COCOA MARKET REPORT

September 2025

International
Cocoa Organization

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Driven by improving expectations for the 2025/26 main crop, the downward trend in cocoa prices observed in August was extended to September 2025. Market participants began pricing in a more favourable supply outlook, which contributed to the decline in futures prices.

By mid-September, the SEPT-25 contract had expired, and the DEC-25 contract, which reflects pricing for the upcoming 2025/26 main crop, became the nearby contract. This transition marked a shift in market focus from the tail end of the 2024/25 season to the positive prospects of the new crop year. As illustrated in **Figure 1**, the nearby London cocoa futures contract fell by 11%, dropping from US$7,171 per tonne at the start of the month to US$6,357 per tonne by month-end. A similar trend was observed in New York, where the nearby contract declined from US$7,528 to US$6,735 per tonne, also an 11% decrease.

FIGURE 1.

Prices of the SEPT-25, DEC-25 and MAR-26 cocoa futures contracts on the London (ICE Futures Europe) and New York (ICE Futures U.S.) markets (at London close) in September 2025

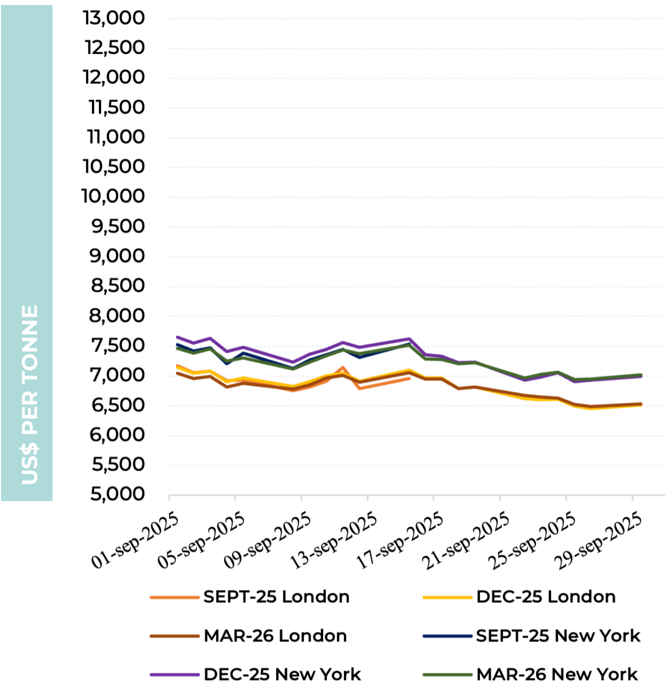
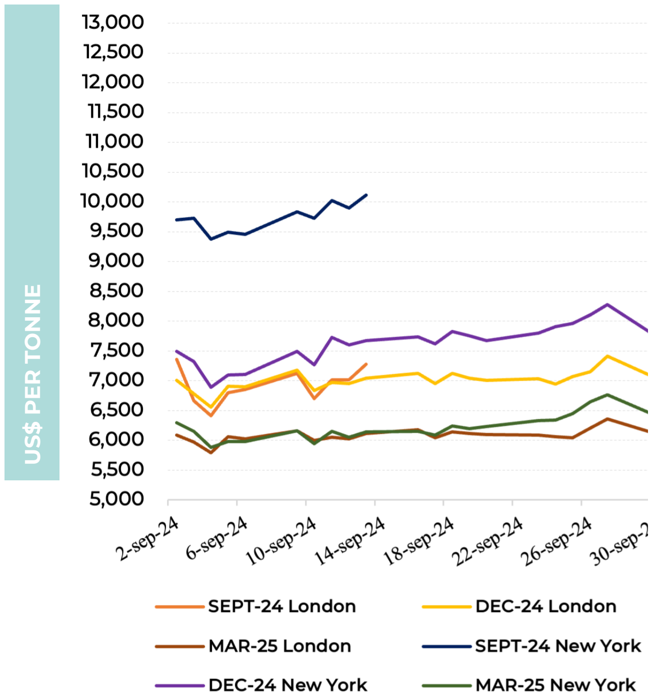


FIGURE 2.

Prices of the SEPT-24, DEC-24 AND MAR-25 cocoa futures contracts on the London (ICE Futures Europe) and New York (ICE Futures U.S.) markets (at London close) in September 2024



In contrast, September 2024 was marked by heightened volatility and pronounced backwardation as the SEPT-24 contract expired and the DEC-24 contract became the nearby contract amid supply concerns for the 2024/25 season. In New York, prices peaked at US$10,116 per tonne prior to the SEPT-24 contract's expiration. In London, prices fluctuated between US$6,412 and US$7,417 per tonne (**Figure 2**).

This comparison highlights the more stable and bearish sentiment in September 2025, driven by improved crop expectations, versus the supply-driven volatility of the previous year.

What's Driving the Recent Decline in Cocoa Prices?

The current bearish correction in cocoa prices is largely attributed to an improved global crop outlook for the 2025/26 season. The risk of another production downturn has eased, supported by several key factors which include:

Expansion of production in Ecuador

Ecuador has emerged as a major growth engine for global cocoa supply. The country's market-driven pricing has enabled farmers to benefit from years of elevated prices, spurring investment in cocoa farming. Yields are estimated at 800 kg per hectare, surpassing the West African average. Output is currently around 570,000 tonnes and assuming stable conditions, projections could exceed 600,000 tonnes in the coming years.

Improved weather condition in West Africa

Favourable rainfall coupled with other conducive weather conditions during the third quarter of 2025 has enhanced crop prospects in Côte d'Ivoire and Ghana. While the expected production increase is modest, it contributes to the overall positive outlook.

Higher farm gate prices

Elevated farm gate prices are expected to incentivize farmers and boost productivity. Côte d'Ivoire has set a historic high of 2,800 CFA/kg (US$5.00/kg) for the 2025/26 season, as part of its policy to support farmers and stabilize the market. Ghana followed suit, announcing a farm gate price of 58,000 Ghana cedis per tonne (US$4.64/kg), effective 3 October 2025 and aimed at aligning with Côte d'Ivoire's price hike.

Caution: Surplus Outlook Comes with Caveats

While a global production surplus is anticipated for the 2025/26 season, it is not solely driven by increased output. Demand for cocoa has weakened, and recovery remains sluggish following the price spikes of previous years.

Moreover, structural challenges persist in West Africa, the world's primary cocoa-producing region.

Supply continues to be constrained by:

- Aging cocoa trees
- Persistent crop diseases
- Escalating climate-related risks

These factors underscore the need for cautious optimism regarding the supply outlook for the months ahead.

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