



COCOA MARKET REPORT

August 2025

International
Cocoa Organization



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During August, prices of cocoa futures contracts experienced a rally in the first half of the month before reversing course in the latter half (**Figure 1**). Although nearby contracts remained in backwardation for both August 2025 and August 2024 (**Figure 2**), the spread observed in August 2025 was narrower than what was recorded a year ago. Despite ongoing production challenges in major cocoa producing countries particularly in West Africa, a sense of cautious optimism regarding the upcoming 2025/26 main crop began to emerge around mid-August. This shift in sentiment may have contributed to the easing of backwardation observed in August 2025.

FIGURE 1.

Prices of the first and second futures contracts on the London (ICE Futures Europe) and New York (ICE Futures U.S.) markets (at London close) in August 2025

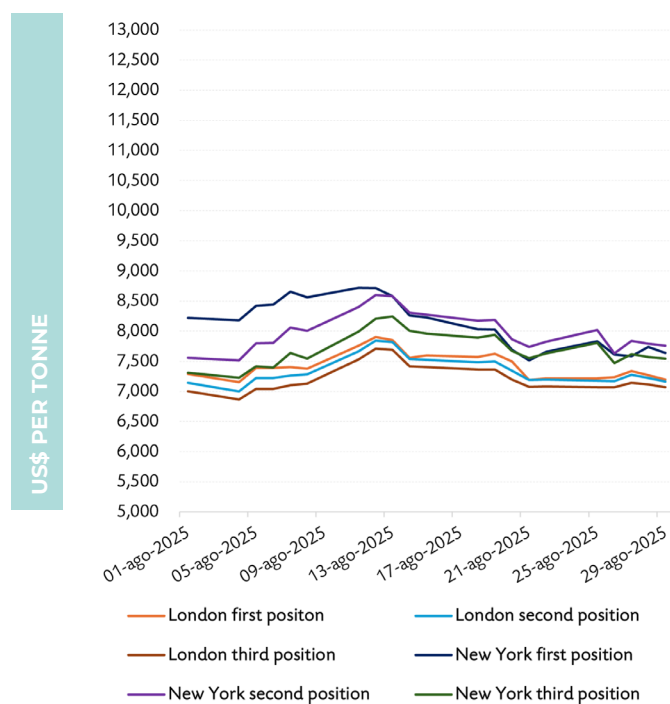
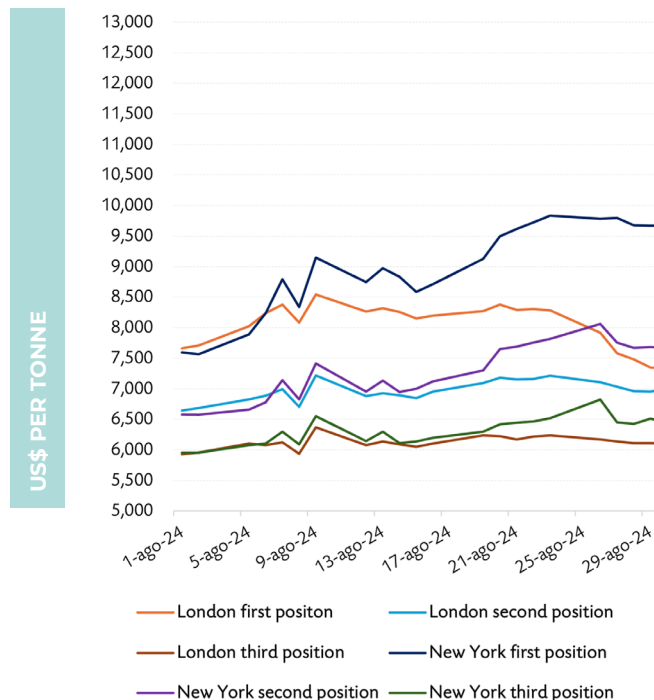


FIGURE 2.

Prices of the first and second futures contracts on the London (ICE Futures Europe) and New York (ICE Futures U.S.) markets (at London close) in August 2025



Price movements

Cocoa prices started the month at US\$7,285 per tonne in London, climbing 8% by the second week of the month to reach US\$7,901 per tonne. In New York, prices mirrored a similar trajectory, by starting at US\$8,220 per tonne and rising by 6% to US\$8,721 per tonne. These gains were driven by persistent structural and quality concerns affecting the 2024/25 mid-crop. It was also compounded by fears over inadequate weather conditions in July 2025 and their potential impact on crop survival for the upcoming 2025/26 season.



However, the momentum faded in the second half of the month, with prices retreating amid subdued market activity. Weak demand further weighed on the market, as reflected in disappointing Q2.2025 grindings data released by the major regional cocoa associations. Notably, Asia, long viewed as an emerging consumption hub posted a steep decline of -16.3%, marking its lowest quarterly grindings figure in eight years. Several years of elevated cocoa prices have placed pressure on manufacturers, and consequently, on the final consumers of the finished products.

Against the backdrop of weak cocoa demand and guarded optimism about the 2025/26 main crop, prices closed the month significantly lower than their mid-month peaks. On the final trading day for the month, compared to the month's maximum price, London prices fell by 9% from US\$7,901 per tonne to US\$7,191 per tonne while New York prices dropped 12% from US\$8,721 per tonne to US\$7,635 per tonne.

At the time of writing this report, the US government had issued an executive order on 8 September 2025, making it possible to exempt cocoa from existing tariffs introduced under the Trump administration. The order clarified that products that cannot be grown, mined, or naturally produced in the US or are unavailable in adequate quantities to satisfy domestic demand could qualify for zero-tariff treatment¹.

While this may have helped ease concerns over inflated import costs, the cocoa market remains subject to a complex interplay of supply issues (including challenges such as weather and diseases), trade policies and market responses. These are some factors that would shape the cocoa market situation in the upcoming season.

¹ <https://www.just-food.com/news/new-trump-tariff-exemptions/>



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