erosion	Fertility management adequate fallow

Constraints to Be Addressed in Four Key Value Chains = Private Sector Investment Opportunities

Value chain	Potential constraints	Rice	Cassava	Horticulture	Goats
Access to inputs	Availability of improved planting material	●	●	●	●
	Availability of fertilizer and pesticides	●	●	●	●
	Technology (e.g., irrigation, mechanisation)	●	●	●	●
Production	Consistent supply	●	●	●	●
	Extension/knowledge dissemination	●	●	●	●
	Post-harvest storage	●	●	●	●
Primary processing and trade	Processing	●	●	●	●
	Transportation	●	●	●	●
	Marketing	●	●	●	●
		●	●	●	●

Estimated Production & Demand Evolution (Metric ton, thousands)



- Current consumption is largely satisfied by imports
- Population growth can drive consumption up by about 63,000 tons

- Domestic production can increase by a **factor of two and a half times** to satisfy local demand if it can compete against imports
- Main drivers of competitiveness are
 - **Processing quality and taste** (local rice is not processed well and thus not preferred by urban consumers) may require **marketing** investments
 - **Pricing** (imports can be up to 25% cheaper than local)

processing and other marketing infrastructure inadequacies; and poor market access.³

Rice is the staple food with annual per capita consumption of 53 kilograms (kg). According to estimates, 71% of farm families are involved in the cultivation of rice. The resumption of agricultural activities in post-conflict Liberia resulted in a sharp increase in rice production, from 85,000 tons in 2005 to 144,000 tons in 2007. Despite this 70% increase in domestic rice production, Liberia remains a net importer of this crop. Imports accounted for 60% of the 322,000 tons consumed in 2007, and the import bill doubled from about US\$100 million in 2007 to approximately US\$200 million in 2008 due largely to global food price increases.

Notwithstanding favorable agro-ecological conditions, rice productivity is low. It is estimated that average yields of 736 kg/ha and 815 kg/ha are obtained from upland and lowland rain-fed production on an average farm size of 1.0 ha. Globally, average rice yields in recent years have been at 3,900 kg/ha for paddy rice, while in sub-Saharan Africa, yields have recently averaged 1,500 kg/ha—twice the yield of Liberia.

Cassava is the second most important food crop with 2007 production estimated at 1.7 million wet tons. Crop area averages 0.5 ha, and yields are estimated to be between 6 and 10 metric tons (MT)/ha on upland farms. Other food crops include vegetables such as pepper, bitter balls (garden eggs), and groundnuts. Urban and

peri-urban vegetable production is practiced on a limited scale, taking advantage of the ready market in urban centers.

Tree Crops

Rubber, oil palm, cocoa, and coffee accounted for 22% of the GDP in 2005, and tree crops are a significant element of export earnings and employment. It is estimated that more than half of the agricultural households may currently be directly or indirectly involved in tree crop production and in related down-stream activities; Nimba, Bong, and Lofa counties are the major producers⁴.

Rubber is the most important cash crop in Liberia. It is estimated that a little over 200,000 ha of rubber have been planted in Liberia, of which 65,000 are industrial estates and 130,000 are small and medium-size private farms. In 2005, with mining and forestry having ground to a halt and subsistence agriculture only beginning to recover, the rubber sector accounted for more than 20% of Liberia's total GDP and 90% of its total exports. Three years later, rubber's influence remains unchallenged; at the end of November 2008, rubber exports accounted for 86.1% of total exports.

The rubber industry generated approximately US\$218 million in revenues in 2007, and it creates a steady stream of employment and supports the livelihoods of thousands of smallholder farmers. In 2008, foreign-owned concessionaires and Liberian commercial farmers employed over 14,000 people and contributed to the

Liberia has abundant natural resources...

Forests

- Cover around 50% of land
- Contain two of the last three large remaining rainforests in West Africa
- Have 2,000 varieties of flowers, 240 species of timber, 125 species of mammals, 590 species of birds, 74 species of reptiles and amphibians

Water

- 570 km Atlantic coastline
- Lake Piso, open coastal lagoon west of Monrovia, a Ramsar-listed 76,000 hectare wetland of international importance.

...which are threatened by climate change and farming practices

Climate change threat:

- Increased risk of forest fires endangering some of the last large rain forests in Africa
- Sea level rise and increased flooding
- Expansion of disease-causing vectors, disruption of crop growth, and others

Farming practices threat:

- Main concern is the loss of valuable tree species due to slash-and-burn practices
 - Elimination of tree species and natural wildlife habitat
 - Reduction of forest cover increases soil surface heat and worsens water runoff

SOURCE: LASIP (2010), CAASS 2007), NIC Investment Guide 2005, Team analysis

economy more than US\$40 million in wages. In the same year, foreign-owned concessionaires and Liberian commercial farms spent a minimum of US\$10 million on education, health, housing, and road maintenance.

Cocoa is Liberia's second most important export crop, with about 40,000 households engaged in its production. Although official exports were 3285 tons in 2008 and between 2000 and 3000 tons annually in earlier years, total production is estimated at about 10,000 tons from about 30,000 ha⁵.

Most of the production is informally exported to international markets via neighboring countries. Average yields of 400 kg/ha experienced in the 1980s have declined to between 100–200 kg/ha. Yields within West Africa are 400 kg/ha, but these can be increased to 1.0–1.5 ton/ha using the new hybrid varieties grown in Ghana and Côte d'Ivoire.

Oil palm is an essential tree crop for smallholders. Liberia's pre-war crude palm oil (CPO) output of between 135,000 and 170,000 MT has fallen to about 35,000 MT. A net exporter of palm oil until the late 1980s, the country now imports about 7,000 tons of edible oils, i.e., about 20% of a total estimated domestic demand.

A significant volume of CPO (2,000–3,000 MT) is exported to neighboring countries through informal border trade. It is estimated that there may be about 25,000 ha of medium-to-large oil palm plantations, of which approximately 17,000 ha are state-owned plantations; smallholder farms represent another 75,000 ha. It is also projected that the annual production of existing plantations is about 20,000 MT of CPO, with about half of the country's total production coming from wild groves.

Coffee experienced a large expansion in area harvested and production between the 1960s and the 1980s, increasing from 8670 ha and 4410 tons to 21,310 ha and 8250 tons, respectively. While export quantities averaged 7600 tons in the 1980s (perhaps due to

cross-border trading), only 124 tons were reported to have been exported in 2008. In spite of extension programs under various agricultural development projects in the past, yields have remained low.

Fisheries

Liberia's fisheries sector—which includes an established marine fishery involving industrial and artisanal fishing activities, an inland fishery that is exclusively artisanal, and aquaculture practiced in rural areas through fishpond culture—provides about 3% of the country's GDP. However, this sector provides employment for about 37,000 fishers and processors and contributes significantly to nutrition in terms of protein intake, making it of importance locally.

Liberia's 560-kilometer (km) coastline and the continental shelf, which averages 34 km in width and extends 200 nautical miles offshore, provide about 20,000 km² of fishing grounds. These areas hold considerable maritime fish resources, including the main oceanic pelagic species (e.g., tuna). Crustaceans (e.g., shrimps and lobsters) are less abundant but of much higher value than finfish species.

The pre-war estimated maximum sustainable yield (MSY) of the continental shelf area was 180,000 MT/year. Liberia also has approximately 1810 km of rivers that traverse the country, and countless perennial swamps and inland water bodies with enormous potential for increased production from inland fisheries and aquaculture. The estimated MSY of inland fishery is 40,000 MT/year; illegal fishing, however, costs Liberia about US\$12 million annually.

Artisanal fishery provides livelihood for 33,120 full-time fishers and processors in both marine and inland waters—about 61% of whom are Liberians and 60% are female. Artisanal fish landings were estimated to be 7,700 MT in 2004 at ten sites, making up about 75% of the total fish landings.

Aquaculture was developed in Liberia in the 1970s with technical support from donor projects. It has now reverted to a subsistence activity with production estimated at 38.81 MT in 2004. At its peak in the 1980s, 3,600 fishers nationwide used 450 ponds of various sizes with a total area of about 17.5 ha distributed in 159 communities around the country. However, most of the ponds have not been in use since the early 1990s.

Livestock

Although Liberia has an estimated 2 million ha of pastureland, the livestock sector accounts for only 14% of agricultural GDP. Estimates suggest there is slow growth in aggregate livestock numbers comprising mainly cattle, poultry, and swine. Traditional livestock farmers dominate, as was the case before the war. According to CAAS-Lib, traditional systems accounted for 100% of the holdings of cattle, goats, and sheep; 58% of pigs; and 100% of guinea fowl. A few modern peri-urban livestock farmers produced rabbits, guinea pigs, poultry, and ducks⁶.

According to data from the Ministry of Commerce and Industry (MCI), imports of meat and meat products in 2005/06 amounted to US\$6 million (Annex Table 6). In addition, an estimated 26,000 head of live cattle and 15,000–16,000 head of live sheep and goats were imported from neighboring countries (estimated to equate to 3,000 and 312 MT, respectively). The Central Bank of Liberia (CBL) has indicated that the cost of imports for food and live animals grew by 56.8% in 2008 to US\$205.3 million, driven mainly by rice imports, which accounted for 61.3% of expenditures in this category

Land Tenure: Inconsistencies in statutory and customary laws that govern land in Liberia have resulted in several types of land holding arrangements with different levels of tenure security; these range

from deed holders with a comparatively high degree of tenure security to squatters with no security. Customary occupation, renting or leasing, and borrowing of land fall in between these extremes. Land is an emotional issue in the country. A high level of resentment is directed toward long leases granted to foreign investors, conflicts between communities are becoming increasingly problematic, and the land rights of women remain unresolved particularly under customary law. A Land Commission has now been established to propose, advocate, and coordinate reforms of land policy, laws, and programs in Liberia.

LASIP OBJECTIVES AND PRIORITIES

Through a series of technical meetings resulting in several validation workshops, LASIP programs and sub-programs have been reordered to reflect priorities consistent with reduction of hunger and poverty in Pillar 2 of the "Lift Liberia" Poverty Reduction Strategy (RPS).

Programme 1: Food and Nutrition

– will allow Liberians to sustainably address food insecurity, graduate from emergency food aid to food assistance, and make progress toward meeting MDG goals, particularly poverty and hunger reduction.

Food availability, accessibility, and utilization are major challenges on account of low production and productivity, bad road conditions, high post-harvest losses, low income levels, and poor systems of coordination and information management. Liberians are therefore net buyers of food, making reducing the real cost of food a major food security objective. The tree crops sub-sector is marred by ownership and governance issues, old tree stocks and varieties, unimproved germ palms, and low-value addition.

Fisheries, including artisanal fisheries, are hampered by weak institutional capacities for planning, advice and monitoring, and surveillance; lack of infrastructure (such as harbors); and limited facilities for storage, processing, and handling.

Women are often marginalized. Despite recent advances on the legislative and policy fronts, as well as dominance in agriculture, there are still gender disparities in access to land, ownership of assets, access to credits, extension services, skills, and business management training.

This component is a high priority of the GOL, since a shift to low land production targets entails more women producers. It aims to achieve the goal of the National Food Security and Nutrition Strategy that was developed to ensure that all Liberians have reliable access to the food they need and are able to utilize that food to live active and healthy lives. This will be accomplished by increasing food production, making it accessible to all including vulnerable segments of the population, and improving its utilization and systems for coordination and information management. It includes the improvement in the nutritional status of children under five and pregnant and lactating women.

Efforts will also be made to rehabilitate, expand, and diversify smallholder tree crops, and agro-forestry will be given special attention. Attention will need to be paid to import trade policy to help Liberian producers to compete with imports.

Good governance and sustainable management of fisheries and livestock development will be promoted. Investments will also be made to improve women's access to land, credit, inputs, and extension services and enhance their participation in value chains.

All of these priority interventions will be undertaken within six

interrelated components as follows:

1. Food Crops Production and Productivity Enhancement;
2. Improved Nutritional Status and Management of Food Emergency;
3. Smallholder Tree Crops and Agro-forestry Development;
4. Sustainable Fisheries Sub-sector Development;
5. Livestock Development and Promotion; and
6. Special Women and Youth Initiative.

The cost of these interventions is projected to be US\$422 million and the gap is estimated at US\$308 million for 2011-2015.

Programme 2: Competitive Value Chains and Market linkages

– will allow Liberian farmers and SMEs to be linked to input and output markets by roads and access to rural finance. These activities will lead a step-by-step approach to "farming as a business." Value chains are undeveloped and markets are inaccessible in Liberia. Rural infrastructure, including roads, is limited and deplorable. Storage, drying, and processing facilities are rare, and food safety and quality control system remain a challenge.

The dismal state of infra-structure paralyzes value chains

- Roads: Only 650 km are paved, 5,600 km of unpaved (large portions impassable during rainy season)
- Railroads: Bong Mines – Monrovia and Yekepa – Buchanan (under repair) primarily for export of minerals and import of food
- Processing: Milling done primarily by hand, with limited availability of small-scale machines, which limits marketability of local rice
- Storage: Limited capacity and poor conditions (e.g., ventilation, hygiene)
- Energy: No grid power in rural areas

Source: *Feed the Future, USAID Agric. Program*

Linkages between producers and markets are poor, and farmers lack appropriate information to enable them make prudent marketing decisions. There is a severe limitation of agricultural credit; in 2012, agriculture accounted for only 5% of all commercial bank credit. Financial services are particularly limited in rural communities. Agriculture continues to be undertaken by simple hand tools, and Liberian farmers lack skills and knowledge needed to operate and maintain labor-saving technologies.

Agriculture continues to be undertaken by simple hand tools, and Liberian farmers lack skills and knowledge needed to operate and maintain labor-saving technologies. There is also very low national and sector capacity for the efficient utilization of new technology and management of agricultural innovations and machinery.

Liberia will urgently rehabilitate and expand its transportation and agricultural infrastructure to enhance access to markets. Under this component, farm-to-market roads will be rehabilitated and expanded as storage and processing facilities and infrastructures for crops, livestock and fisheries are improved. There has also been an identified need to develop a coastal highway to reduce travel and transport times from Buchannan to Harper en route to Cote d'Ivoire.

Capacity of smallholders and other value chain participants will be built through development of agribusiness skills and knowledge, dissemination of information, and the use of technology innovations and rural finance/credit. The capacity of the MOA and relevant ministries and agencies to enforce international commitments will also be developed, greater use of indigenous agricultural products and foods produced by local producers promoted, and harmonization of agricultural and commercial policies within the Mano River Union and Economic Community of West African States pursued.

These interventions, at an indicative cost of US\$304 million, will be undertaken under four sub-program components as follows:

1. Rehabilitation and Expansion of Rural Roads;
2. Rural Agricultural Infrastructure and Labor-Saving Technologies;
3. Market and Enterprise Development; and
4. Rural Financial Services.

The gap is estimated at US\$252 million.

Programme 3: Institutional Development

– will allow Liberian farmers to be served by efficient and diverse extension services provided by the MOA, NGOs, the private sector, and others with a focus on transfer of improved production, value addition, and marketing technologies.

The Liberian civil war decimated the MOA's capacity to effectively execute its mandate of sector policy formulation, planning, and coordination. There are limited trained staff and resources. The MOA carried out an assessment in 2008, and proposals for change were submitted to the Governance Commission in 2009⁷.

The Central Agricultural Research Institute was virtually destroyed by the war, but the Institute is now painfully reinventing its programs and rehabilitating its infrastructure. This provides an opportunity to adapt to the major paradigm shifts seen in developing countries, including emphases on innovation systems, value chains, and development of adaptive research in cooperation with regional institutions.

Small farmers are illiterate and live largely in isolated villages with little or no facilities to receive updated information on agriculture and rural development. Agricultural extension services (nongovernmental organizations [NGOs], private extension, etc.) will be decentralized and demand-driven. Persistent operational under-funding and conflict have limited the scope and impact of the diverse extension service.

Agricultural parastatal organizations currently lack capacity to execute their mandates. These parastatals, including the Liberian Produce Marketing Corporation, the Liberia Rubber Development Authority, the Cooperative Development Authority, and the Agricultural Cooperative Development Bank, are being assessed, and selected parastatals will be rehabilitated along the PPP strategy. Thus, some could be privatized and others strengthened to perform oversight or regulatory role.

The MOA will continue to work with the Governance Commission to review and clarify its mandates, roles, responsibilities, and relationships relative to the increased roles of the private sector.

All of these interventions will be undertaken, at an estimated cost of US\$118 million (due to the lack of feasibility studies), under six components as follows:

1. Rebuilding the Ministry of Agriculture and Improved Coordination and Management;
2. Reviewing and Upgrading Selected Parastatals;
3. Rebuilding Extension and Enhancing Technologies;
4. Capacity Building of Farm-based Organisations;
5. Revitalising Agricultural Research; and
6. Agricultural Education and Training.

The gap for institutional development of an estimated US\$111 million is still too wide given the critical importance of improved capacity to LASIP implementation.

Programme 4: Land and Water Management

– will provide a framework for moving smallholders from upland cropping systems to the lowlands for improvement in crop productivity and create investment opportunities in agriculture for medium- to large-scale private sector investors.

The objective of this program is to ensure that the country's endowment of land and water are used to accelerate food production and facilitate income generation through proper planning, development, and management. Focus will be placed on ensuring that farmers have access to land and secured tenure, and are able to utilize this resource in a sustainable way. It will be undertaken by four components:

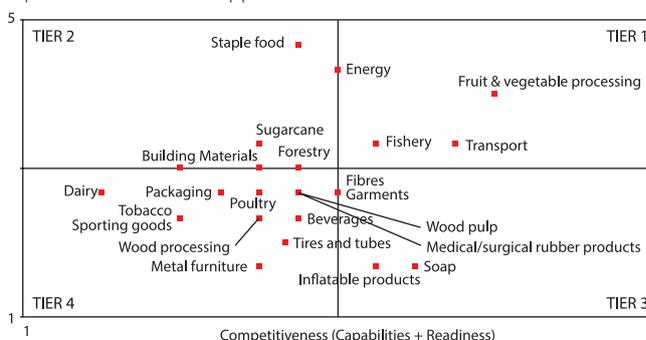
1. Land Reform and Capacity Building;
2. Enhanced Land Husbandry;
3. Expansion of Irrigated Land; and
4. Improved Land Management.

The indicative cost is estimated at US\$104 million and the gap estimated at US\$100 million.

TARGET INVESTMENT PROMOTION MARKET SEGMENTS

Priority Sub-Sectors

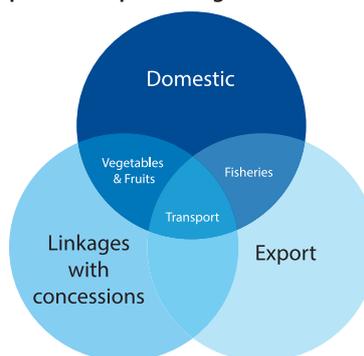
In 2013 the National Investment Commission secured assistance from the International Finance Corporation to undertake a "national industrial sector scan" of the agribusiness sector to help identify and prioritize investment opportunities.



1. The opportunity dimensions is not included in the calculation for this illustration
2. Capabilities and readiness of energy sub-sector needs further investigation to map energy into a tier
3. Dalberg analysis

The scan indicated that the fruits and vegetable processing sector, fisheries, and transport were key sectors to focus on. Energy was also flagged as a near term priority sector in line with forestry.

Agro-business target sectors are aligned with government priorities – promoting domestic industries, export and linkages



To:
 Diversify the economy
 Generate investment in new sectors
 Increase revenues for small producers
 Help improve food security

We need to:
 Prepare sector for investment
 Build promotion capacity at NIC
 Inform investors about opportunities

Examples of near term investment opportunities that are currently being promoted by the National Investment Commission include the following:

Table 2: Agro-business have potential for significant impact on the economy - investments and job creation

Sector	Total Sector Estimated Impact: Investment (US\$) and Jobs	Short term opportunity examples
Fruit and Vegetables	<ul style="list-style-type: none"> • \$21 million • Farm: 7 000 jobs • Processing: 5 000 jobs 	Chilli Pepper farm: 500 jobs
Fisheries	<ul style="list-style-type: none"> • \$94 million • 2 000 jobs 	Artisanal fishing subsector
Aquaculture	<ul style="list-style-type: none"> • \$17 million • 4 000 jobs 	Aquaculture fish farming: 500 jobs (catfish and tilapia)
Road Transport	<ul style="list-style-type: none"> • \$80 million • 10 000+ jobs, particularly for youth* 	Small/large scale trucking services: 30+ jobs
Coastal Transport	<ul style="list-style-type: none"> • \$28 million • 1 400 jobs 	Sea vessels/Ferry: 100 jobs

The type of investments desired includes the following:

Table 2: Cross section of Agro-business

Business Focus	Support Required
Large-scale cassava production	Investment in mechanisinf farming
Food packaging	Business expansion
Exotic vegetable production	Business expansion and exporting
Agro processing and packaging	Business expansion & improve packaging
Rice processing	Business expansion
Plantain processing	Business expansion

The FAPS recognizes the role of the private sector in the agriculture sector as the nation moves away from economic recovery to growth and development. It also recognizes the role of the public sector in creating an enabling environment regulating and promoting the formulation of policies that stimulate private sector involvement and lead to overall growth and development.

Given the devastation of the more than 10 years of conflict in Liberia, key GOL public sector investments are earmarked for road, port and power infrastructure development.

Table 2: Status of Major Infrastructure Projects

	Project Planning	Financing	Procurement & contracting	Construction
Roads	Ganta to Zwedru	Zwedru to Fishtown/ Harper to IC border	Fishtown to Harper	Redlight to Ganta to Guinea border
		Gbarnga to mendekoma		
Power	Alternative/ future power		Mt Coffee and CLSG power	
Ports	Ports (next investment)	Airport		Port dredging

Whereas the public sector within this context is clearly defined, the private sector in Liberia includes large commercial investors, SMEs both in agriculture and services⁸, and small farmers (those with less than 15 acres of land). Government also seeks to assist the private sector by removing selected value chain constraints in the market as well. These include the following:

Intrinsic potential

The country's agricultural endowment conducive for significant growth

- Vast natural resources incl. iron, gold, diamonds, indications of manganese, bauxite, uranium, zinc and lead
- Extensive off-shore oil reserves
- Growing cell phone and banking penetration enable the services sector

Improved governance

Transparency and corruption
Improvement in Africa ranking. Transparency International

#40

2007	2010
40	11

Days to start a business
Number of days, World Bank Doing Business Indicators

68

2007	2010
68	20

Attracting the private sector

- Investments in the services industry: Comium, Lonestar, Ecobank
- International interest in agri/ forestry sector concessions
 - Oil palm (Golden Veroleum, Sime Darby Berhad)
 - Timber (Oriental Timber Corporation)
 - Rubber (Firestone)
- Offshore oil exploration licenses (Chevron, Anadarko)
- Iron-ore concession for ArcelorMittal

Source: Transparency International; 2010 World Bank Doing Business Indicators; press releases

Mining and Agriculture Concession Linkages

In addition to seeking to attract domestic and international investment in selected priority sectors, Liberia is also seeking to promote value and supply chain investments related to concessionaire agreements in the mining and cash crop/ commodity agriculture sector.

In recent years, the GOL has concluded several concession agreements with various commercial investors for development of targeted sub-sectors within the agriculture and forestry sectors. In the agriculture sector, investor focus is now changing from rubber to other sub-sectors such as rice, palm oil, cocoa, coffee, and bananas.

Presently, private commercial sector investment represents over 800,000 ha and 40,000 to 60,000 formal jobs, or 6% of the job market. The private commercial sector will provide income for the GOL consistent with growth targets defined in the LASIP.

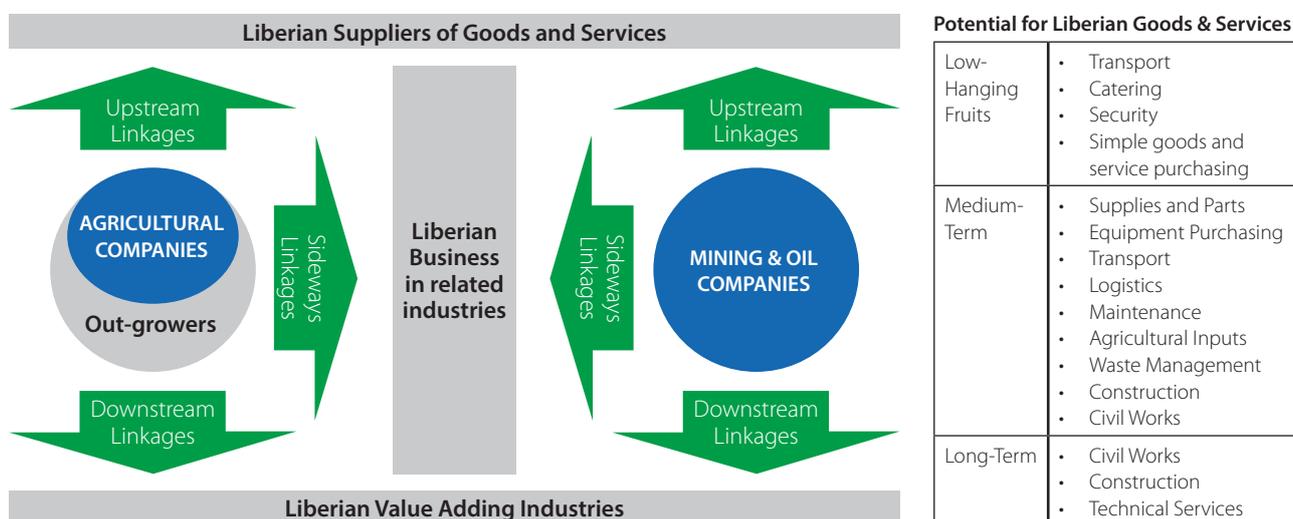
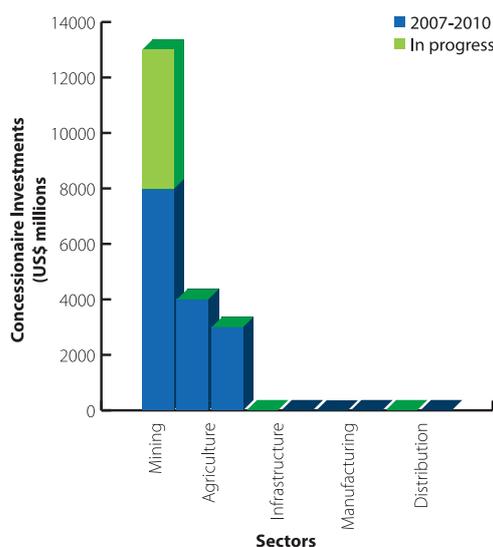
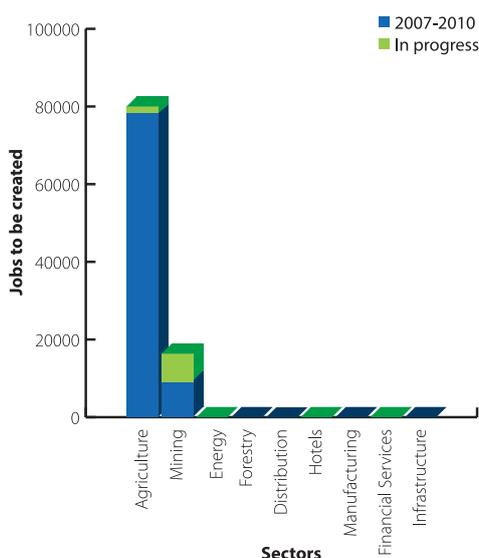
The NIC⁹ and USAID are currently developing “linkage” initiatives toward aimed at enterprise development through supply chain/ value chain projects between local enterprises and large, predominantly foreign, investors who have received significant government concessions since 2006.

Upstream (distribution and processing), downstream (suppliers and input providers) and sideways linkages (support sector sales) are some of the areas of focus of the linkages initiatives envisioned.

Table X: Selected Investments 2006 – 2010

SECTOR	CAPITAL	POTENTIAL JOBS	LOCATION
Agriculture			
ADA/LAP Commercial	\$30 Million	200	Lofa
Decoris Oil Palm Plantation	\$64 Million	1,000	Maryland
Cavalla Rubber Plantation Rehabilitation	\$65 Million	1,000	Maryland
Sime Darby Gurthrie Plantation	\$800 Million	30,000	Cape Mount
Golden Veroleum/Southeast Plantations	\$1.7 Billion	40,000	Maryland
Equatorial Palm Oil	\$100 Million	10,000	Grand Bassa

Source: National Investment Commission



Selected practical linkage concessionaire related linkage investment and business opportunities include the following¹⁰:

Potential for Liberian Goods & Services

MINING & OIL	AGRICULTURE
Technical	Technical
Geological Engineering	Trucks
Equipment	Equipment
Trucks Dozers Specialised Oil Specialised Mining	Tractors
Civil Works	Civil Works
Construction Road Works Road Maintenance Engineering	Construction Road Works
Logistics	Logistics
Fleet Maintenance	Fleet Maintenance
Supplies & Parts	Agriculture Inputs
Electrical Fuel Tyres Spare Parts	Seedlings Fertilisers
Basic Goods & Services	Basic Goods & Services
Hotel Transport Catering Security	Hotel Transport Catering Security

Given the early stage nature of the concessions, many of the potential concession related linkage opportunities are likely to be developed over the next few years and thus present current investment opportunities with long term potential:

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ArcelorMittal	Production									
China Union 1	Exploration/ Construction			Potential Production						
China Union 2	Exploration/ Feasibility		Construction				Potential Production			
BHP	Exploration/ Feasibility		Construction				Potential Production			
Chevron	Exploration			Potential Production						

Source: GIZ

Public-Private Partnership Opportunities

The Liberia Produce Market Corporation (LPMC) was created by an act of the National Legislature in 1961, with the core mandate to foster and develop the agriculture commodity export trade of Liberia, to the fullest extent possible. LPMC was also created as a statutory monopoly, to buy, process and export agricultural produce, particularly coffee & cocoa. The Corporation was jointly owned by the Government of Liberia and the East Asiatic Company (EAC). With the initial capital investment of USD \$ 250,000.00, the Government

of Liberia owned 51% share and the EAC had 49%. In 1976, the GOL purchased EAC's share but maintained a Management contract with the Dutch Company until the coup in 1980.

Today, due to a GOL desire to promote competition and develop more actors in the agribusiness sector, LPMC is being transformed into a regulatory body with the aim of enhancing the country's agriculture potential by promoting, developing standards, and regulating agricultural exports, and the vision of: a) working closely with stakeholders across the supply chain, nationally and internationally for the development and promotion of a sustainable and a vibrant commodity trade sector in Liberia; and b) improving the livelihood of smallholder farmers via increased income generation through adequate capacity building.

Once LPMC's transition is complete, it will be known as the Liberia Agricultural Commodity Regulatory Agency (LACRA). The transformation in roles and responsibility will be significant:

CORE STATUTORY FUNCTIONS

Monopolistic Control

- Purchasing
- Processing
- Marketing/exportation
- Setting standards & prices
- Providing technical training
- Arbitration between producers & exporters
- Providing market information (pricing, standardization and quality) of commodities to farmers, government and other stakeholders;
- Licensing private commodity traders;

NEW FUNCTIONS

Regulatory Role

- Setting Standards
- Implementing policies & regulations
- Monitoring & evaluation
- Setting prices of commodities locally based on the world market prices, making sure that the farmers do receive a fair share of the said world market prices;
- Providing technical training for commodity standardization;
- Providing market information (pricing, quality and standardization) of commodities to farmers, government and other stakeholders;
- Serving as arbitrator between producers and exporters of agricultural commodities;
- Licensing private commodity traders;
- Representing Liberia at international commodity bodies such as the ICO, ICCO, IACO, & other relevant international organizations;
- Administering, implementing and enforcing policies to protect producers, especially regarding small farmers;
- Making recommendations to National Government on relevant areas for enhancement and improvement in the general and specific mandate

The investment opportunity that is offered by LPMC/ LACRA is through public/private partnerships to develop/ redevelop the extensive assets that the institution has across the country. In March 2013, the General Services Agency, Ministry of Agriculture and LPMC inspected and valued the properties/ assets of LPMC and while the structures and equipment have depreciated from neglect, lack of maintenance and damage incurred during the years of civil conflict in the country, a number still are very strategically located and present opportunities for rehabilitation that would cost less than building anew. LPMC/ LARCA has indicated that they would be willing to explore joint ventures with prospective investors who might want to lease/ redevelop the premises under a negotiated partnership agreement¹¹.

The properties and assets recorded include the following:

1. Larpea 1, Gbelly-Geh, Nimba County

- One (1) warehouse on 25 acres of undeveloped land

2. Ganta, Nimba County

- Warehouse with Administrative offices
- Generator House
- Rice Mill
- Rice Intake and Storage silo
- Undeveloped Land (10 acres)

3. Gbarnga, Bond County

- Estate Administrative Office
- Manager's Residence
- Asst. Manager's Residence
- 3 Large Warehouses
- Executive Guest House
- Staff Guesthouse
- Clinic Building
- Supplies Store Room
- Generator House
- Garage
- Fuel Station

4. Voinjama, Lofa County

- Estate Administrative Office
- Manager's Residence
- Asst. Manager's Residence
- Oil Palm Warehouse
- Rice Mill
- Coffee Warehouse
- Coffee Mill
- Rice Intake and Storage Silos
- Executive Guest House
- Staff Guest House
- Clinic Building
- Agriculture Supervisor's Residence

5. Foya, Lofa County

- Oil Palm Mill and Warehouse
- Staff Houses

6. Buchanan, Grand Bassa County

- Warehouse
- Worker's Bath and Toilet
- Undeveloped Land Area

7. Zwedru, Grand Gedeh County

- Rice Mill
- Rice Intake and Storage Silos
- Coffee Farm
- Warehouse

8. Karweaken, River Gee County

- Warehouse

9. List of Farms with Acreages, Types and Locations

	Location	Coffee/ Acre	Cocoa/ Acre	Seed Garden	Oil Palm/ Acre
1.	Voinjama Estate	70	-	-	65
2.	Gbarnga Estate	100	-	-	196
3.	Ganta Estate	1	-	-	-
4.	Zwerdu	112	15	16.7	-
5.	Plahn	147	65	-	-
6.	Compound #2	180	78	8.2	-
7.	Bopulu	130	-	-	-
8.	M'Baloma (Cape Mt.)	160	15	15	-

SOURCES OF FUNDS FOR LASIP FINANCING PLAN 2011-2015

Below are sources and uses charts that outline: (a) the projected contribution from the national budget and by development partners (sources) over the five year period; and (b) a summary breakdown by sub-program over the five-year period and a more detailed uses breakdown by component. A detailed breakdown to the level of unit costs at the activity level will be done as financing sources become clearer.

Detailed breakdown of cost by component hinges on the identification of specific activities; the latter will be prioritized and sequenced as financing of LASIP becomes clearer. Consequently, such data will be provided at a later date. Furthermore, the contribution of the private sector is not included; however, selected projects implemented by the public sector do include a component on private sector capacity building. Attempts to project the actual level of participation by the various actors are challenging, especially as some donors/development partners do not always share their budgets with the MOA. This makes it difficult to insert details on investment projects, as many of the investment projects in the agriculture sector are primarily funded by donors.

Table 4: Financial Sources for the LASIP
(US\$ Millions)

			YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
1	Programme 1: Food and Nutrition Security	National Budget*	0.9	1.92	3.1	2.91	2.8	11.6
		Development Partner**	29.91	59.7	89.73	58.71	58.82	296.5
		Subtotal	30.81	61.62	92.83	61.62	61.62	308.5
2	Programme 2: Competitive Value Chains and Linkages	National Budget*	0.5	0.6	0.6	0.6	0.6	2.9
		Development Partner**	49.9	49.8	49.8	49.8	49.8	249.1
		Subtotal	50.4	50.4	50.4	50.4	50.4	252
3	Programme 3: Institutional Development	National Budget*	2.03	3.04	2.54	2.49	1.65	11.75
		Development Partner**	20.27	30.41	25.35	14.25	9.5	99.78
		Subtotal	22.3	33.45	27.89	16.74	11.15	111.5
4	Programme 4: Land and Water Development	National Budget*	0.71	1.09	0.92	0.55	0.37	3.64
		Development Partner**	19.43	27.97	23.84	14.97	10.85	97.06
		Private Sector***						
		Subtotal	20.14	29.06	24.76	15.52	11.22	100.7
	TOTAL		123.7	174.5	195.9	144.3	134.4	772.3

SELECTED IDENTIFIED INVESTMENT OPPORTUNITIES

As part of its aim to develop local agribusiness enterprises in Liberia, the National Investment Commission, in partnership with USAID's Building Markets program and Food & Enterprise Development, and the UNDP Country Office-Liberia, has made a commitment to promote investment in 15 agric-entrepreneurs over the next 12 months.

While full business plans are available for review by contacting NIC, investment and partnership opportunities for four of the companies are provided below to offer an illustration of the emerging partnership, social investment and venture development opportunities that are becoming more prevalent in Liberia:

Fabrar Rice Rice Production & Market Linkages

Building solid consumer demand for high quality domestic rice while reducing barriers to market access.

Investment Value: \$755,000

Market Opportunity:

Liberians consume 85% of their caloric intake through rice, yet the majority of Liberians eat imported rice, particularly in the capital Monrovia. The 1.1 million urban consumers primarily eat imported rice because it is more easily available. At the same time, rice farmers in rural counties produce a surplus for which they cannot find markets. As the Liberian population continues to grow, FABRA rice aims to create market linkages by engaging the growing demand for Liberia's staple food.

Investment Required:

This proposal is being made partially as an equity financing venture and partially as a commercial loan. A break-even analysis of projected expenses and revenue streams over a 36-month period shows that the project should be able to buy out the equity investment by December 2013 for \$500,000, an amount that represents a 35% return on investment over a 30-month investment time frame. FABRAR is looking for socially conscious investors who will gain on their investment and have a positive social and developmental impact.

Products:

FABRAR began its operations in 2009 with one product, Liberian Country Rice. This rice is traditionally processed by hand and is much more nutritious than brown or white rice. During the production process, only 60-65% of paddy is of high enough quality to be sold and consumed. Each by-product of the remaining non-consumable rice has commercial value, and FABRAR intends to capitalize on these products to make its rice more affordable.

Phases of operation:

The first phase is already underway with packaged country rice sold in supermarkets and other retailers in Monrovia. In the second phase of operations, FABRAR will expand its rice processing facilities and reinforce its own ability to provide technical support to its network of farmers. The third phase will see the organisation of a rice farmers/producers association, which will serve as an advocacy platform for service delivery to rice farmers, as well as institutional mechanisms to channel technical support, investment and services to rice farmers.

Location:



FABRAR is located in Kakata and purchases from suppliers located along the highway between Monrovia and Gbarnga. The company's largest market is the capital, Monrovia.

Development Impact:

Working with a network of smallholder farmers in Liberia, FABRAR will develop and implement a replicable business model that sustainably improves rural farm livelihoods and builds farmer's resilience to economic shocks and trends. Additionally, the company will build consumer demand for high quality domestically produced rice and food products and will measurably reduce barriers to market access. Through its activities, the company will raise incomes and improve farm livelihoods.

Diligent Trade Inc. Value-Added Cassava Products

Developing Liberia's untapped agricultural markets, beginning with cassava.

Investment Value: \$45,000

Market Opportunity:

Much of the processed and packaged goods sold in Liberia are imported at premium prices through strict distribution channels almost exclusively controlled by foreign investments. Through its product schemes, Diligent Trade can process and package staple foods locally and at reasonable prices. The company is poised to expand its business operations by providing packaging and value-added food processing services for common locally produced consumables.

Investment Required:

Diligent Trade is seeking investors to provide \$45,000 or the supply of equipment to the company. This would include processing, packaging and labelling machines, especially those that are labor intensive as they will reduce the company's dependence on electricity and enable the company to fully utilize unskilled laborers. The food processing and packaging arm of the company is expected to sustain itself within 6 to 8 months. Afterward, investors will receive regular cash installments from sales.

Products:

Cassava is the second most popular staple food of Liberia, yet its growth and use in households for food products, animal feed and other cassava related by-products is greatly under-utilized. According to the 2008 Food and Agriculture Policy and Strategy produced by the Government of Liberia, the average Liberian consumes cassava at least three times per week.

Diligent will produce a variety of cassava products, both edible and non-edible, such as animal feed, glues and paints. Diligent plans to distribute its products at supermarkets in urban centers and traditional markets in Bomi, Grand Bassa and Montserrado counties.

Once cassava sales are successful, Diligent plans to expand into other agricultural products, such as pepper sauce and cocoa.

Development impact:

By investing in Diligent Trade, you are creating jobs in an economy with over 80% unemployment, strengthening the agricultural value chain and developing an entirely new industry in Liberia. Because non-edible cassava products have never been produced locally before, Diligent anticipates the development of a new industry in Liberia worth other companies replicating its model. As new businesses sprout, more jobs are created, the capacity of individuals grows, and supply chains become more robust. The development of locally-produced, value-added products keeps money circulating within the Liberian economy, raising the GDP and the wealth of individuals. Investing in Diligent Trade means investing in Liberia.

Location:



Currently Diligent trade possesses 100 acres in Lofa County and 20 acres in Grand Bassa (highlighted on the map). Once processing ramps up in Grand Bassa, Diligent will utilize profits for quick re-investment in Lofa County.

Block 13 LTD. Producer of Agri-business packaging

Filling the agri-business packaging and marketing gap.

Investment value \$264,880

Market Opportunity:

Agriculture is one of the key sectors in Liberia's Poverty Reduction strategy to create jobs, feed people and provide sustainable livelihoods. Donors, such as World Bank, EU, USAID and UNDP, have invested over \$720 million to develop the agricultural sector through product development. Block 13 anticipates a large number of companies in need of well-designed packaging in order to be profitable, yet very little product marketing, packaging and labelling services exist in the country. Block 13 will address this gap.

Investment Required:

Block 13 is seeking equity financing of \$264,880 to operationalize the business on a full-time basis to maximise opportunities in the agri-business and other related sectors. Block 13 is expected to grow at a rate of 50% during the second year of operations and 30% during its third year. The company expects to pay an equity-financing loan back in five years. The average profit rate over the five-year period is estimated at 40%.

Products:

Block 13 is in start-up phase and will be a marketing, packaging and

labelling solutions enterprise that manufactures locally produce textiles for use in the packaging of agri-business products, as well as for the clothing, apparel and interior design sectors. The company will also provide marketing consulting services.

Currently, most Liberian agriculture companies use the service of printing companies to print labels for their products. Plastic bag, such as zip lock bags, are used for the packaging of foods, such as plantain chips. Their seals are not tamper proof and many use staples to seal them, which is dangerous. Most people use recycled bottles and plastics for the packaging of sauces and juices. There is not record of the phyto-sanitary conditions under which these foods are prepared. Block 13 will provide innovative and creative solutions to these packaging problems. More specifically the company will provide the following:

- Provide marketing intelligence and advisory services and solutions
- Produce environmentally conscious packaging, sealing, lining, bottling, labelling and bagging products.
- Design and produce local textiles for the packaging of specialty foods
- Provide graphic design and packaging service

Location:



Block 13 is located in Marshall, Margibi County on a two-acre plot of land. This area is about 30 minutes away from Roberts International Airport, an important location for clients interested in exporting by air. Marshall is a resort area that is gradually burgeoning into the next Monrovia. Middle class Liberians are acquiring land, building and relocating there. Hotels are earmarked to be built and Exxon-Mobil has purchase Block 13 off shore oil territory nearby. The company will be uniquely positioned to offer packaging services to all of these new groups.

The Market:

The company has estimated its market size at 45 000 Liberia individuals, businesses and foreign companies. This is based on disposable income, exposure and interest in promoting made-in-Liberia products and companies. The figure also takes into account the average number of Liberians with a bachelors degree and higher who work in the public and private sectors and run their own enterprises. Furthermore, Block 13 estimates the market share percentage for the following sectors: apparel/accessories 55%, agribusiness 35%, hotels and restaurants 5%, and companies and corporations 5%.

Falama Inc. Expansion of Local Flours

Providing healthy processed foods while empowering women farmers to become economically self-sustaining.

Investment Value: \$79,000

Market Opportunity:

As Liberia experiences expected population growth, the demand for food commodities will grow proportionally, increasing opportunities for local food industries, especially those with a value-add. Falama's

flour products are absolutely unique to the Liberian market. Falama see its products as an affordable and nutritional option to farina, wheat flour and baby food.

Investment Required:

In order to expand its product offerings and to develop three additional processing centres in the counties, Falama is asking for \$79,000 in financing, which will be used over five years. Falama expects to reach the sales of \$400,000 by 2016. Its profits will enable the company to pay off the initial investment.

Products:

Falama, Inc. is a food processing company that currently processes and sells flour from the fruit of the plantain tree, called Gwei Flour. Falama is poised to begin offering cassava flour, banana flour and Liberian-grown red rice flour. These flours can be used for a variety of baked goods and have been approved by Liberia's Ministry of Health as a nutritious product for babies over the age of six months. The company anticipates warm reception of these new products based on a consumer survey that was carried out in five counties. Respondents particularly liked the products ease of use.

Currently, Falama purchases from four suppliers from Bong, Lofa, Margibi and Nimba counties. As the companies product offerings grow, the number of suppliers Falama purchases from will increase. Falama sell to major supermarkets and restaurants throughout Monrovia. The company incorporates a social responsibility aspect to its work by training its employees, most of which are single mothers and widows, two of the most vulnerable groups in Liberia.



Expansion Plan:

Falama will introduce its new products to the market. After ramping up production and increasing sales through marketing, the company will reinvest its profits into building three additional processing centres in Bomi, Lofa and Nimba counties. This will increase production and expand sales into those counties.

Development Impact:

Investing in Falama is an investment in a new and emerging market in Liberia that is poised to reap dividends throughout the Liberian economy. Expansion of the product processed in Monrovia and the addition of three processing centres in the counties will create and estimated 120 jobs. The majority will be skilled single mothers and widows. Each new processing centre will also require the development of a new supply chain to bring raw materials to the processing centres. Farmers and farmer cooperatives can take advantage of supplying the raw materials while shipping companies will be needed to bring the processed products to supermarkets and restaurants. Moreover, developing a robust supply chain for one processing centre will most likely be replicated throughout the counties by other farmers and cooperatives supplying other companies and in other goods.

Additionally, in 2012, the National Investment Commission, with support from the International Finance Corporation, assessed 25 sub-sectors in Liberia, ranging across agribusiness, light manufacturing and energy and transportation sectors to determine their levels of impact, opportunities, capability, and readiness. Based on the findings and input from our stakeholders three sectors with the greatest investment potential were identified: fisheries, transport (mainly marine) and horticulture.

LIBERIAN – TRANSPORT

Market Opportunities

- Strong demand for sea transport to link coastal cities as roads have not been rehabilitated.
- Access to financing is needed for truck purchasing (finance leasing opportunities).
- Trucking modernisation may attract outsourcing needs for large concessions.

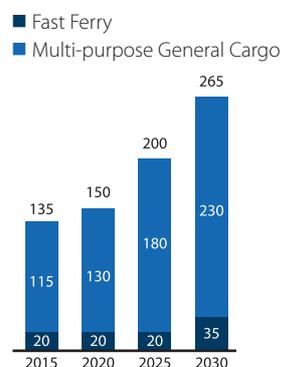
What We Seek

Investors with plans to:

- Create thousands of jobs in the sea and ground transport sector.
- Upgrade their workforce through skills development, in fields such as engineering (sea) and car mechanics.
- Safely reduce the travel time for passengers going one part of the country to the other.

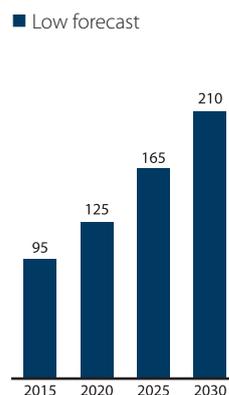
Potential passenger traffic of Liberian coast

(one way, thousand passenger/year)



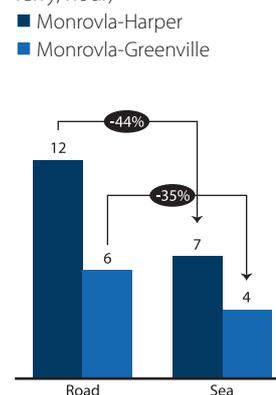
Potential freight traffic of Liberian coast

(one way, thousand ton/year)



Travel time between coastal country capitals

(one way on fast passenger ferry, hour)



LIBERIAN – TREE CROPS

Market Opportunities

- The country's 3 major tree crops (rubber, palm oil and cocoa) have steady or increasing demand with rising prices on the international market
- New investments in cocoa are needed.
- The farm service provider for small to middle-scale rubber cultivation is looking to expand its operations.

The Prospects

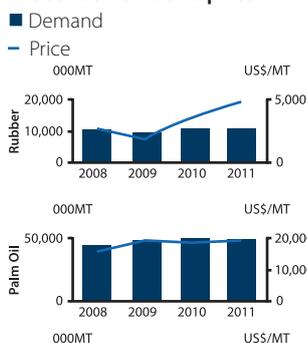
Rubber and palm oil experienced significant price increase since 2006 (20%/year and 13%/year respectively)

What We Seek

Investors with plans to:

- Create thousands of jobs and engage thousands of households
- Focus on small to mid-size entrepreneurs (e.g. land rehabilitation, value addition opportunities and resource pooling)
- Upgrade their workforce through skills development. on the job training and skills transfer

Global demand and price



Annual growth rate of tree crops

(Compounded, 2008-2011)

Demand	Price	Comments
2%	21%	Demand is expected to continue increasing due to the rise in car sales in India and China.
Demand	Price	Comments
3%	8%	Demand largely driven by increasing demand for biofuel and interest in using oil palm bio-mass as an energy source.

LIBERIAN – FISHERIES

The Prospects

- Liberia's coastline and continental shelf offers 20,000 sq km of fishing ground. There is over 180,000 MT/year available for catch.
- Aquaculture products have increased in price by 23% since 2008.

Market Opportunities

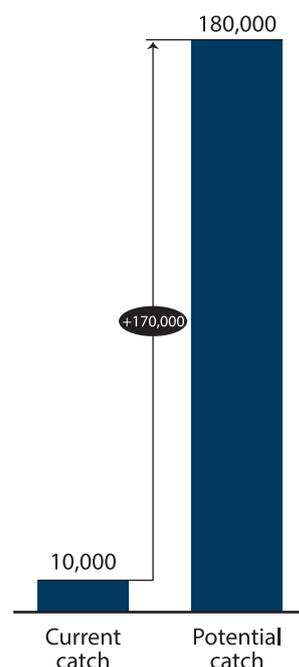
- Landing quays to support industrial fishing are needed
- Cold chain facilities that meet international standards
- Facilities for post-catch storage, processing, and handling for artisanal fishing
- Middle-scale processor with modern storage and processing facility to serve local and regional market

What We Seek

Investors with plans to:

- Engage smallholder livelihood; currently 37,000 Liberians engaged in fishing and processing.
- Raise significant export revenue and license revenue immediately.
- Vitalise fishery industry and reduce wastage.
- Upgrade their workforce through skills development. on the job training and skills transfer

Current and potential catch¹ (MT/year)



Liberia has ample fish stock and a long coastline suited for fishery.

¹ U.S. Department of Commerce, 2012; FAO, 2007; Note: Available fishing ground.

LIBERIAN – HORTICULTURE

Market Opportunities

- Growing regional demand and significant demand in the EU for fruit juices, concentrates and canned sliced pineapples.
- Export fresh or processed fruits and vegetables; abundant resource needs to be turned into commercial opportunity
- Only US\$ 55M+ worth of fruits and vegetable production (of which US \$40M being banana)

Production Capacity

- 4.6M ha of arable land available for cultivation (currently, less than 10% is being cultivated)
- Suitable climate for cultivating vegetables and tropical fruits.

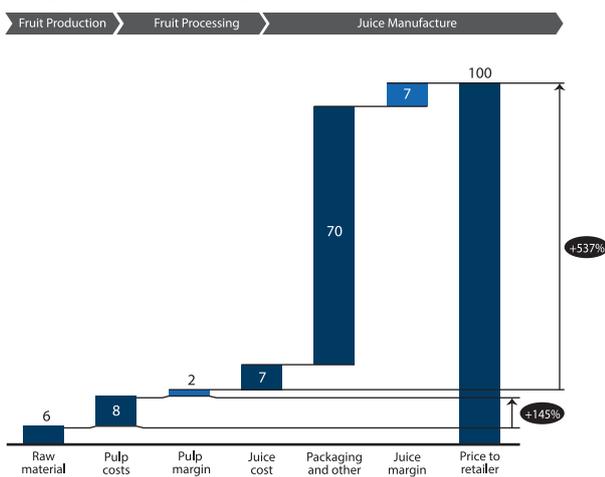
What We Seek

Investors with plans to:

- Engage out-growers.
- Add value to raw materials.
- Demonstrate industrial capabilities.
- Build access to market in developed countries and expose the sector to stringent quality and traceability standards.
- Develop skilled workers that enables the country to diversify into other sectors.

Illustration of processing value addition¹

Mango juice cost and margin breakdown



1. USAID; Dalberg analysis.

Source: NIC 2012- http://www.nic.gov.lr/public/download/NIC_PrioritySectors.pdf

INVESTMENT CLIMATE AND INCENTIVES

Priority Areas for Incentives

Incentives are available to foreign and domestic investors for approved investment projects in priority areas, such as the following, defined by the government:

- Tourism carried out through tourist resorts, hotels, and cultural sites,
- Manufacturing of finished products having at least 60 % local raw material content,
- Energy,
- Hospitals and medical clinics,
- Low and medium income housing,
- Air, sea, rail, and road transport infrastructure,
- High impact information and communications technology, and
- Banking in the non-bank areas in the southeastern region.

Summary of Incentives

Investments in excess of USD 10 million are eligible for incentive packages through the Investment Commission. Economically viable and strategically located investments up to USD 20 million are eligible for the following incentives:

i. Exemptions from trade taxes:

- Equipment and machinery, raw materials, capital spare parts, and other goods to be used in the project are exempted from import duty up to 100% of their dutiable value.
- A customs user fee of 1.5% plus ECOWAS trade levy of .5% is applicable.

ii. Tax deductions:

- The cost of equipment and machinery used in the year the asset is placed into service is eligible for a tax deduction of up to 30 %
- The construction cost of a new hotel or tourist resort is eligible for a tax deduction of up to 30%,
- The cost of buildings and fixtures used to manufacture finished products with at least 20% local raw materials is eligible for a tax deduction of up to 10%.

For additional information, please download Amendments to the Revenue Code of Liberia Act of 2000.

Local Direct Investment

Small and medium sized businesses are at the heart of Liberia's private sector, and the National Investment Commission (NIC) helps to identify opportunities for the promotion and development of such enterprises.

The NIC, with support from the German International Corporation (GIZ), developed a report entitled Promotion of Business Linkages in the Extractives Sector in Liberia. Developed based upon desk and field research studies conducted in March and April of 2011, the report analyzes Liberia's current concession environments, and identifies potential areas where linkages could be built between large companies and local businesses through the provision of goods and services, the development of related industries and value-adding products. This report is critical because it proposes a tangible solution for increasing domestic benefits from large foreign concessions. If implemented this could serve as a catalyst for domestic businesses to grow and develop.

The development of economic linkages between foreign companies and local firms has the potential to benefit both foreign and domestic firms. For some goods and services, foreign companies benefit from procuring locally because of cost savings and/or the convenience of having local services. Local procurement can also help enhance relationships with local communities and national governments. For the study, a rough scan of the agriculture, mining and energy industries was conducted and areas for economic linkages were identified.

The report builds upon government, private sector and donor initiatives, such as the Liberia Better Business Forum (www.lbbf.org), the Central Bank of Liberia's Credit Support Program, and the Ministry of Commerce and Industry's Micro, Small and Medium-sized Enterprises (MSMEs) Policy by proposing a viable method for increasing access to markets, access to finance, and building the knowledge and skills of MSMEs.

As a result of the study, the NIC is examining opportunities for rolling out a one-year pilot program. If implemented the pilot program would be launched with support from the International Finance Corporation (IFC) and would incorporate the provision of business linkage and business development services to small and medium-sized enterprises, allowing them to inclusively participate in viable economic activities.

Foreign Direct Investment

During recent years, Liberia has experienced an increase in Foreign Direct Investment (FDI). It is anticipated that as Liberia continues to grow, FDI will continue increasing, particularly in natural resources and cash crops. Investments in the service sector are also expected to increase considerably. The NIC works to ensure that while unlocking Liberia's natural resources, the country's national interest is safeguarded, jobs are created, and access to capital, new technologies, markets, and world-class training and business development is accelerated.

The government, through the Inter-Ministerial Concessions Committee (IMCC), works to ensure that the country enters agreements with renowned and reputable investors, who understand the country's need to build upon its natural resources, strategic location and youthful labor pool, to bring growth and development to its people. The National Investment Commission (NIC) chairs the IMCC, which includes permanent committee members from the Ministries of State, Finance, Justice, and Planning and Economic Affairs, as well as other key stakeholder ministries and agencies.

Below are some of the contracts negotiated by the IMCC between 2006 and 2010. These projects are classified as major investments because they exceed US\$10 Million with concession agreements spanning over ten years. Relevant institutions of Government such as the NIC, Bureau of Concessions, and Environmental Protection Agency are tracking these investments to ensure their full compliance with existing investment, environmental, tax and labor Laws of Liberia.

SECTOR	CAPITAL	POTENTIAL JOBS	LOCATION
Mining			
Revised Mittal Steel Agreement	\$1.6 Billion	3,000	Nimba Buchanan
China Union/Bong Mines MDA	\$2.6 Billion	3,000	Bong
Seversta/Putu MDA	\$2.0 Billion	2,000	Grand Gedeh
BHP Billiton/Kitoma, Goe Fentro MDA	\$1.8 Billion	2,500	Lofa, Nimba
AmLib (Kokoya and Cestos)	\$100 Million	200	Nimba, River Cess
Africa Aura (Gola Konneh)	\$150 Million	200	Cape Mount
Agriculture			
ADA/LAP Commercial	\$30 Million	200	Lofa
Decoris Oil Palm Plantation	\$64 Million	1,000	Maryland
Cavalla Rubber Plantation Rehabilitation	\$65 Million	1,000	Maryland
Sime Darby Gurthrie Plantation	\$800 Million	30,000	Cape Mount
Golden Veroleum/Southeast Plantations	\$1.7 Billion	40,000	Maryland
Equatorial Palm Oil	\$100 Million	10,000	Grand Bassa
Hotels			
Robert L. Johnson/Kendeja Hotel	\$10 Million	160	Monsterrado
Golden Gate Hotel/SKD Stadium	\$8 Million	100	Monsterrado
Cape Hotel, Golden Key, Palm Springs, Royal	\$50 Million	400	Monsterrado
Industries			
BRE/Vattenfall Wood Ship Export	\$200 Million	700	Grand Bassa
BR Power 35MW Power Plants	\$150 Million	300	Grand Bassa
CEMENCO New Mill	\$20 Million	100	Montserrado
Forestry			
5 Timber Sale Contracts	\$20 Million	500	Various Counties
4 Forest Management Contracts	\$60 Million	2,000	Various Counties
Petroleum			
Anardako/Repsol/Oranto/Africa Petroleum/European Hydrocarbon	\$500 Million	200	--
20 New Total Stations	\$20 Million	1,000	Various Counties
Finance			
Guarantee Trust Bank	\$8 Million	100	Montserrado
Access Bank	\$6 Million	100	Montserrado
UBA Bank	\$8 Million	100	Montserrado
Lib. Enterprise Dev. Fund	\$8 Million	10	Montserrado
Infrastructure			
APM Terminal, Port of Monrovia, Privatisation	\$100 Million	250	Montserrado

Relevant Investment Policies and Initiatives

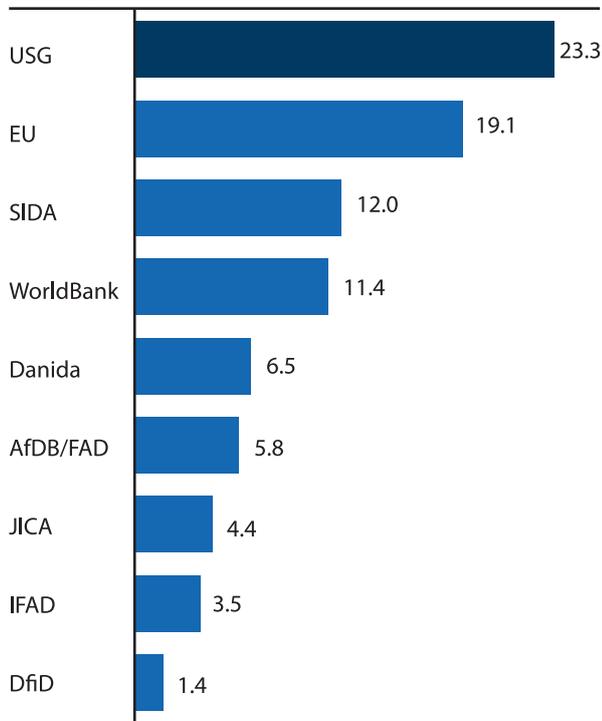
The investment climate in Liberia has improved in recent years. Please find below summary of some of the key initiatives that the Government of Liberia has undertaken to ensure that doing business in Liberia is easy.

- **Liberia Business Registry (LBR):** Launched in 2011, this state-of-the-art, semi-autonomous government agency operates as a one-stop-shop to formalise or register all enterprises and provide information services to the public. This means that anyone wishing to register a business will have only one interface with the government of Liberia. It takes approximately 48 hours to register those registering and doing business in Liberia. The LBR also offers online services at www.lbr.gov.lr.
- **Investment Act of 2010:** The Act updates the Investment Incentives Act of 1973; it strengthens investment protection by (1) providing guarantees against unfair expropriation; (2) ensuring the ability of investors to repatriate capital and profits; (3) obliging the government to protect intellectual property; and (4) providing access to internationally recognised dispute resolution mechanisms. For a copy of the Act, please [click here](#).
- **Governance Reforms:** In July 2010, Liberia successfully completed a set of 12 rigorous economic and governance reforms, enabling the International Monetary Fund (IMF), World Bank, and other bilateral lenders to write-off the country's just under USD 5 billion debt.
- **New Investment Incentive Code and New Revenue Code:** The incentive code introduces a clear, standardised, and transparent system for awarding incentives; provides guarantees against unfair expropriation; ensures the ability of investors to repatriate capital and profits; obliges the government to protect intellectual property; and provides access to neutral, internationally recognised dispute resolution mechanisms. Revisions in the revenue code have lowered the maximum corporate and personal tax rate from 35 percent to 25 percent. For a copy of the Incentive Code, please [click here](#); and for the Revenue Code, please [click here](#).
- **Micro, Small and Medium-sized Enterprises (MSMEs) Policy:** The Policy focuses on the four elements of the investment climate that are of primary importance to MSMEs everywhere: (1) the legal/regulatory framework; (2) access to finance; (3) access to markets; and (4) skills and knowledge. To view the Ministry of Commerce and Industry's report, Rationale, Policy, and Implementation Framework for MSME Development, please [click here](#).
- **Liberia Better Business Forum (LBBF):** The government and private sector, in 2007, launched this initiative to facilitate dialogue on investment climate issues with the explicit objective of achieving measurable enhancement of the enabling environment for private-sector activity. For more information, please visit www.lbbf.org.
- **Business Reform Committee (BRC):** This cabinet-level committee works in partnership with the private sector and international institutions to reduce unnecessary regulations, simplify processes, and generally make it easier to do business in Liberia. The BRC's efforts have been instrumental in Liberia's ranking improving in the World Bank's annual Doing Business Report.

ANNEX I: MAJOR INVESTMENTS IN THE AGRICULTURAL SECTOR: CURRENT AND PLANNED

Donor agriculture contributions, 2009

Millions, USD

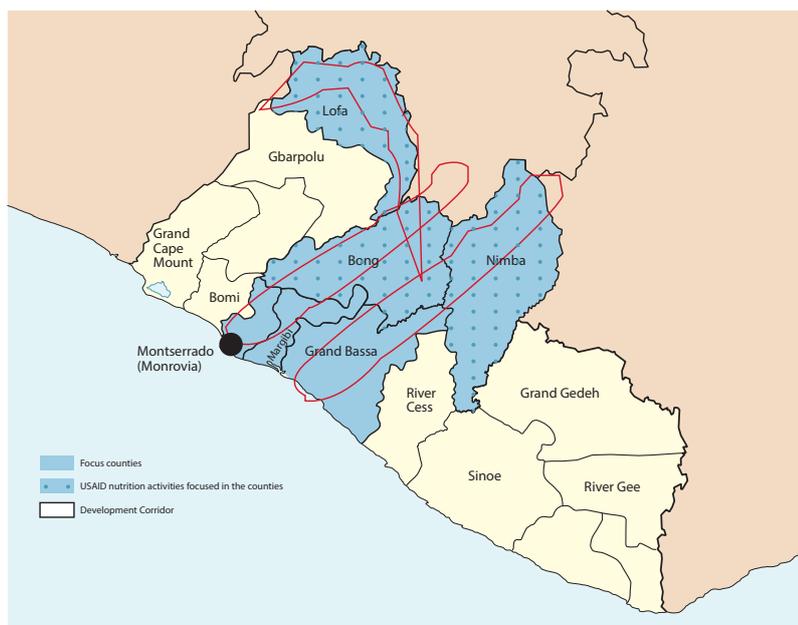


Programmes description

- Wide range of agriculture-related investments through Food for Peace (FFP), USDA, and Economic Support Funds
- Focus on the vulnerable: Food production, malnutrition, food aid/ security, community empowerment, and rural electrification
- Feeder roads
- Land registration/commission, institutional development, rice productivity, regional fisheries, tree crops, infrastructure, Avian flu
- Inputs for agriculture, women's programmes, infrastructure, and agricultural productivity/marketing
- Rural roads, irrigation, post-harvest storage facilities, and insect attack
- Coordination with World Bank on rice productivity
- Purchase for Progress, Food for Work
- Training center for former combatants

USAID is the largest donor in agriculture in Liberia, with effective and extensive coordination with other donors, especially the EU, through the Agriculture Donor Working Group

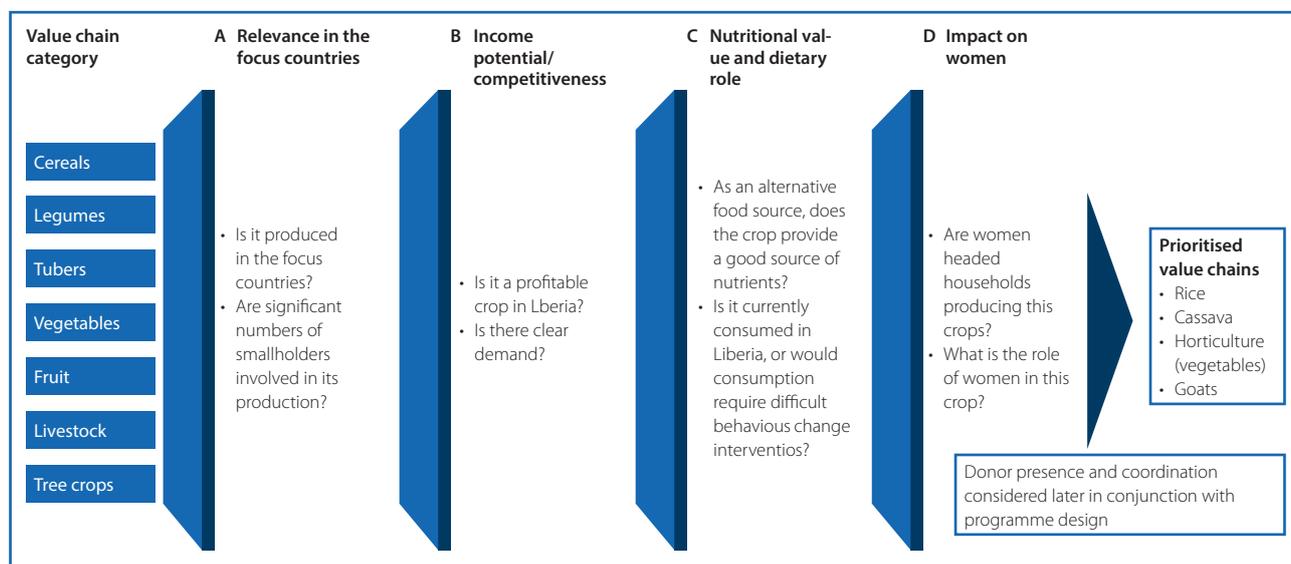
USAID Feed the Future Programme Focused on Six Countries



Why these counties? (Bong, Grand Bassa, Lofa, Nimba, Montserrado, and Margibi)

- Collectively, these counties are home to:
 - 79% of the population
 - 68% of the farmers
 - 69% of the poor
- Focusing in these counties ensures production from value chain interventions will be close to the main infrastructure and markets of the country and maximises impact of change agent actions
- These counties are the priority corridors designated in the economic development strategy of Liberia. This mirrors the development hypothesis USAID/Liberia intends to apply and test:

Development corridors provide a focus for public and private investments in infrastructure and agriculture production, processing and marketing that results in broader, more balanced, more diversified, and more equitable growth.



Why	Rationale
Rice?	<ul style="list-style-type: none"> • Critical staple food for Liberians: grown by more than one-third of all smallholder farming households, and about 60% of rice farming households are in the focus counties • Current consumption is largely satisfied by imports • If processing quality, variety, and price challenges are effectively addressed, domestic production would need to more than double to satisfy local demand
Cassava?	<ul style="list-style-type: none"> • Crucial crop for poor Liberians <ul style="list-style-type: none"> - Cassava is widely-grown and consumed; it is the second most important crop in Liberia - About 60% of all cassava farmers are located in the focus counties - Domestic production would need to increase by at least one-third to satisfy local demand • Cassava is profitable especially if processed; opportunity to fortify through small processors and to disseminate healthier varieties
Horticulture/ Vegetables?	<ul style="list-style-type: none"> • Vegetables are one of Liberia's most profitable crops • Highly relevant for peri-urban and urban markets ; allows poor producers to earn a high profit margin • Need to improve quality to meet domestic demand and substitute for imports • In Bong and Nimba counties, some commercial vegetable production exists and has the highest return from sales (nearly triple profit compared to cassava and rice) • Local preferences exist (e.g., Liberian-grown pepper is considered to be hotter than imports and consumers are willing to pay a premium for it) • Generally more nutritious than rice and cassava, so increased production could allow for better diets
Goats?	<ul style="list-style-type: none"> • Opportunity to increase production base; population of small ruminants decimated during war • High nutritional value • Linkage to the ultra-poor; goats are a core household asset, providing secondary family income through meat and milk and are valuable gifts/meals for celebrations • Offers leveraging opportunities with a proposed USDA activity in Liberia

SOURCE: Report prepared for SIDA Support for Agriculture and Forestry in Liberia, GRM 2010. Team snalysis

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- Liberia: Invest, Grow, Succeed – The Investor’s Guide to Liberia, National Investment Commission, 2010
- National Investment Commission Priority Sectors Brief, 2012 - http://www.nic.gov.lr/public/download/NIC_PrioritySectors.pdf
- LPMC presentation to the Liberia Agriculture Donor’s Roundtable, Sept. 5, 2013
- General Services Agency, Monrovia, Liberia– “Report on the Inspection and Valuation of Properties of the Liberia Produce Marketing Corporation (LPMC) Conducted Jointly by LPMC, Ministry of Agriculture and the General Services Agency”
- Accelerating Private Sector Participation in the Liberian CAADP Investment Program, Sept. 9, 2013 by Hon. O. Natty B. Davis II, Chairman, NIC

FOOTNOTES

- 1 LASIP 2010
- 2 Ibid
- 3 Ibid.
- 4 Ibid.
- 5 Ibid.
- 6 Ibid.
- 7 Ministry of Agriculture. 2009. Assessment and Institutional Reform at MOA. Monrovia, Liberia.
- 8 The USAID supported program, Building Markets, is compiling a list of investment interested SMEs in Liberia – see <http://buildingmarkets.org/about-us>
- 9 GlZ Report - “Promotion of Business Linkages in the Extractives Sector in Liberia” - http://www.tlcafrica.com/NIC_Linkages_Report_12_5_11.pdf
- 10 Ibid.
- 11 General Services Agency, Monrovia, Liberia and LPMC, P. O. Box 62-1000, Monts County, 10, Liberia – “Report on the Inspection and Valuation of Properties of the Liberia Produce Marketing Corporation (LPMC) Conducted Jointly by LPMC, Ministry of Agriculture and the General Services Agency”

