Cameroon Economic Policy Institute

HENRI KOUAM FOUNDATION

POLICY BRIEF | AGRICULTURE & TRADE POLICY , No. 30 | CEPI 2026

Palm Oil Sub-sector:

A Review of Sector-Specific Policies to Support Balanced Development

Hawaing Djamo | Henri Kouam

National Coordinator, CEPI | Executive Director, CEPI

446K	92B	300K
tons domestic palm oil production in 2024	FCFA worth of palm oil imported in 2025	ton annual production deficit to meet demand

EXECUTIVE SUMMARY

- Palm oil is one of Cameroon's most valuable agri-food products, contributing to the agricultural sector which accounts for 17.44% of national GDP — yet Cameroon imported 92 billion FCFA worth of palm oil in 2025, exposing deep structural weaknesses.
- Economic policies (import substitution, 3-year recovery plan, interprofessional organization) and environmental frameworks (RSPO, PLANHUPAD, REDD+) have been implemented, but results have fallen short: domestic production of 446,984 tons in 2024 still falls 300,000 tons short of demand.
- Compared to Nigeria and Côte d'Ivoire, Cameroon's smallholder sector remains informal and underproductive. This brief diagnoses the structural gaps and proposes evidence-based policy reforms.

Hawaing Djamo
National Coordinator, CEPI

Henri Kouam
Executive Director, CEPI

1. Introduction

Palm oil is one of the most valuable agri-food products for the Cameroonian economy, used both for domestic consumption and as an industrial raw material. The agriculture sector contributes 17.44% of national GDP (Trading Economics, 2026). Cameroon reached 446,984 tons of palm oil production in 2024 and aims to increase domestic output by an additional 20,500 tons in 2026 to reduce imports and meet growing demand (Malloum, 2025).

However, domestic production relies on a dual structure: a formal agro-industrial sector dominated by SOCAPALM (41% of production), CDC, and PAMOL Plc; and an informal sector of small-scale producers who face major constraints including low productivity, limited access to inputs and financing, and difficulties related to processing and marketing (Ndam et al., 2024).

2. Main Economic Policies to Support the Palm Oil Sector

The palm oil sector is embedded in a broader import-substitution policy, with plans to increase production by over 20,500 tons to meet a 160,000 ton deficit by 2026. Three main policy instruments are in place:

Import Substitution and the 3-Year Recovery Plan (2024–2026)

The government is implementing a three-year recovery plan (2024–2026) estimated at 21.7 billion CFA francs to regenerate 5,000 hectares annually. Most initiatives are dominated by SOCAPALM, the Cameroon Development Corporation, and PAMOL Plantations Plc, replacing aging oil palms with high-yielding varieties to boost productivity without increasing land under cultivation.

Palm Oil Interprofessional Organisation (Interpalm-Cam)

The government established a palm oil interprofessional organisation in 2021 under the law on agricultural interprofessional organisations. This body aims to improve market functioning by coordinating producers, processors, and manufacturers to boost production and productivity. However, its impact remains limited because small producers are not sufficiently integrated and coordination among stakeholders is inadequate.

Investment Incentives and Industrial Processing

The government is using investment incentives and partnerships with the private sector to strengthen local processing capacity and reduce dependence on imported palm oil products. This broader industrialisation policy aligns with the National Development Strategy 2020–2030 (SND30), which targets economic industrialisation and job creation.

3. Main Environmental Policies Governing the Palm Oil Sector

African Palm Oil Initiative and PLANHUPAD

Cameroon joined the African Palm Oil Initiative and established a national governance platform — PLANHUPAD — in 2021 to coordinate stakeholder activity and align sector development with sustainability principles. PLANHUPAD emphasises reducing deforestation, protecting human rights, and integrating environmental and social criteria into palm oil production.

Roundtable on Sustainable Palm Oil (RSPO)

Cameroon is aligning with international standards through the adoption of RSPO principles, which impose strict requirements on producers regarding ecosystem protection, sustainable management of natural resources, and respect for the rights of local communities. RSPO principles include the protection of High Conservation Value areas, reduction of greenhouse gas emissions, and responsible land management. Some agro-industrial companies in Cameroon have initiated RSPO certification processes.

High Conservation Value, High Carbon Stock, and REDD+

Environmental policies integrate High Conservation Value (HCV) and High Carbon Stock (HCS) concepts into plantation management, with support from WWF and Proforest. Cameroon is also combating deforestation through REDD+ (Awono A., 2014), aiming to reduce emissions from deforestation and promote sustainable forest management.

The Enforcement Gap

While the laws and alliances are relevant, there is a critical lack of enforcement — especially regarding the fight against deforestation and sustainable land management. Environmental policies exist on paper but are insufficiently monitored or resourced to produce meaningful outcomes.

4. Have the Policies Worked? Cameroon Versus Its Peers

Domestic demand for palm oil continues to far exceed supply, with an annual production shortfall of 300,000 tons. Cameroon imported 92 billion FCFA worth of palm oil in 2025. Yields remain below international standards — less than 2 tons of oil per hectare, versus 4–6 tons in more productive countries — explained by the use of rudimentary techniques, ageing plantations, and limited access to quality inputs.

Indicator	Cameroon	Nigeria	Côte d'Ivoire
Domestic production (2024–25)	446,984 tons	1.57 million tons	Leading regional producer
Smallholder share	~40%	>80%	~58%
Smallholder organisation	Mostly informal	Structured with govt support	40,000+ cooperatives
Oil yield per hectare	<2 tons	Improving	Superior to Cameroon
Import dependency	92B FCFA (2025)	Imports fell 26% in 2024	Reduced

Nigeria: The Agricultural Transformation Agenda

Nigeria, through its Agricultural Transformation Agenda (2011) and the National Initiative for Sustainable and Climate-Smart Oil Palm Smallholders, introduced investment incentives, smallholder support, and agricultural value chain development. These policies increased oil production from 1.28 million tons in 2020 to 1.57 million tons in 2025. Smallholders now account for over 80% of total production, and palm oil imports fell by more than 26% in 2024. Nigeria successfully mobilised private sector investment through PZ Wilmar, Presco, and Okomu Oil.

Côte d'Ivoire: A Regional Model

Côte d'Ivoire established a structured, competitive foundation through two major government programmes. More than 40,000 smallholders are grouped into cooperatives, accounting for nearly 58% of national production. Led by the CHPC with an investment of approximately 245.9 billion CFA francs over ten years, Côte d'Ivoire's bottom-up approach — supporting cooperatives, improving rural infrastructure, and providing investment incentives — has made it one of Africa's leading palm oil producers, with yields and sector organisation superior to those of Cameroon.

Policy Recommendations

To close the productivity and structural gaps identified in this brief, CEPI recommends the following priority interventions:

1. **Increase Smallholder Productivity**

Expand access to quality certified inputs, technical training, and agricultural financing. Establish specific agricultural credit mechanisms and targeted subsidies. Test high-yielding seed varieties and disseminate winners to small-scale producers. Draw on Nigeria\'s National Initiative for Climate-Smart Oil Palm Smallholders as a model.

2. Strengthen the Sector\'s Organisational Structure

Develop efficient agricultural cooperatives modelled on Côte d\'Ivoire\'s system. Consider mandatory cooperative membership for producers accessing government support, to ensure policies have verifiable effects on smallholders. Operationalise Interpalm-Cam with adequate resources and a genuine smallholder integration mandate.

3. Intensify Local Processing Investment

Support the creation of modern mini-oil mills in rural areas to reduce post-harvest losses, improve oil quality, and increase value added. Leverage the SND30 industrialisation framework to attract private investment in processing capacity, particularly in the Littoral and South regions where SOCAPALM operations are concentrated.

4. Strengthen Sectoral Governance and Environmental Enforcement

Improve coordination among MINADER, MINFOF, and the interprofessional organisation. Ensure the effective implementation of PLANHUPAD, RSPO certification requirements, and HCV/HCS protections. Align economic and environmental policies to guarantee sustainable sector development and protect Cameroon\'s competitive position in international markets.

Conclusion

Cameroon's palm oil sector plays a strategic role in the national economy — contributing to food security, job creation, and industrialisation. Economic and environmental policies are being implemented to increase production, improve local processing, and reduce imports. However, results have fallen short of expectations: demand continues to far exceed supply and the country remains heavily dependent on imports.

Low smallholder productivity, lack of local processing capacity, and weak sectoral governance continue to hinder development. A comparison with Nigeria and Côte d'Ivoire highlights the need for a more integrated and effective approach — one that prioritises smallholder organisation, cooperative development, and enforceable environmental standards.

Cameroon has the land, the labour, and the demand. What it needs is the governance — structured cooperatives, enforced environmental standards, and targeted smallholder financing — to close the 300,000-ton gap between what it produces and what it consumes.

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About the Authors

Hawaing Djamo

National Coordinator & Policy Analyst, Cameroon Economic Policy Institute (CEPI)

Hawaing Djamo is the National Coordinator at CEPI, responsible for programme coordination, stakeholder engagement, and policy outreach. He has co-authored several CEPI briefs on AfCFTA implementation, agricultural policy, and trade governance in Cameroon and Central Africa.

Henri Kouam

Founder & Executive Director, Cameroon Economic Policy Institute (CEPI)

Henri Kouam is the Founder of CEPI at the Henri Kouam Foundation. He is a contributor to the Economist Intelligence Unit (EIU), was an Economic Expert for NATO, and has consulted for the Bill & Melinda Gates Foundation.

About the Cameroon Economic Policy Institute (CEPI)

CEPI is a think tank at the Henri Kouam Foundation improving economic development through fact-based research, policy advocacy, and events. CEPI has successfully led two verifiable policy reforms.

www.camepi.org | info@camepi.org | Yaoundé, Cameroon |