

## Cocoa Market to Have 189,000-Ton Surplus, ICCO Forecasts

By Isis Almeida - May 26, 2011

Cocoa supplies will outpace demand by 189,000 metric tons in the current marketing season as production rises in [Africa](#), according to the [International Cocoa Organization](#).

Output will jump 52 percent to 960,000 tons in the 2010-11 season in Ghana, the world's second-biggest cocoa grower, ICCO Executive Director Jean-Marc Anga said in an interview in [London](#) today. Production in top producer Ivory Coast will increase 4.7 percent to 1.3 million tons, he said. The estimated surplus is 70,000 tons larger than projected in February.

“We had two big factors to take into account,” Anga said. “One is the excellent weather conditions that were conducive to higher output, and secondly, the high prices have been a good incentive for farmers to implement better husbandry of cocoa plantation.”

Cocoa prices reached a 32-year high of \$3,775 a ton on March 4 after [Ivory Coast](#) exports were disrupted by armed conflict between backers of President [Alassane Ouattara](#) and those of former leader [Laurent Gbagbo](#), who refused to cede power after a disputed election in November. Ouattara has since taken office and lifted a ban on cocoa exports.

Cameroon, [Indonesia](#)

Output in **Nigeria** will increase by 5,000 tons to 240,000 tons, and production in Cameroon is estimated at 215,000 tons, a 10,000-ton jump, Anga said. The biggest decline will come from Indonesia, the third-largest producer, where output will fall to 510,000 tons from 550,000 tons, according to the ICCO.

The gain in Ghana will bring its production closer to that of Ivory Coast, which now accounts for 35 percent of world supply, according to the ICCO. The group plans to release its crop estimates next week.

“Once this is released, people in Ivory Coast will stand up and pay attention, Anga said. “We have been telling them for the past years that they have neglected investments in the cocoa sector.”

**Ghana** is still unlikely to surpass Ivory Coast anytime soon, according to Anga. “It takes a lot more than a year or two,” he said.

Anga also said the new Ivorian government must have a “well-defined” strategy to invest in the industry. “The government will have to decide that in the next 5 or 10 years it wants to remain the leading producer,” he said.

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