ECONOMICS COMMITTEE
16 - 18 September 2014
The Cocoa Market Situation
Irregular price movements: better-than-expected production in West Africa and increased buying interest by cocoa processing and chocolate manufacturing industry

Publication of stronger-than-expected grindings data for Europe and North America; increasing likelihood of an El Niño related weather condition and concerns of a supply deficit

Prices at 3-year high supported by fundamental factors that could lead to long-term structural deficit

Promising 2014/15 main crop in West Africa due to adequate rainfall – Structural supply deficit losing some momentum

Strong mid-crop expected in Côte d’Ivoire – Revision from supply deficit to surplus

Development in cocoa prices - from October 2013 – mid September 2014

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ICCO daily price Index, Dow Jones Commodity Index and U.S. Dollar Index
October 2013–mid-Sept 2014
World cocoa bean production, grindings and surplus/deficit
(\textit{thousand tonnes})

\begin{tabular}{|c|c|c|c|}
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Year & Production/Grindings & Surplus/Deficit & Surplus/Deficit (thousand tonnes) \\
\hline
2004/05 & -38 & & \\
2005/06 & +248 & & \\
2006/07 & -75 & & \\
2007/08 & -279 & & \\
2008/09 & -139 & & \\
2009/10 & +19 & & \\
2010/11 & +328 & & \\
2011/12 & +82 & & \\
2012/13 & -208 & & \\
Forecasts 2013/14 & +40 & & \\
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\end{tabular}
WORLD COCOA PRODUCTION (gross)
2013/14: 4.345 million tonnes

Latin America: 15%
(666,000 tonnes)

Africa: 73%
(3.174 million tonnes)

Asia & Oceania: 12%
(505,000 tonnes)
Forecasts for 2013/14
Estimates for 2012/13

Cocoa production: top 12 (thousand tonnes)

Source: ICCO
WORLD COCOA GRINDINGS
2013/14: 4.262 million tonnes

Americas: 21%
(900,000 tonnes)

Asia & Oceania 21%
(885,000 tonnes)

Europe and Russia: 38%
(1.610 million tonnes)

Africa: 20%
(867,000 tonnes)

Source: ICCO
Cocoa processing: top 15 (thousand tonnes)

Source: ICCO
The “chocapocalypse 2020”: let’s all run to the shop before it is too late...

“We'll run out of cocoa in just SEVEN years!”
“The world will officially run out out on October 2, 2020”
Star Sunday – 6 October 2013

“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

Alarming headlines ... clearly unrealistic!!!!
Source: ICCO, June 2014