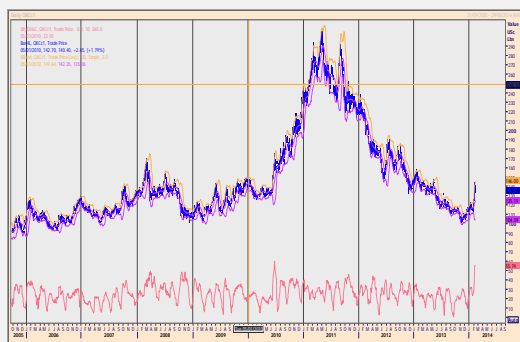
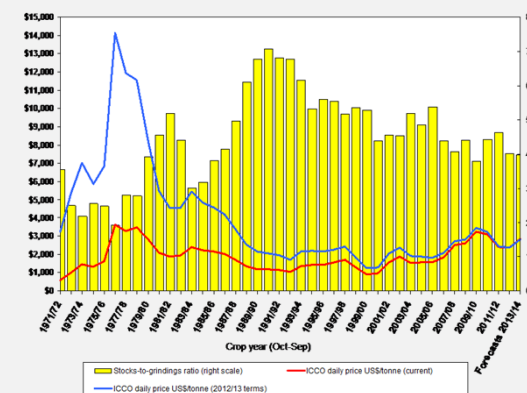


# Cocoa supply & demand: what to expect in the coming years?

London, 22 September 2015



Laurent Pipitone - ICCO - [laurent.pipitone@icco.org](mailto:laurent.pipitone@icco.org)

# The “chocapocalypse 2020”



**“No more chocolates by 2020!”**

“Chocolate bars may get replaced by slabs of palm oil and vegetable fats packed with raisins and nougat by 2020 ”

*The Times of India – 13 April 2014*



**“Don’t panic, but we could be running out of chocolate”**

“By 2020, the world could see a chocolate deficit of 1m tonnes”

*The Telegraph – 17 November 2014*

**“We'll run out of cocoa in just SEVEN years!”**

“The world will officially run out on October 2, 2020”

*Star Sunday – 6 October 2013*

**Enjoy today’s Easter eggs: they could soon become a luxury**

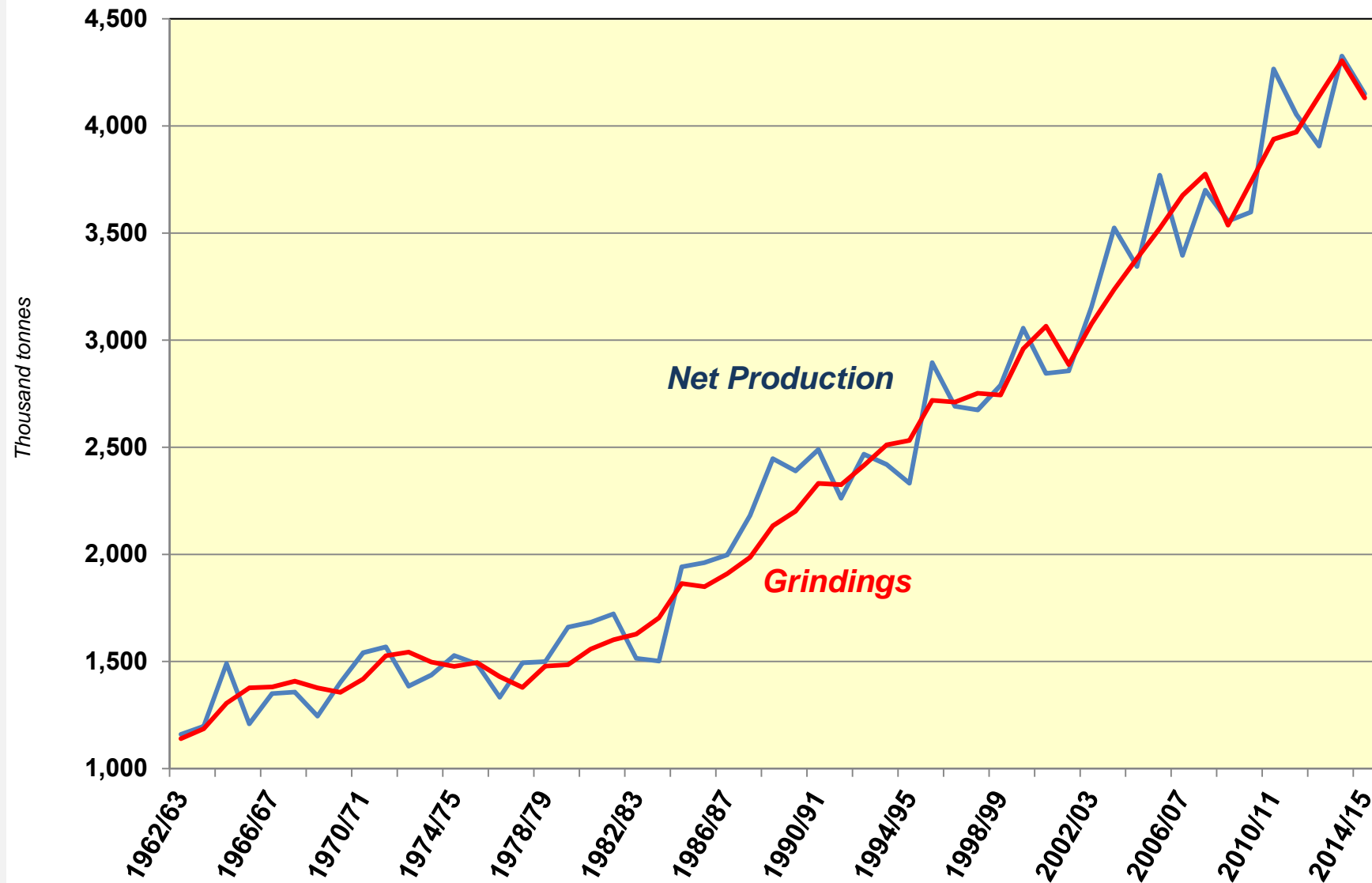
*The Observer – 4 April 2015*

**“Manufacturers warn that the world may soon run out of chocolate!”**

*The Week – 17 November 2014*

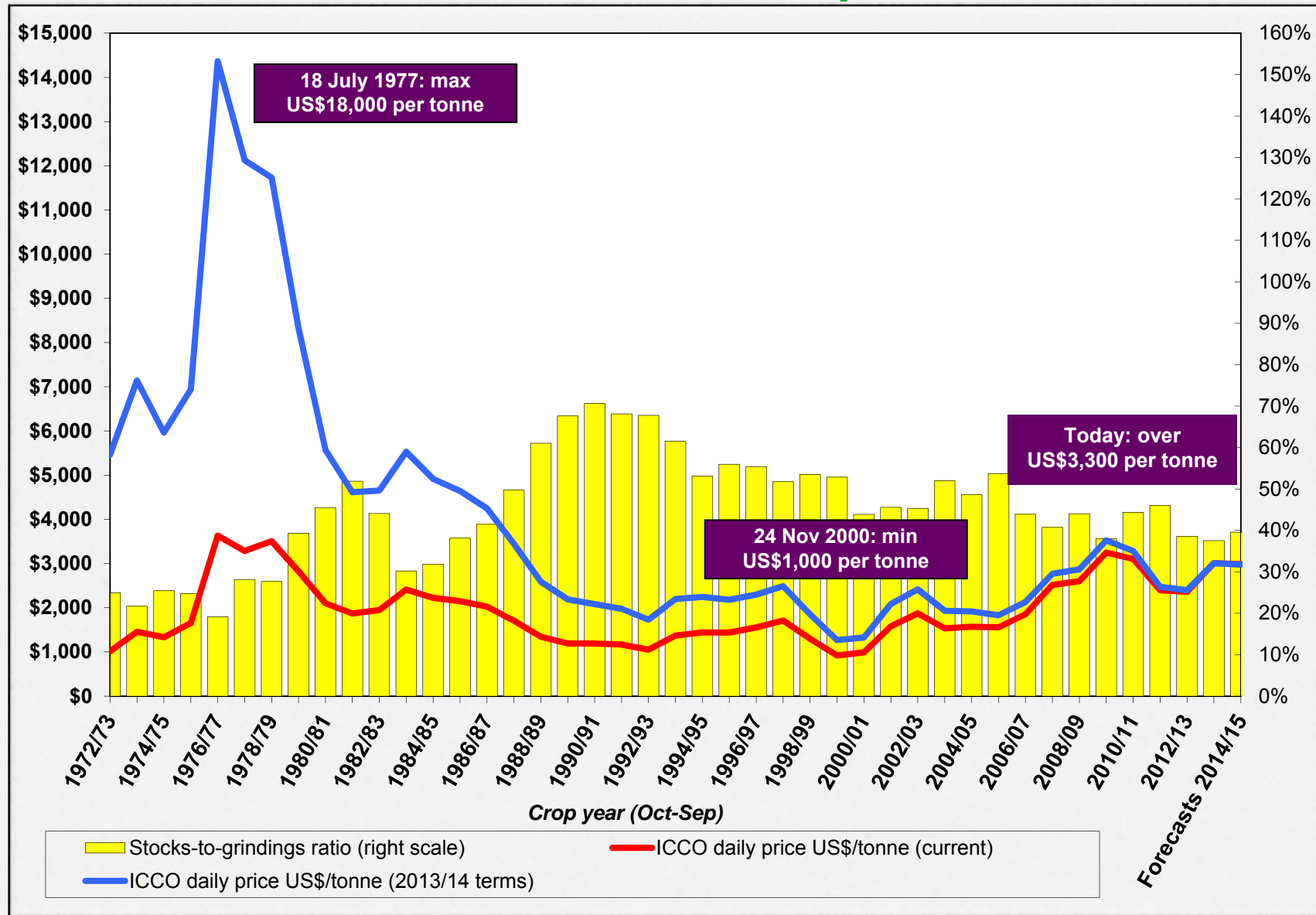


# Trend in supply & demand

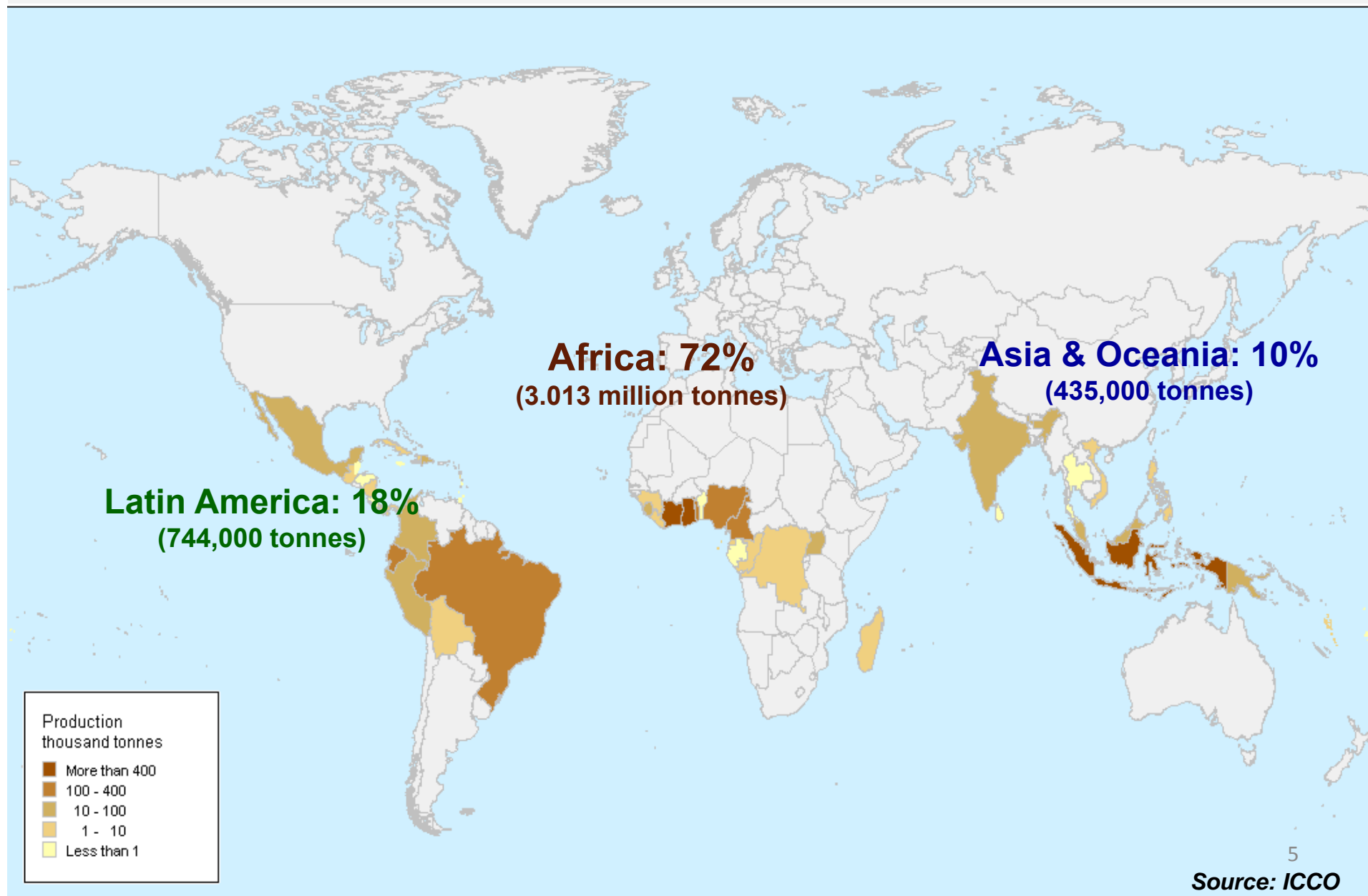


Source: ICCO

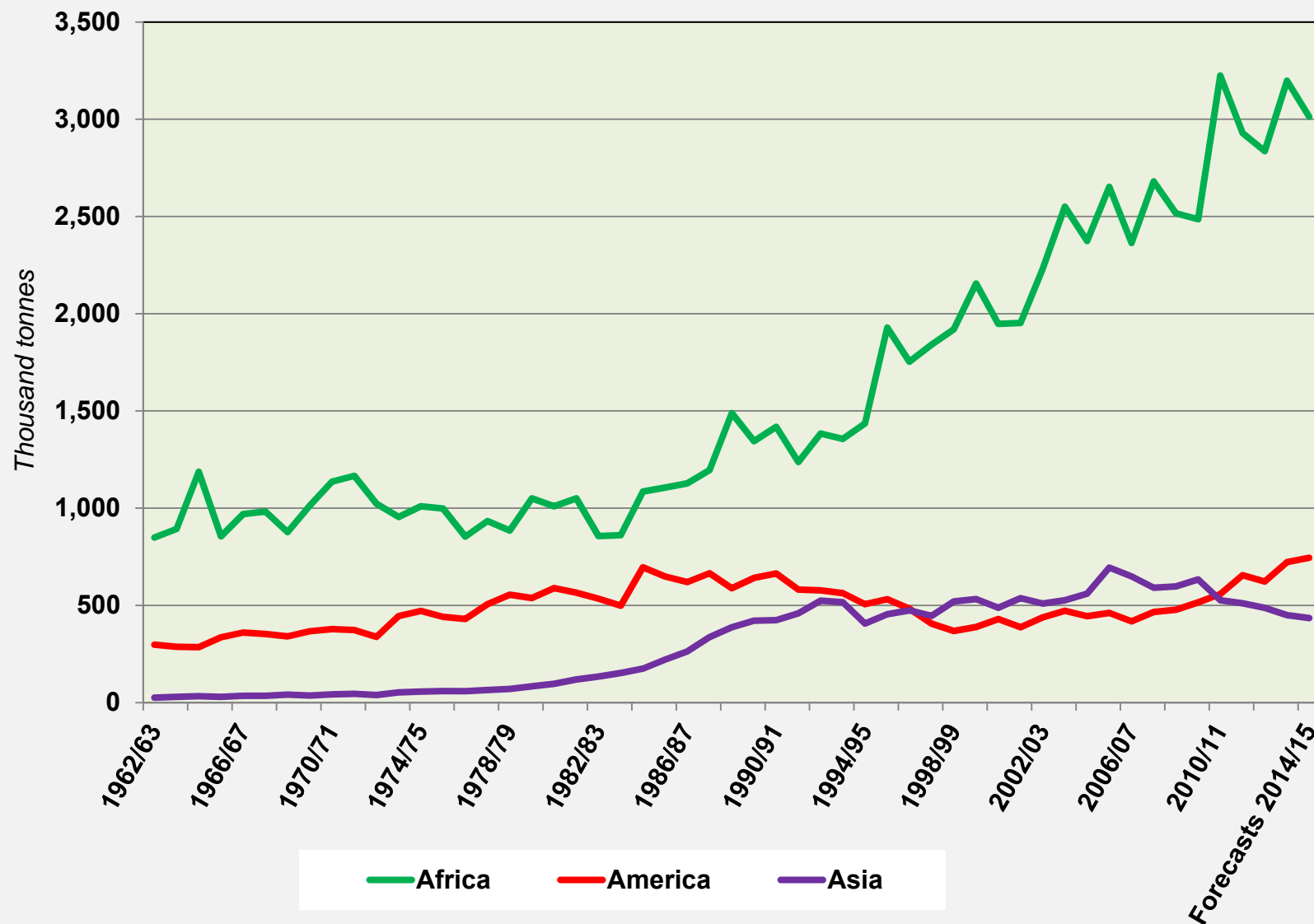
## Development of cocoa prices, in relation to cocoa availability

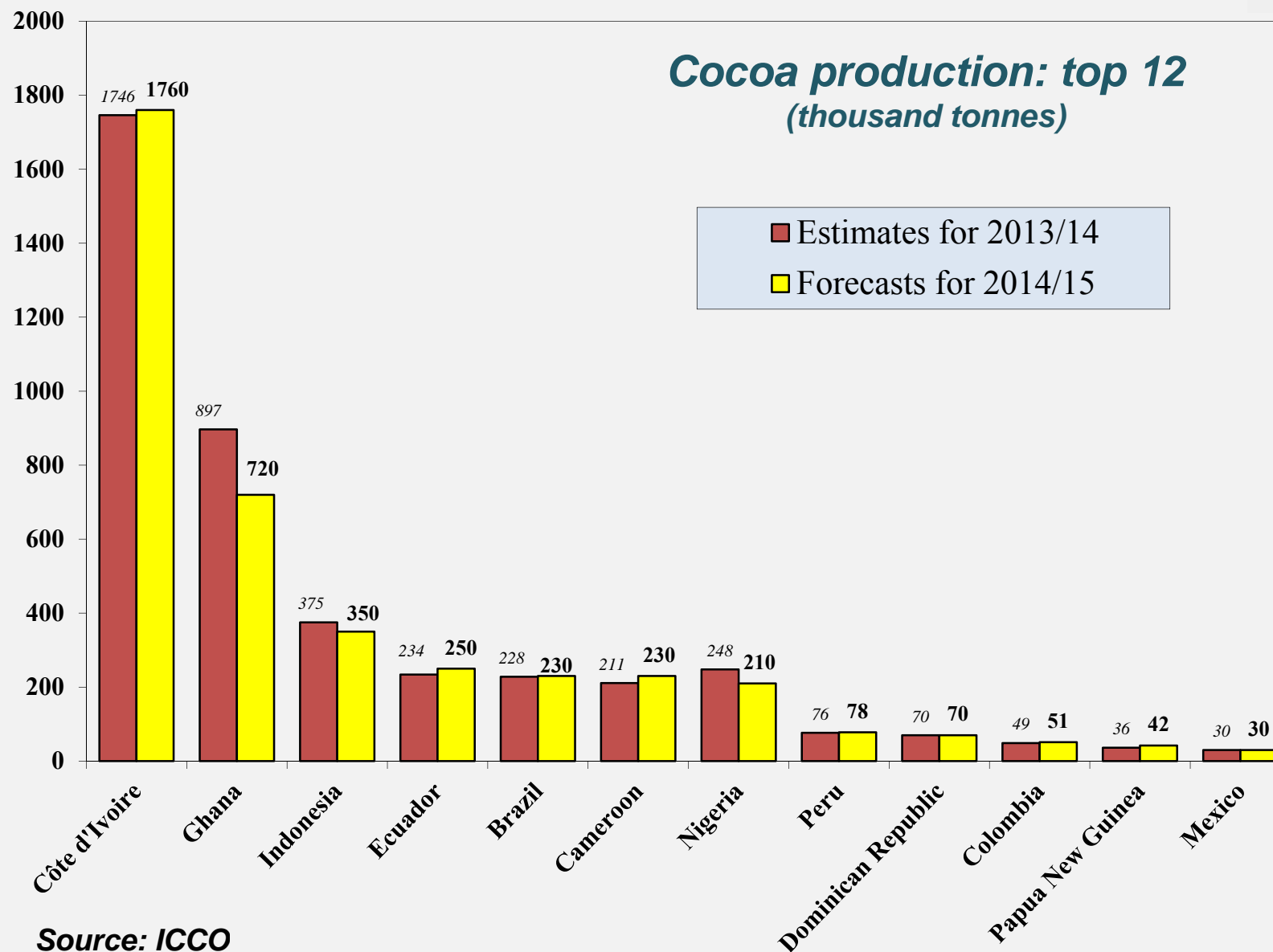


# World cocoa production (gross) 2014/15 forecast: 4.192 million tonnes



## Regional cocoa production (thousand tonnes)





Source: ICCO



# *Main factors influencing cocoa production and farm profitability*



## Business environment

- **Ease of doing business**
- **Regulations and taxation**
- **Infrastructures**
- **Qualified labour availability and cost**
- **Policy support to the cocoa sector**

## Agronomic factors

- **Farming system used (from agroforestry model to intensive, productivity-orientated model, often without shade of any kind (full-sun),**
- **Level of farm crop diversity**
- **Variety of the cocoa used: yield, resistance to pests and diseases, quality traits**
- **Age of the trees**
- **Level of husbandry – Good Agricultural practices**
- **Use of inputs (labour, use of phytosanitary products and fertilizers)**
- **Weather condition**
- **Presence of pests and diseases**

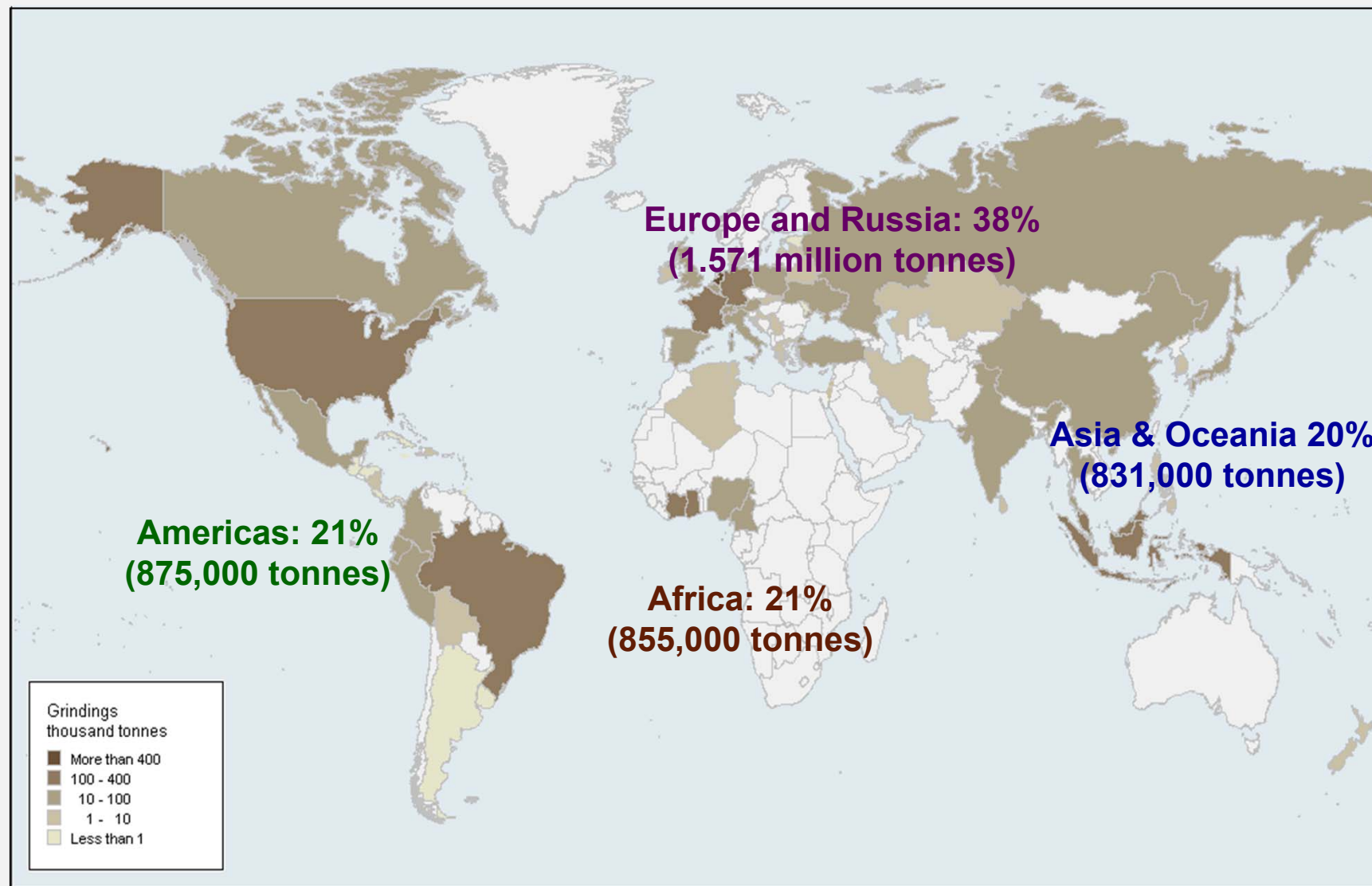
## Economic factors

- **Price of cocoa beans**
- **Cost of inputs**

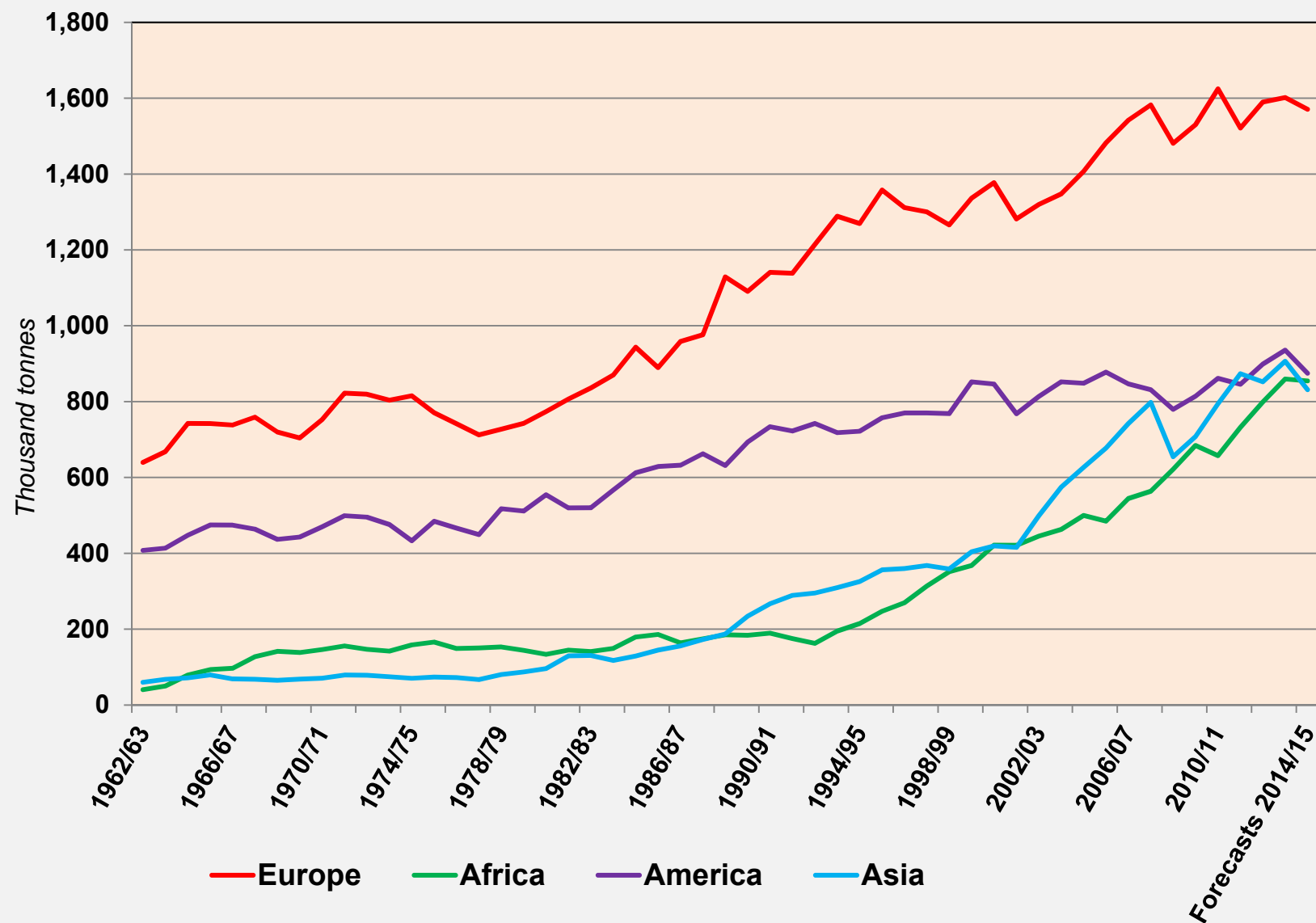


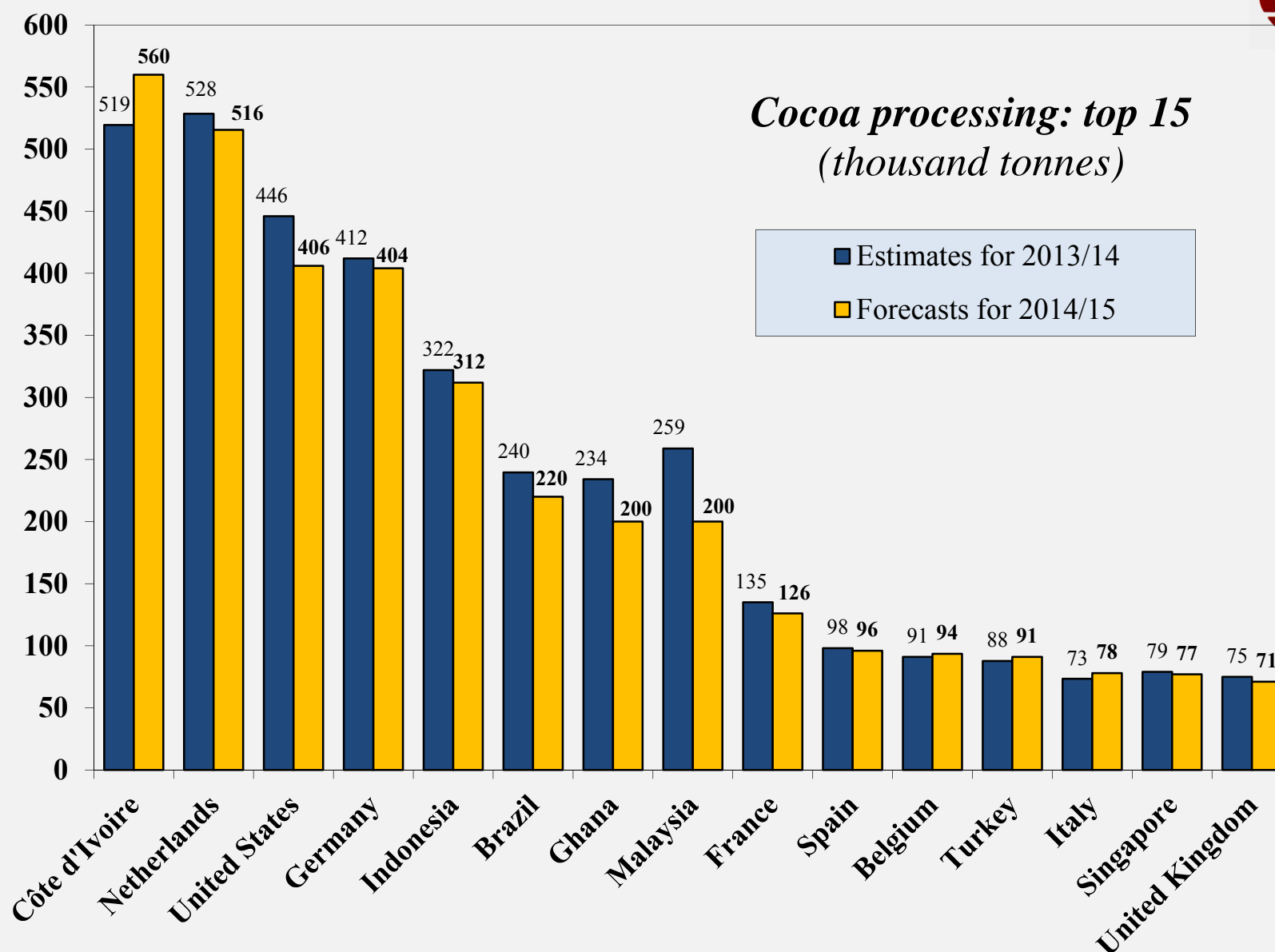
# *World cocoa grindings*

## *2014/15 forecast: 4.131 million tonnes*



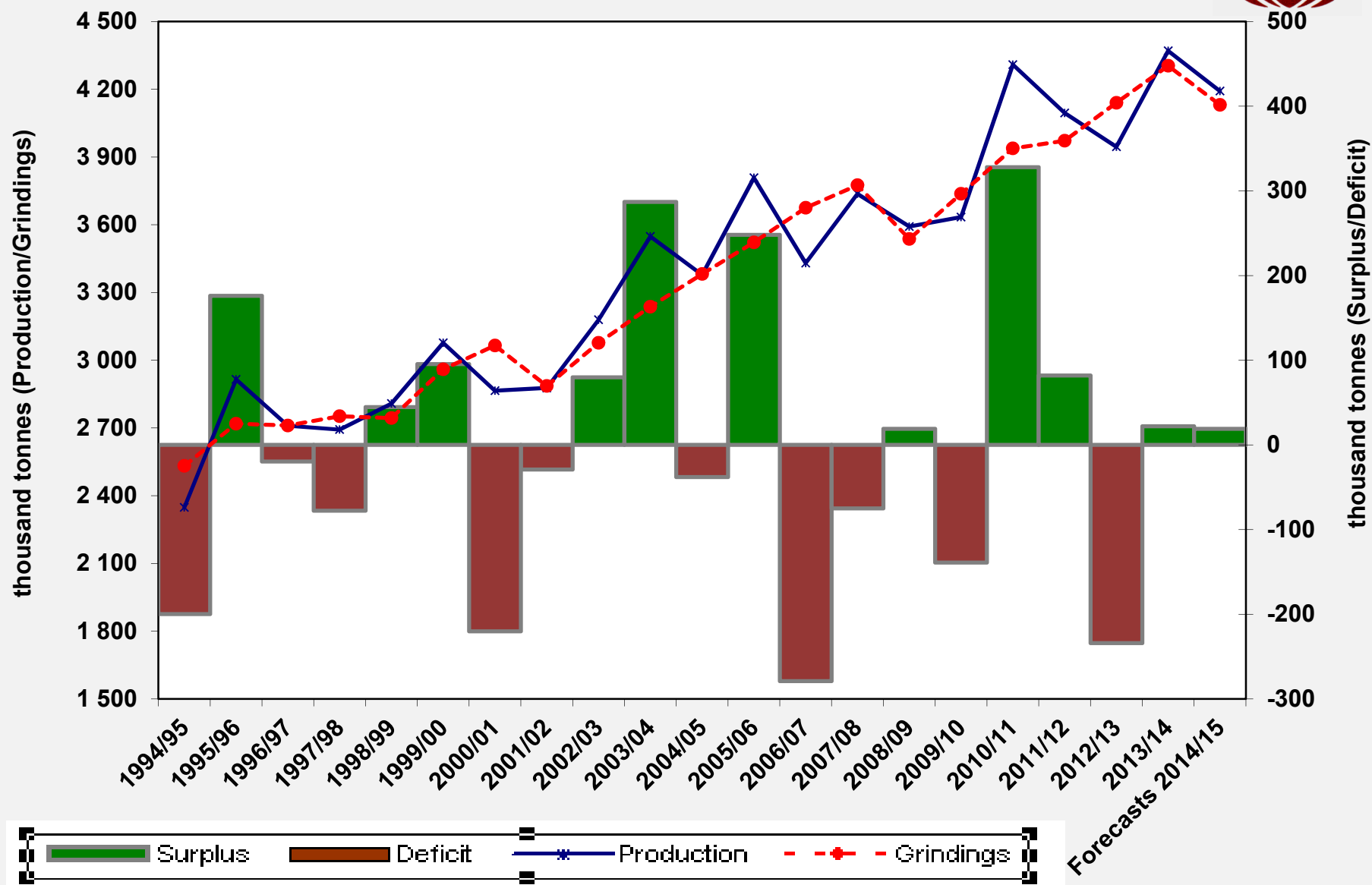
## Regional cocoa grindings (thousand tonnes)





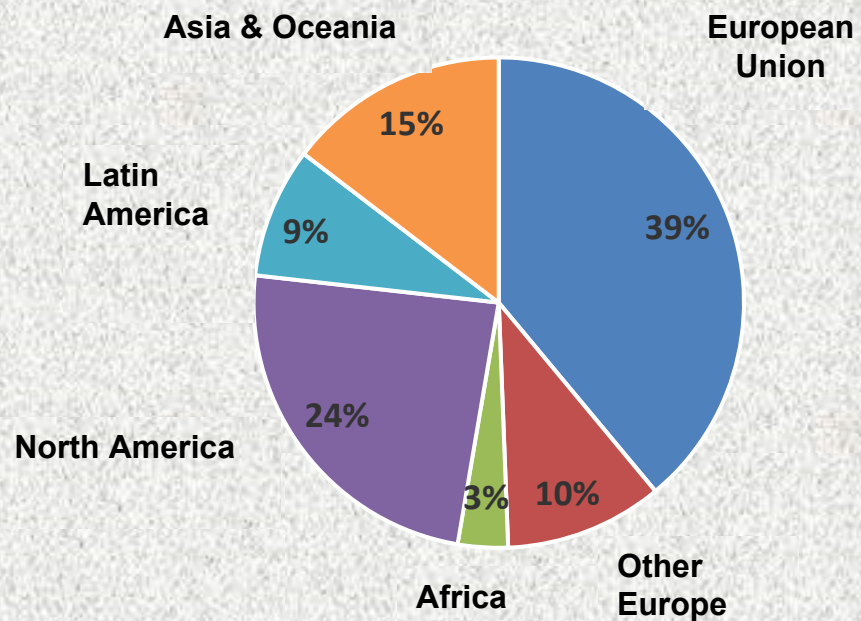
Source: ICCO

## Production surpluses / deficits

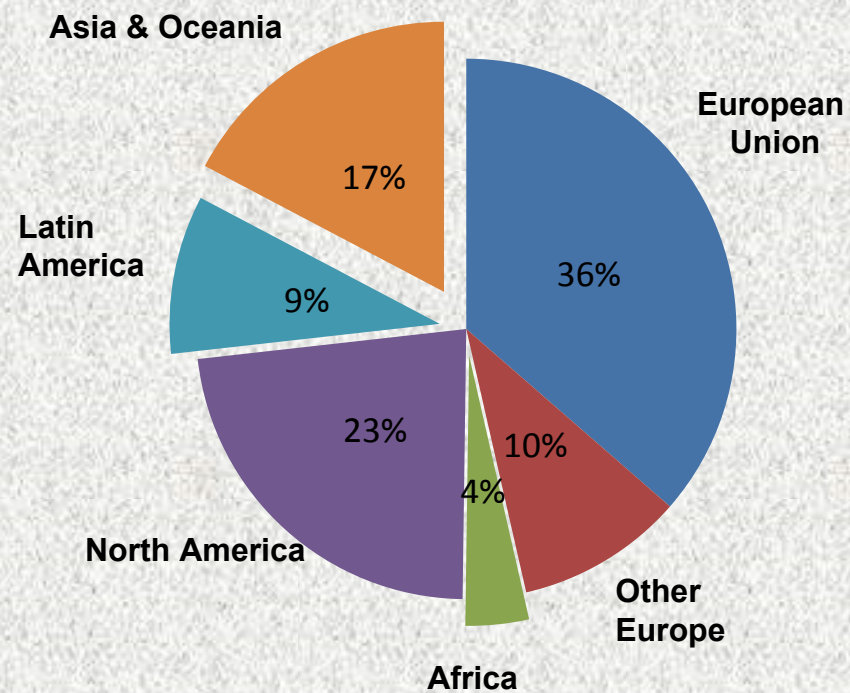


## Cocoa apparent consumption

Cocoa year 2008/09

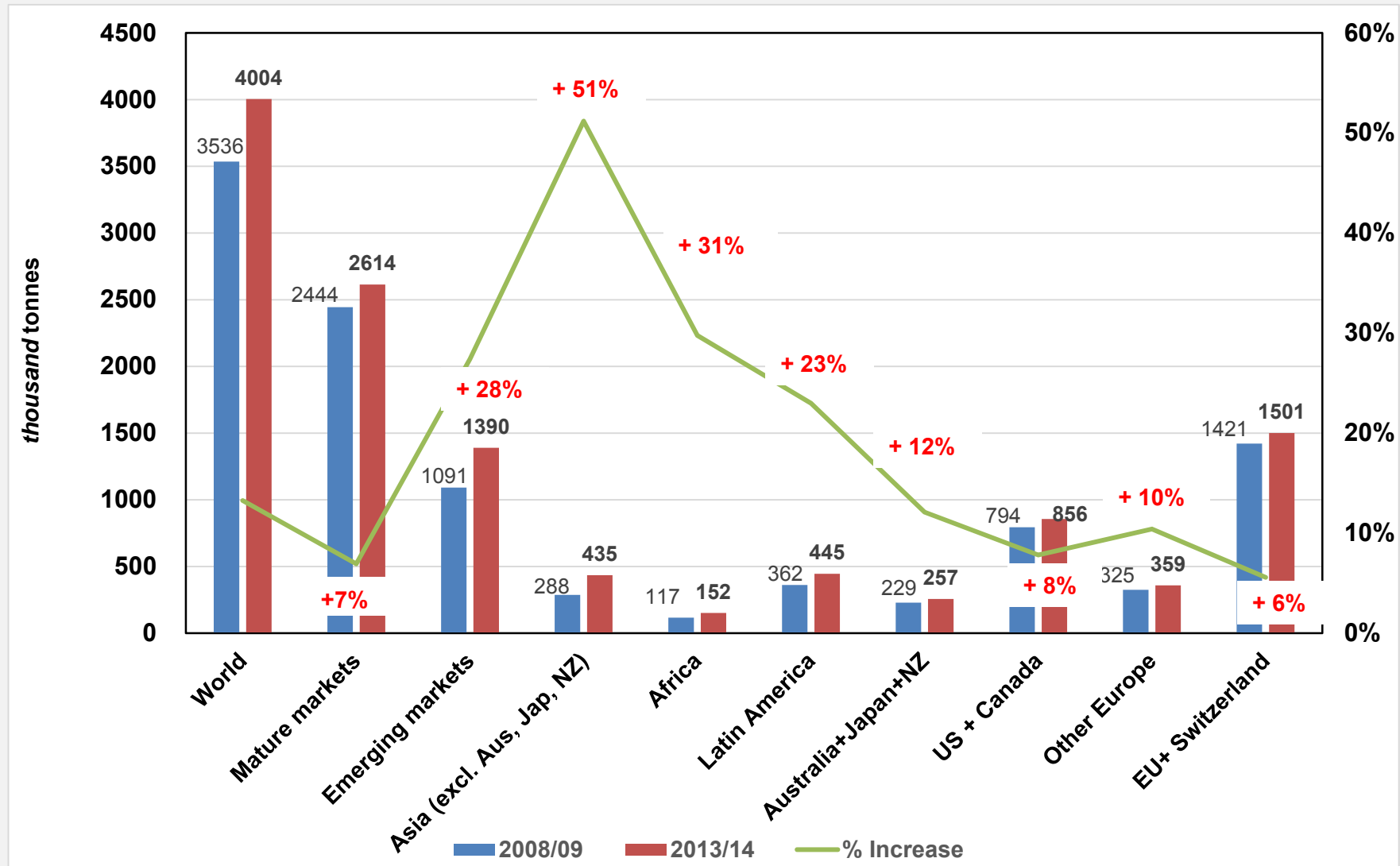


Cocoa year 2013/14



Source: ICCO, Quarterly Bulletin of Cocoa Statistics

# Growth in cocoa consumption





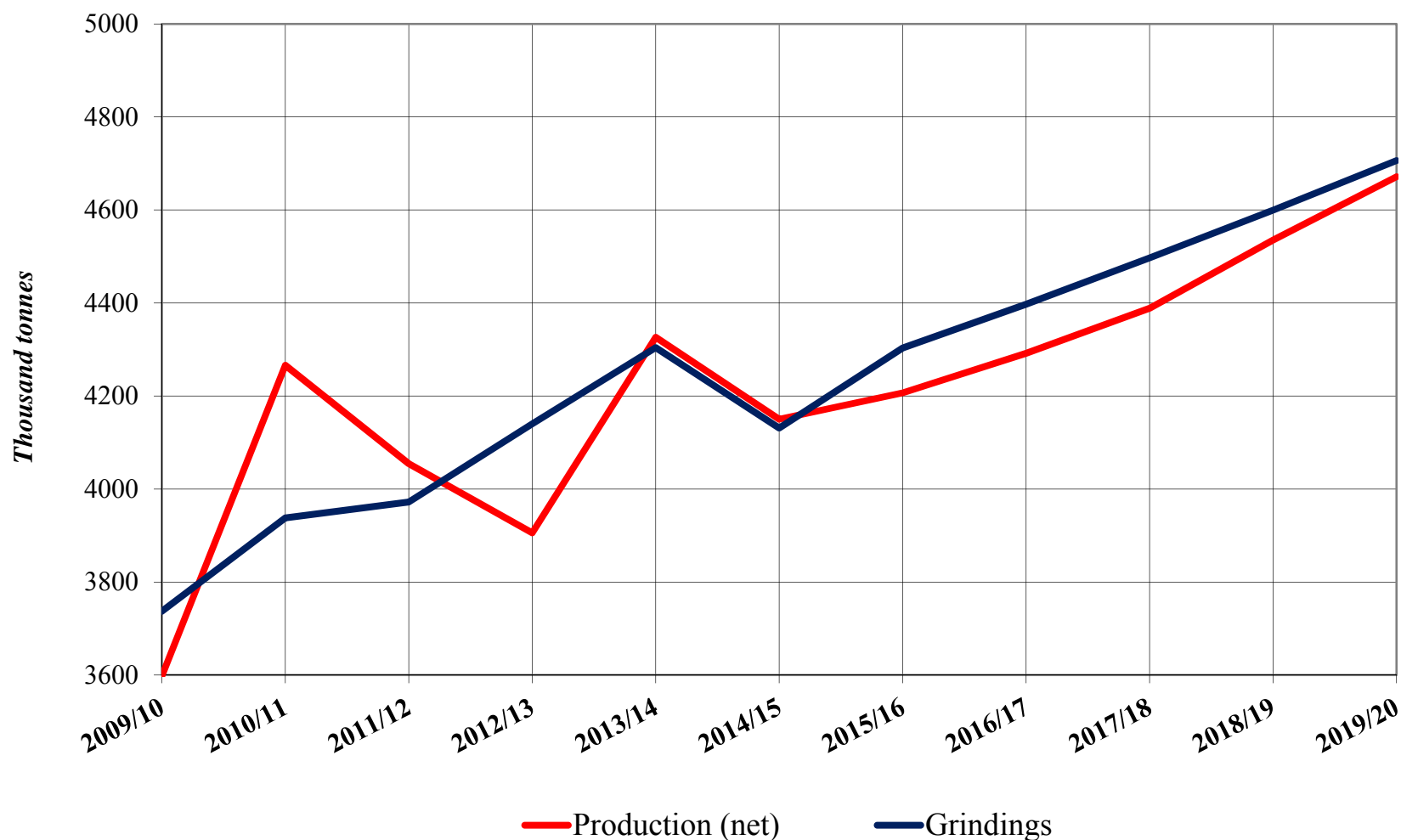
## What about China and India?

Retail Chocolate confectionery consumption				Cocoa consumption		
	World	China & India	% world	World Consumption	China & India	% world
	<i>(in thousand tonnes)</i>			<i>(in thousand tonnes)</i>		
2012/13	6,946	314	4.5%	3,889	115	3.0%
2013/14	7,061	344	4.9%	4,089	138	3.4%
2014/15	7,177	375	5.2%	4,131	150	3.6%
2015/16	7,314	406	5.5%	4,218	162	3.8%
2016/17	7,465	437	5.9%	4,318	175	4.0%
2017/18	7,626	469	6.2%	4,437	188	4.2%
2018/19	7,796	502	6.4%	4,568	201	4.4%
Annual growth 2013/14 - 2018/19	2.0%	7.9%		2.2%	7.9%	

Source: Euromonitor, ICCO



## ICCO Forecasts for cocoa supply and demand



Source: ICCO

*Note: These forecasts are the result of the ICCO econometric model on the World Cocoa Economy. The model is based on past information and does not take into account new policies set up to support the cocoa sector as well as abnormal weather condition. The aim of the model is to provide a likely trend with a view to adapt government policies and investments. Due caution should be used in using these forecasts.*