

Local commodity exchanges

- Exchanges are unlikely to have any impact on cocoa price volatility.
- Nevertheless, commodity exchanges in producing countries have the potential to improve the functioning of the cocoa value chain.
- Exchanges would be local, operated in conjunction with a national auction.
- They could improve quality assurance, facilitate credit provision and, depending on current regulatory structures, price transmission.
- An exchange is likely to involve an auction system. Will it be obligatory to sell through an exchange auction or will the auction coexist with private sales?
- An exchange system imposes additional costs. Will the benefits to farmers of an exchange system exceed the costs?
- Different producing countries organize the cocoa value chains in different ways. Exchanges would need to mesh with these arrangements.