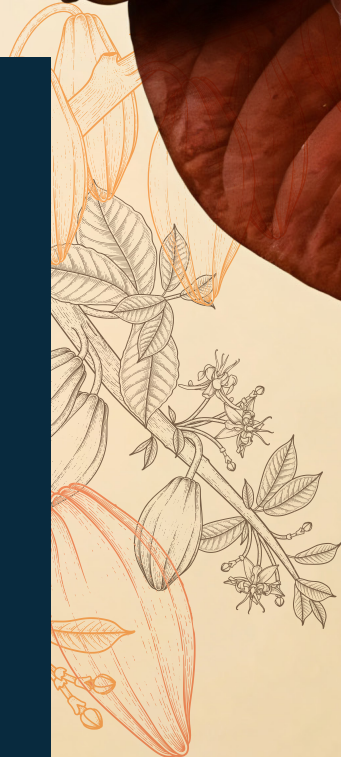




COCOA MARKET REPORT

February 2025

International
Cocoa Organization





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It seems cocoa futures price movements during the month under review followed the saying that 'what goes up must come down' as prices followed a downward trend (Figure 1). It is worth pointing out that this report covers the month of February 2025 - five months into the current cocoa year.

How record prices affected supply and demand

Record prices for the past several years on the one hand have been accompanied by investments in cocoa farms. The results are now being seen in improved output from producing countries. Year-on-year arrivals data from top producer Côte d'Ivoire reported by LSEG indicated that arrivals at Ivorian ports by 9 March 2025, were up by 14.8% to 1.4 million tonnes as compared to the same period a year ago. For Ghana, graded and sealed cocoa at warehouses was reported to be nearing 550,000 tonnes as at end of January 2025. This figure is already above the country's total production data for the 2023/24 season, which was estimated at 530,000 tonnes. Production in other leading exporting countries have been reported to be following an upward trend, too.

On the other hand, cocoa demand has been pressured down from high cocoa prices with most major manufacturers reporting financial challenges in terms of operational costs. In February, Mondelez reported 'unprecedented cocoa cost inflation'¹. Similarly, Hershey reported that it 'expect the surge in cocoa prices to put significant pressure on 2025 earnings'². With high input costs, manufacturers are likely to tilt towards raising the prices of their products which could consequently increase their sales values but decrease their sales volumes. This is because the price increases of products could lead consumers to engage more in discretionary spending and cut off the purchases of some items which may include certain confectionery. Moreover, the major consuming regions face macroeconomic uncertainty amid tariffs

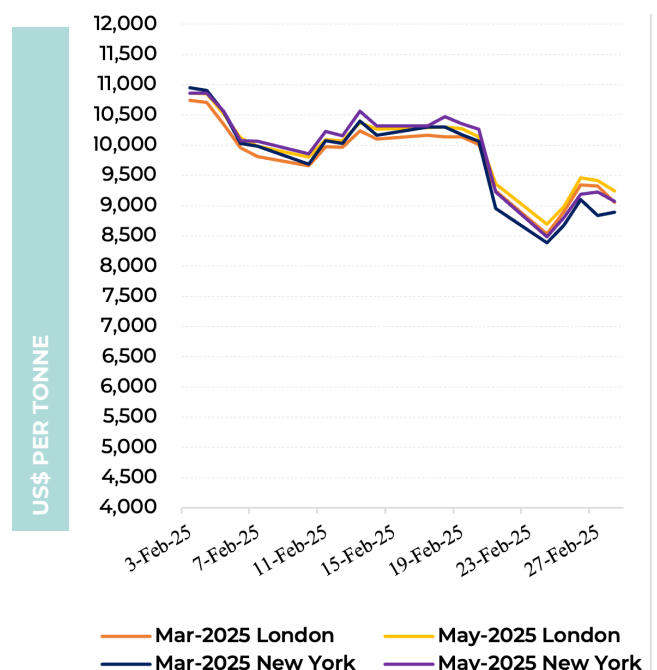
imposition among themselves - with the United States championing tariffs application.

Price movements

Compared to prices in February 2024 (Figure 2), prices of February 2025 moved in an opposite direction. While the cocoa futures price structure in February 2024 was in backwardation as tight supplies prevailed at the time, for February 2025 the price structure switched to a contango form in both markets. This can be viewed as a sign that for the month under review, supply was not a major issue for the cocoa market.

FIGURE 1.

Prices of the MAR-2025 and MAY-2025 futures contracts on the **London (ICE Futures Europe)** and **New York (ICE Futures U.S.)** markets (at London close)



¹ <https://ir.mondelezinternational.com/news-releases/news-release-details/mondelez-international-reports-q4-and-fy-2024-results>

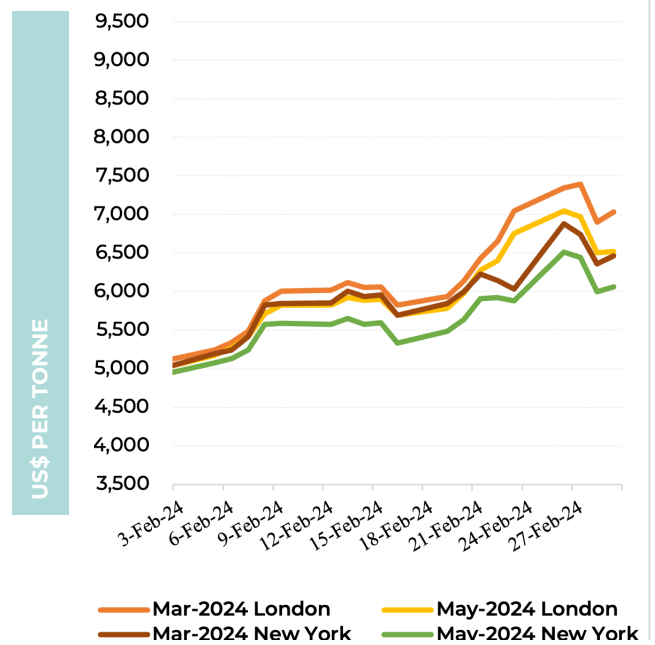
² https://www.thehersheycompany.com/en_us/home/newsroom/press-release/2025-02-06-Hershey-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results-Provides-2025-Outlook.html



During the first week of the month under review, cocoa prices for the nearby contract drifted downwards as rains in West Africa were reported to benefit crop development. Starting the month at a price of US\$10,747 in London and US\$10,952 in New York, by the end of the first week of February, cocoa prices had declined by 9% on both markets to US\$9,814 per tonne in London and US\$9,984 in New York. Moving to the second week of the month, prices virtually remained rangebound between US\$9,662 and US\$10,240 per tonne in London and between US\$9,690 per tonne and US\$10,397 per tonne in New York. By the end of the third week of February, prices were down to US\$9,248 per tonne in London and US\$8,951 per tonne in New York. Reports of weakening demand and favourable weather conditions were attributed to the price decline. By the last week of the month, as shown in **Figure 1**, prices rebounded but not to the levels seen at the start of the month. Reports of a slowdown in the pace of cocoa exports from Côte d'Ivoire was a supportive factor for prices. It should be noted that a slowdown in exports does not mean a decline in arrivals.

FIGURE 2.

Prices of the MAR-2024 and MAY-2024 futures contracts on the London (**ICE Futures Europe**) and New York (**ICE Futures U.S.**) markets (at London close)



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