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Country: Cote d'Ivoire

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Prepared By: Isaac Yao, Agricultural Specialist, Mariano J. Beillard, Regional Agricultural Counselor, Jeffrey D. Galloway, Regional Agricultural Attaché, and Joshua Taylor, Agricultural Specialist

Approved By: Mariano Beillard, Regional Agricultural Counselor

Report Highlights:

FAS Abidjan, Accra (Post) foresees Ivorian cocoa bean production in market year (MY) 2024/2025 (October-September) climbing upwards towards 1.8 million metric tons (MMT, improving by over 2 percent from the MY 2023/2024 season's 1.76 MMT production figure. Press reports point to the MY 2023/2024 season being 24 percent down compared to the earlier MY 2022/2023 season's production of 2.3 million MT due to poor weather. The MY 2024/2025 cocoa season is facing challenges, that impact domestic production. Heavy rainfall throughout September and October 2024, facilitated the spread of brown rot fungal disease (attributed to the fungus *Phytophthora megakarya*) in the country's western and southwestern production regions, potentially affecting yields. Since December 2024 and now into February 2025, Harmattan winds with a lack of suboptimal rainfall is raising concerns with cocoa farmers, who fear a repetition of the previous season's unfavorable growing conditions.

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EXECUTIVE SUMMARY

Côte d’Ivoire is the world’s top cocoa bean (known also as “cocoa” or “cacao”) producer. The cocoa bean is the dried and fully fermented seed of the cacao tree (*Theobroma cacao*). The resulting product is ground and pressed to separate cocoa solids and cocoa butter, which is used in chocolate and cosmetics

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Towards the beginning of the current season, the Government of Côte d’Ivoire’s forecast figures for MY 2024/2025 cocoa bean production were between 2.1 to 2.2 MMT, representing an increase of 25 percent compared to the previous season. Influencing the rosier outlook then were cocoa exports rising by 35 percent in December 2024, compared to the same period the previous year.

Although MY 2024/2025 forecasts were initially more optimistic, as the season is progressing the crop is entering a period of lower expectations due to a repeat of less than favorable weather and poor crop conditions. Since December 2024 and into February 2025, Harmattan winds with a lack of rainfall are raising cocoa farmers concerns, who fear a repetition of the previous MY 2023/2024 season’s unfavorable growing conditions. Less than favorable climatic fluctuations this current season have the potential to undermine production. Although some rains returned in mid-February 2025, leading to renewed hopes for a better MY 2024/2025 main crop harvest (October to March), the volume is not as good as hoped for. As such, the next couple of months will be critical to determining the outcome of the MY 2024/2025 season.

Cocoa prices have reached record highs due to low supply, pushing buyers to find new ways to secure stocks. European Union deforestation-free products regulations are being implemented on December 30, 2025, for large- and medium-size companies and June 30, 2026, for micro- and small-size enterprises.

Côte d’Ivoire’s cocoa sector plays a crucial role in the global supply chain, but declining production threatens its global producer leadership, as well as the livelihoods of its farmers. Market fluctuations, deforestation, and sustainability pressures further add to the challenges. Côte d’Ivoire needs to act to restore its aging cocoa plantations and address the spread of crop disease to increase yield output and improve long-term production stability.

COMMODITY

COCOA

Table 1. Côte d'Ivoire: Commodity, Cocoa, Production-Supply-Distribution (PSD)

| Cocoa | 2022/2023 | 2023/2024 | 2024/2025 |
|---|--------------|--------------|--------------|
| Market Year Begins | October 2022 | October 2023 | October 2024 |
| Côte d'Ivoire | Post | Post | Post |
| Area Planted (1000 HA) | 4715 | 4792 | 4800 |
| Area Harvested (1000 HA) | 4385 | 4457 | 4464 |
| Bearing Trees (Millions) | 4385 | 4457 | 4464 |
| Non-Bearing Trees (Millions) | 487 | 495 | 496 |
| Total Tree Population (Millions) | 4872 | 4952 | 4960 |
| Beginning Stocks (1000 MT) | 280 | 235 | 244 |
| Total Bean Production (1000 MT) | 2300 | 1760 | 1800 |
| MY Total Bean Imports (1000 MT) | 0 | 0 | 0 |
| Total Supply (1000 MT) | 2580 | 1995 | 2044 |
| MY Total Bean Exports (1000 MT) | 1445 | 974 | 1100 |
| Domestic Grinding (1000 MT) | 900 | 777 | 800 |
| Domestic Consumption (1000 MT) | 41 | 35 | 36 |
| Ending Stocks (1000 MT) | 235 | 244 | 144 |
| Total Distribution (1000 MT) | 2580 | 1995 | 2044 |
| Yield (MT/HA) | 0.52 | 0.39 | 0.40 |
| (1000 HA), (1000 MT), (MT/HA) | | | |
| MY = Market Year, begins with the month listed at the top of each column. | | | |

PRODUCTION

FAS Abidjan, Accra (Post) foresees Ivorian cocoa bean production in market year (MY) 2024/2025 (October-September) climbing to 1.8 million metric tons (MMT), improving by over 2 percent from MY 2023/2024 season's 1.76 MMT production figure. Press reports point to MY 2023/2024 production being 24 percent lower compared to 2.3 MMT produced in MY 2022/2023 primarily due to poor weather.

The Government of Côte d'Ivoire, at the beginning of the season forecast cocoa bean production for MY 2024/2025 to be between at 2.1 to 2.2 MMT, representing an increase of 25 percent compared to the previous season. Influencing the rosier outlook then were cocoa exports rising by 35 percent in December 2024, compared to the same period the previous year. From the beginning of the season through January 2025, Ivorian farmers reportedly moved some 613,000 metric tons (MT) of cocoa beans to the main export ports of Abidjan and San Pédro, an increase by volume of over 19 percent compared to last year.

Bets were being placed on Ivorian cocoa production figures improving on the possibility of better weather and more favorable growing conditions coming about in mid-February 2025, for MY 2024/2025 main crop season (October to March). Some heavier rainfall did move in earlier this February, raising hopes but the rainfall volume is coming in a bit shallow. Some analysts estimate Côte d'Ivoire's mid-crop cocoa harvest to be 300,000 MT, down 40 percent; compared to historical production averages of

500,000 MT.¹ As such, the next couple of months will be critical to determining the outcome of production for MY 2024/2025.

So, What's Going On: The Ivorian cocoa season for MY 2024/2025 is facing potentially compounding challenges that may impact domestic production. Heavy rainfall throughout September and October 2024 increased the spread of brown rot fungal disease (attributed to the fungus *Phytophthora megakarya*) in the country's western and southwestern producing regions, potentially affecting yields. Since December 2024 and now into February 2025, Harmattan winds with a lack of rainfall have increased fears of lower production levels from unfavorable growing conditions. Less than favorable climatic fluctuations this season have the potential to undermine production and cause a repeat of previously observed declines in production.

In MY 2023/2024 the decrease production is attributable to a combination of factors impacting local production, as well as output in neighboring Ghana (i.e., the world's second largest cocoa producer following Côte d'Ivoire). Key factors include adverse, disruptive weather conditions combined with a growing frequency of plant disease and infestation plaguing ageing cocoa plantations. The production decline is impacting the entire cocoa value chain, affecting not just producers but also exporters and by extension global markets. Côte d'Ivoire and Ghana combined, account for nearly two-thirds of global cocoa production; with cocoa being the main ingredient in chocolate, confectionary, cosmetics, skincare products and more.

Ivorian Cocoa Production, the Start: Although cocoa cultivation has been taking place in Côte d'Ivoire since the late nineteenth century colonial period, it is only after independence from France in 1960, that large-scale production commenced. The newly independent Ivorian government's early policies promoted the conversion of vast tracks of land into cocoa plantations, stimulating the cocoa sector's takeoff.

What's Impacting Cocoa Bean Production: Recent production seasons are evidencing an ongoing drop in output. The drop in production numbers is driving cocoa prices to record highs. Adverse weather conditions, during a wetter than normal El Niño-Southern Oscillation (ENSO) period, has recorded excessive rainfall downpours in May to June 2023.² Heavier than normal rainfall in MY 2023/2024 resulted in extensive flooding, facilitating in turn the spread of brown rot; resulting in yield reductions of 21-25 percent.³

¹See, Voice of America (VOA) News, "Chocolate Industry Braces as Ivory Coast Expects Dire Cocoa Crop." Located at: <https://www.voanews.com/a/chocolate-industry-braces-as-ivory-coast-expects-dire-cocoa-crop/7948916.html>.

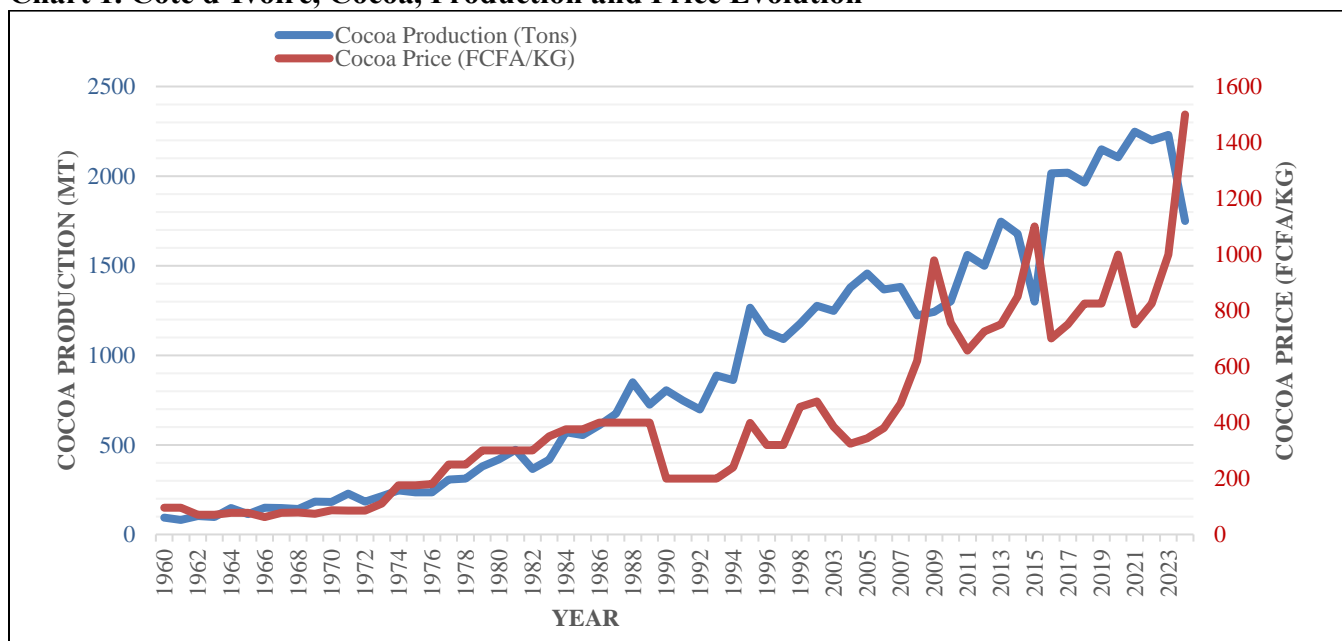
² El Niño and La Niña are climatic patterns in the Pacific Ocean that can affect weather patterns worldwide. Under normal conditions, trade winds in the Pacific Ocean blow west along the equator, taking warm water from South America towards Asia. Cold water upwells from the ocean's depth to replace warmer waters displaced westward. However, during an El Niño period, westerly trade winds weaken; warmer waters pushed eastwards towards the west coast of the America's. El Niño and La Niña are two opposing climate patterns that break these normal conditions. El Niño and La Niña impact weather on a global scale, leading to higher incidences of wildfires and disrupting ecosystems and economies. Episodes of El Niño and La Niña last nine to 12-months but can sometimes last for years. El Niño and La Niña events occur every two to seven years, on average, but they do not occur on a regular schedule. El Niño episodes tend to occur with greater frequency than La Niña ones. See, National Oceanic and Atmospheric Administration (NOAA)/ National Ocean Service, "What are El Niño and La Niña," located at: <https://oceanservice.noaa.gov/facts/ninonina.html>.

³ <https://finimize.com/content/ivory-coast-cocoa-faces-quality-crunch-under-heavy-rains>.

Erratic rainfall patterns and increased temperatures in tropical West Africa has caused moisture stress and inhibited the growth of cocoa flowers and pods. Less predictable weather is exacerbating the spread of pests and diseases, making it difficult for Ivorian farmers, as well as those next door in Ghana, to maintain optimal crop yields. Compounding the situation there has been an increase in periods of prolonged drought, worsened by the yearly Harmattan season’s dry and dusty northeasterly trade winds.⁴

The cocoa crop is highly sensitive to weather changes. With warmer weather in the forecast, pest incidence and disease in cocoa pods will continue - undermining the livelihoods of Ivorian and Ghanaian cocoa farmers alike.

Chart 1. Côte d’Ivoire, Cocoa, Production and Price Evolution



Note: FCFA = West African CFA (*Communauté Financière Africaine* – African Financial Community); ISO currency Code XOF.

Source: PENDATA Côte d’Ivoire located at: <https://data.gouv.ci/>; FAS Abidjan, Accra office research.⁵

Too Much of a Good Thing: In 2020, Côte d’Ivoire’s [Coffee-Cocoa Council](#) (*Conseil du Café-Cacao-Côte d’Ivoire* – CCC), discontinued the production and distribution of new, improved cocoa plants and suspended the renewal of plantations. Reportedly the determination to halt the distribution of new, improved cocoa plants was taken ultimately to better regulate cocoa productive output as a means of influencing global market prices.⁶ The goal then was to lower production, stabilizing cocoa harvest numbers at 2.0 MMT. Côte d’Ivoire, along with Ghana, account for over 60 percent of global cocoa

⁴ The Harmattan season occurs in West Africa between November and mid-March. It is a dry and dusty northeasterly trade wind (i.e., composed of fine dust and sand particles measuring 0.5 to 10 microns) blowing across the Sahara Desert and over West Africa into the Gulf of Guinea. The Harmattan blows during the Coastal West African region’s dry season, coincides with the months with the lowest sun. During the Harmattan season, the subtropical ridge of high pressure stays over the central Sahara and the low-pressure Intertropical Convergence Zone (ITCZ) lingers over the Gulf of Guinea.

⁵ See, PENDATA, located at: <https://data.gouv.ci/datasets/exportindicateurs/full>.

⁶ See, “*Cacao: la Côte d’Ivoire veut bloquer sa production à 2 millions de tonnes - Jeune Afrique*”, located at: <https://www.jeuneafrique.com/802092/economie-entreprises/cacao-la-cote-divoire-veut-bloquer-sa-production-a-2-millions-de-tonnes/>.

production. Since the beginning of MY 2024/2025, Côte d’Ivoire’s Coffee-Cocoa Council has reversed their strategy and has resumed distribution of new, improved cocoa plants.⁷

Farm productivity and profitability are taking a hit, evidencing a steady decline in yields coinciding at a time in which orchard replacement is increasingly necessary. It is estimated that about a quarter of Côte d’Ivoire’s cocoa trees are over 30-years of age, surpassing their optimal commercially productive years.⁸ Farmers, to maintain adequate yields, are increasing fertilizer and pesticide applications.

Plant Disease Crisis: The Ivorian cocoa sector is facing a severe plant disease crisis with the spread of the Cocoa Swollen Shoot Virus (CSSV).⁹ The virus is impacting production in eleven of the thirteen main cocoa-producing regions. Past disease mitigation efforts have led to tree uprooting in over 100,000 hectares of plantation area.¹⁰

Declining Soil Fertility: Intensive monoculture, combined with deforestation is leading to soil productivity declines in several of Côte d’Ivoire’s cocoa production areas. Regional reports note productivity has decreased by 30-50 percent. Indications are that farmers’ excessive recourse to chemical fertilizers, combined with a lack of agroforestry management, is accelerating soil degradation.

CONSUMPTION – DOMESTIC GRINDING AND CONSUMPTION

Post, foresees Ivorian consumption in MY 2024/2025, increasing 2.9 percent to 800,000 MT. This represents a recovery from 777,000 MT observed in MY 2023/2024; however, there is still a significant decrease when compared to 900,000 MT observed in MY 2022/2023. The bulk of domestic grinding, about 95 percent (i.e., some 764,000 MT in MY 2024/2025) goes to exports.

Local Cocoa Processing and Value Addition: Côte d’Ivoire aims to increase local cocoa processing to capture more value-added for cocoa. In MY 2020/2021, Côte d’Ivoire became the world’s largest cocoa grinder with a capacity of more than 620,000 MT. In January 2023, the Ivorian government and industry stakeholders set out to increase construction of new processing facilities with the long-term goal of processing 50 percent of all cocoa produced in Côte d’Ivoire; equivalent to 1.1 MMT. Several major investments have contributed to this growth. Cocoa bean grinding on average result is 55 percent cocoa butter and 45 percent powder (of which 10 percent is used in confectionary and beverage manufacture).

In 2021, Cargill had already completed a \$100 million expansion of its facilities in Yopougon, making this plant one of the largest cocoa grinding units in Africa. In 2023, the Malaysian company Guan Chong Berhad (GCB), finished construction of a 60,000 MT cocoa grinding plant.

⁷ See, Coffee-Cocoa Council, located at: <https://www.cocoainitiative.org/about-us/our-members/conseil-du-cafe-cacao-cote-divoire>.

⁸ See, Alliance Bioversity & CIAT CGIAR, “The Status of Research in the Field,” located at: <https://alliancebioversityciat.org/projects/collaborative-framework-cacao-evaluation/status-research-field>.

⁹ Cacao swollen shoot virus (CSSV) is a plant pathogenic virus of the family *Caulimoviridae*. It infects cacao trees (*Theobroma cacao*), decreasing yields within the first year of infection, normally killing trees within a couple of years. The virus is transmitted from tree-to-tree by mealybug vectors (i.e., of the family *Pseudococcidae*, that are unarmored scale insects found in moist, warm habitats). Symptoms vary by strain, but leaf discoloration, stem/root swelling, and die-back are the key characteristics. Discovered initially in 1936 in Ghana, CSSV is endemic in Togo, Ghana, and Nigeria.

¹⁰ See, PYHS.ORG, “I. Coast to Destroy Cocoa Trees in Fight Against Virus,” located at: <https://phys.org/news/2018-06-icoast-cocoa-trees-virus.html>.

This shift toward local Ivorian processing aligns with broader sustainability goals and economic policies, complementing efforts to make cocoa production more responsible and environmentally friendly. Despite efforts to develop an indigenous Ivorian chocolate industry, domestic consumption is low. The bulk of domestic consumption, resulting from domestic grinding of the cocoa beans into liquor that is fractioned out into butter and cake (and into powder by pulverization) is exported. Less than 5 percent is estimated to go into the local production of confectionary products and inclusion in beverages.

The Ivorian Cocoa Sector, Its Structure and Market Players: The Ivorian cocoa sector includes upwards of 1.2 million small-scale farmers. These farmers typically cultivate plots ranging in size from 1.5 to 5 hectares. These producers form the backbone of the cocoa industry, growing cocoa often under challenging climatic, economic, and social conditions.

To mitigate challenges, many farms are organized into cooperatives, which play a crucial role in the marketing, certification, facilitation, and structuring of the cocoa trade. These cooperatives provide access to agricultural inputs along with training and structured markets; all of which are geared to assisting farmers secure better prices for their crop production.

Ivorian cocoa is exported primarily to the European Union, the United States, and Asia. Large multinational corporations, including the likes of Barry Callebaut, Cargill, Olam, ECOM, Touton, and Sucden (*Sucres et Denrées*), play leading roles in the global cocoa supply chain. Leveraging their extensive logistical networks and financial resources, these firms purchase cocoa directly from cooperatives and local markets before processing or distributing it worldwide.

Also competing are smaller Ivorian exporters; that strive to increase their market share. Although they currently account for a small portion of the market, they benefit from government incentives that mandate 150,000-200,000 MT or 7-10 percent of the total harvest of cocoa per season be purchased by local Ivorian companies.¹¹

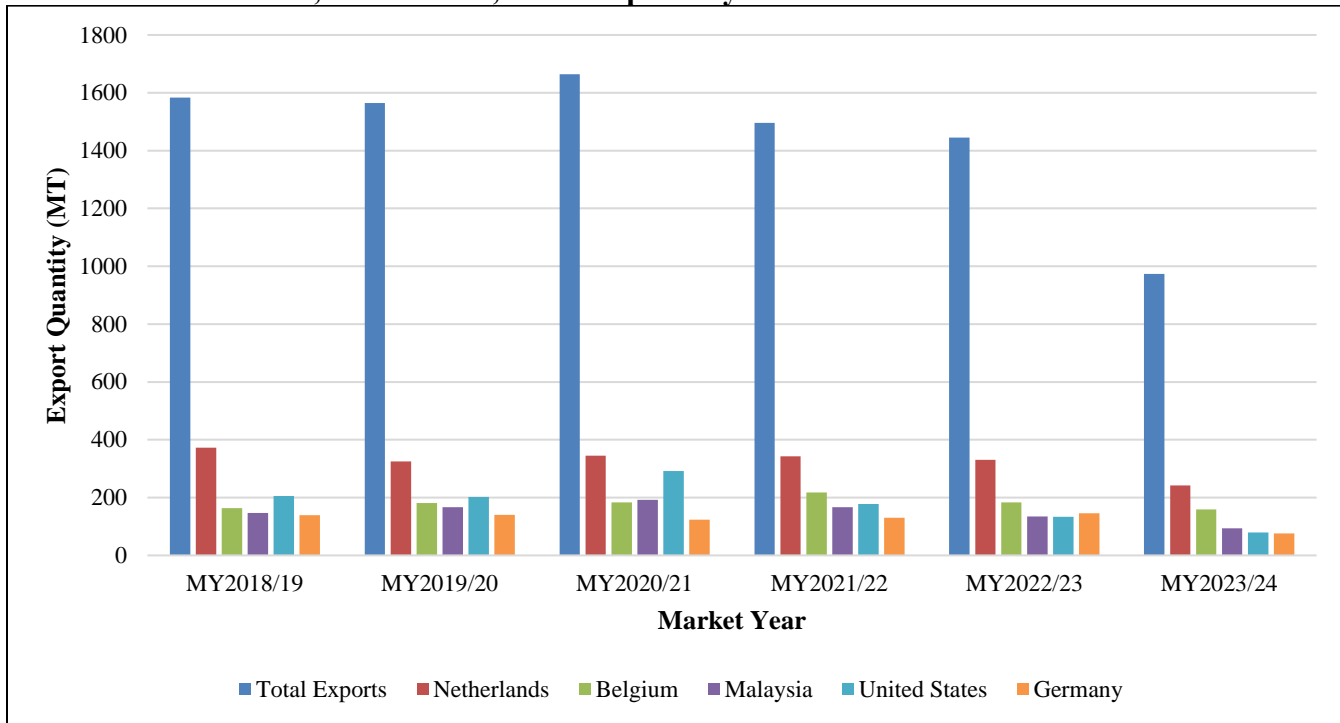
Private Sector Initiatives for Sustainable Cocoa: Major cocoa sourcing companies and chocolate and confectionary food manufacturers are implementing sustainability programs to improve cocoa farming conditions and ensure supply chain resilience. For example, Cargill (the American multi-national based in Minnetonka, Minnesota) implemented the Cargill Cocoa Promise initiative, which trains farmers in sustainable techniques, provides access to credit, and helps cooperatives strengthen their operations through innovative agricultural technologies.

TRADE

Exports: Early MY 2024/2025 figures indicate a recovery in Ivorian cocoa bean (harmonized system - HS 1801) exports. Post foresees Ivorian cocoa bean export to reach 1.1 MMT in MY 2024/2025, up 12.9 percent from 973,594 MT observed in MY 2023/2024. This represents a rebound from the previous season but remains lower than MY 2022/2023 exports of 1.44 MMT. Similarly, cocoa butter (HS 1804) exports are showing signs of recovery. Post estimates cocoa butter exports to rise by over 15 percent, to 141,000 MT in MY 2024/2025, up from 122,415 MT observed in MY 2023/2024.

¹¹ See, Reuters, "Ivory Coast Increases Support for Cocoa Exporters, Say Sources," located at: <https://www.reuters.com/markets/commodities/ivory-coast-increases-support-cocoa-exporters-say-sources-2024-08-23/>.

Chart 2: Côte d’Ivoire, Cocoa Bean, Total Exports by Market Year



Source: Trade Data Monitor (TDM); FAS Abidjan, Accra office research.

In MY 2023/2024, Côte d’Ivoire’s top five cocoa bean destinations include: 1) Netherlands (241,478 MT); 2) Belgium (158,734 MT); 3) Malaysia (93,493 MT); 4) United States (79,531 MT); and 5) Germany (76,429 MT).

What Cocoa Products are Exported: Post finds the cocoa sector remains dominated by the export of semi-finished products. Processed cocoa beans, cocoa butter, cocoa powder, and cocoa liquor (also known as chocolate liquor) represent around 97 percent of exports.¹² While finished chocolate products represent around 3 percent of exports. The differentiated Single Export Duty (DUS), introduced back in 2017 until the end of 2024, played a key role in this export composition by exempting finished chocolate (zero percent tax) and applying reduced rates for powder (9.6 percent), butter (11 percent), and paste (13.2 percent), while maintaining a high level for raw beans (14.6 percent). In December 2024, the differentiated DUS was abolished, aligning all products to a uniform rate of 14.6 percent. This decision is part of an agreement with the International Monetary Fund (IMF) aimed at increasing tax revenues. Thanks to this mechanism, investments in processing has surged by 58 percent between 2020 and 2025. Companies, such as chocolate manufacturer CEMOI (Cémoi Group) support cooperatives in artisanal chocolate production, seeking to develop an Ivorian chocolate market. However, the sector remains dependent on exports to sustain its economy profitability.

Exports, Cocoa Pricing: Through mid-February 2025, dry weather conditions in West Africa’s top producer Côte d’Ivoire have influenced cocoa futures markets; keeping these above \$10,000/MT. More recently, with heavy rains returning of late, Ivorian cocoa bean farmers are hopeful that improved

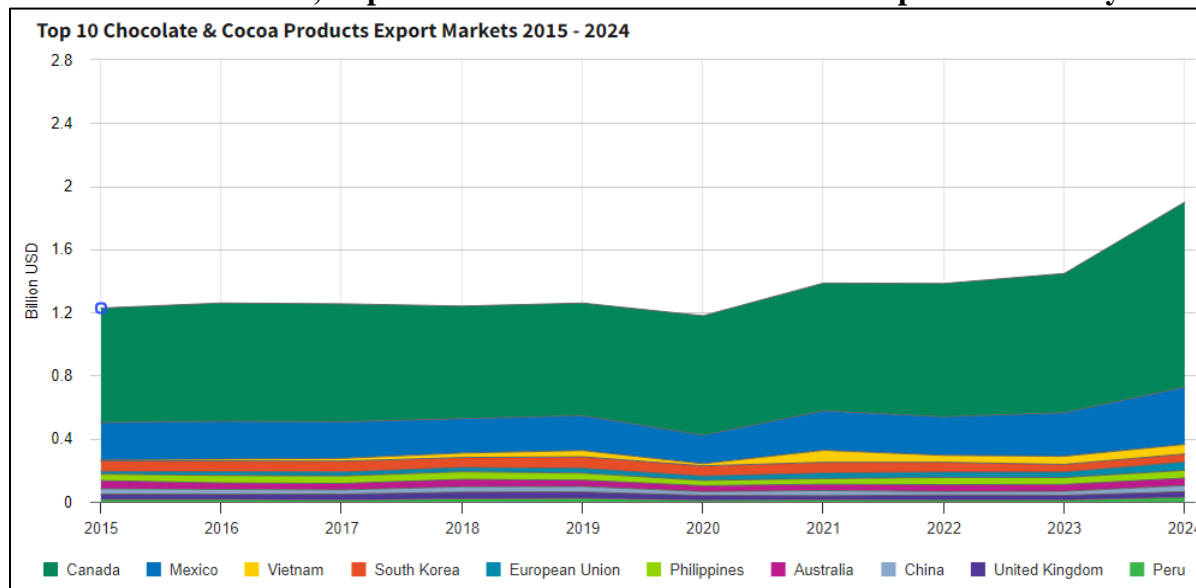
¹² Cocoa liquor, paste, or mass, is pure cocoa in liquid or semi-solid form. It is produced from fermented cocoa bean nibs that have been dried, roasted, and separated from their skins.

growing conditions will reinvigorate their trees in time for the April-to-September mid-crop harvest. Reportedly, earlier poor rainfall volumes were impeding cocoa tree flowering. Concerns raised have been that without a return to more adequate rainfall going forward, the season’s mid-crop could result in a slow start, raising concerns of potential cocoa bean shortages this coming April.

A drop in supply due to earlier unfavorable climatic conditions in MY 2024/2025, has led to a significant rise in cocoa prices on international markets. On December 6, 2024, cocoa prices reached \$10,092/MT, the highest level since June of the same year. The increase highlights market concerns over global supply, particularly due to reduced stockpiles in the United States. Reportedly cocoa bean stocks arriving at U.S. ports fell by 52 percent between August 2023 and August 2024, reaching their lowest level since 2004.¹³ Some U.S. chocolate manufacturers are exploring alternative sources of supply, at a time when pressure on global cocoa stocks is high. Post understands that with declining reserves, the market is becoming more volatile, further disruptions have the potential to drive prices upwards.

Exports of U.S. Chocolate and Cocoa Products: The United States is one of the top three exporters of chocolate and candy products worldwide. In calendar year (CY) 2024 (January-December), U.S. exports of chocolate and cocoa products to the world were \$2.36 billion. Between 2015 and 2024, U.S. exports had a compound average growth rate of 3.1 percent, with a three-year average of \$2.04 billion. By volume, U.S. exports in CY 2024, hit 421,848 MT.

Chart 3: United States, Top 10 Chocolate and Cocoa Products Export Markets by Year



Source: USDA/FAS, Chocolate and Cocoa Products.

In CY 2024, U.S. exports of chocolate products increased by nearly 24.5 percent to \$2.36 billion. In 2024, the top three U.S. export markets include: Canada (\$1.17 billion, up 32.9 percent); Mexico (\$362.6 million, up 31 percent and a record high); and Vietnam (\$60.9 million, up 18 percent and a record high).

¹³ See, Confectionery News, “Everything You Need to Know About Cocoa for the Year Ahead,” located at: <https://www.confectionerynews.com/Article/2024/10/07/Everything-you-need-to-know-about-cocoa-for-the-year-ahead/>.

Table 2: United States, Top 10 Chocolate and Cocoa Export Markets by Value (2024)

| | Market | Total Value (USD) |
|----|----------------|-------------------|
| 1 | Canada | \$1.17 Billion |
| 2 | Mexico | \$362.64 Million |
| 3 | Vietnam | \$60.97 Million |
| 4 | South Korea | \$51.89 Million |
| 5 | European Union | \$51.44 Million |
| 6 | Philippines | \$49.56 Million |
| 7 | Australia | \$46.89 Million |
| 8 | China | \$38.55 Million |
| 9 | United Kingdom | \$36.15 Million |
| 10 | Peru | \$28.5 Million |

Source: USDA/FAS, FAS Accra, Abidjan office research.

Imports: FAS Abidjan, Accra is not tracking Côte d’Ivoire as a known, official importer of cocoa beans, nor of cocoa butter.

STOCKS

Post foresees Ivorian cocoa bean ending stock to be 144,000 MT in MY 2024/2025, a decrease of 41 percent compared to 244,000 MT in MY 2023/2024.

POLICY

Cocoa Market and Regulatory Framework: The Coffee-Cocoa Council is the government body responsible for regulating the sector. It oversees several key functions, including setting farm-gate prices to ensure a minimum income for producers and monitoring trade flows and exports. Additionally, it ensures compliance with quality and sustainability standards while managing traceability and certification initiatives. Market interactions occur at different levels:

1. **Producers and cooperatives:** Cooperatives help farmers access better market opportunities and secure higher prices.
2. **Cooperatives and exporters:** Cooperatives facilitate cocoa trade by selling to major trading companies.
3. **Exporters and industries:** Exporters supply raw cocoa to industries, which process it for local or international markets.
4. **Private actors and CCC:** The Coffee-Cocoa Council regulates prices and ensures export compliance to maintain market stability.

Cocoa Pricing Policies in Côte d’Ivoire: After gaining independence in 1960, the Ivorian government played an activist role in setting cocoa prices, guaranteeing stable earnings for producers. However, structural reforms in the 1990s, under pressure from international financial institutions, led to a partial liberalization of the cocoa sector. The Coffee-Cocoa Council (established in 2011) now plays a key role in cocoa price regulation. As the governmental body responsible for sector oversight, it abandoned the liberalized system in favor of a forward-selling mechanism, where 70-80 percent of the harvest is sold in

advance through electronic auctions. The CCC sets a guaranteed minimum price for producers at the beginning of each season, but the process involves several steps.

The CCC pre-sells approximately 70-80 percent of the expected harvest before the main season begins. The guaranteed price for producers is then set at around 60 percent of the value of these forward sales. This mechanism ensures that producers receive a stable income, even if market prices fluctuate. This approach has led to a gradual increase in average prices, rising from XOF 176/kg (~\$0.29/kg) before 2011 to XOF 1,428/kg (~\$2.92/kg) between 2011 and 2023.¹⁴ For the MY 2024/2025 season, the farmgate price is set at XOF 1,800/kg (~\$2.89/kg), roughly a 20 percent increase compared to the mid-season prices during MY 2023/2024.¹⁵

Post understands that the Living Income Differential (LID), introduced in 2020, seeking to add \$400/MT to the cost-insurance-freight (CIF) price, has not fully met its objectives. The volatility of global prices and ineffective redistribution mean that, despite this mechanism, farmers are receiving only 53 percent of the CIF price in 2024.

The Ivorian pricing mechanism for cocoa significantly impacts farmers' incomes and the long-term sustainability of the sector. Despite progress, the current system struggles to balance income stability with market responsiveness. Coordination with Ghana and the effective implementation of the LID remain key challenges, while international pressure for sustainable cocoa production could influence future reforms. Sources inform that a more equitable and sustainable pricing structure could ultimately benefit not only Ivorian producers, but also the global cocoa economy.

Cocoa Production, Deforestation, and Sustainability: Sources comment that deforestation in Côte d'Ivoire is driven largely by cocoa expansion. According to [Trase Earth](#), nearly 80 percent of the country's deforestation between 2001 and 2014 is the result of cocoa farming activities.¹⁶ This deforestation results from various factors, including the conversion of forests into cocoa plantations, illegal logging, and weak regulatory enforcement. Sources report that to address these challenges, initiatives such as the Cocoa & Forests Initiative promote conservation and sustainability. These programs reportedly encourage sustainable agricultural practices, land rehabilitation, and reforestation, while aiming to restore 20 percent of the national forest cover by 2030. However, it is being commented that the rehabilitation process faces obstacles. Namely, the limited availability of improved planting material restricts large-scale replanting, while high rehabilitation costs further complicate efforts. Additionally, land pressure and conflicts over classified forests pose significant barriers to rehabilitating degraded lands and expanding agroforestry plantations.

Economic and Social Challenges in the Cocoa Sector: Notwithstanding agronomic and climatic constraints, the cocoa sector faces economic and social pressures. Price regulation and the socio-economic conditions of Ivorian producers are also at play. The policy of setting minimum prices, designed to ensure stable incomes for cocoa bean farmers, is criticized for its lack of flexibility in response to fluctuations in the global market. Going beyond local socio-economic, international regulatory frameworks are introducing additional complexities. In particular, the European Union's

¹⁴ Currency XOF CFA Franc 489.86 to \$1.00 ; January 1, 2011.

¹⁵ Currency XOF CFA Franc 623.00 to \$1.00; February 26, 2025.

¹⁶ See, Trase Earth, "[Exportations de cacao de Côte d'Ivoire et déforestation - Insights - Trase](https://trase.earth/insights/exportations-de-cacao-de-cote-d-ivoire-et-deforestation)," located at: <https://trase.earth/insights/exportations-de-cacao-de-cote-d-ivoire-et-deforestation>.

(EU) implementation of new traceability regulations, such as the European Union Deforestation-free Regulation (EUDR), set stringent standards that may exclude some small producers from the market due to increased certification requirements.¹⁷

Challenges and Compliance with EUDR: Côte d’Ivoire exports more than two-thirds of its annual production to the European Union. To combat deforestation, the EU is implementing the European Union Deforestation-free Regulation ([Regulation \(EU\) 2023/1115 on deforestation-free products](#)), prohibiting the placement of products on the market that originate from land deforested after December 31, 2020.¹⁸ In December 2024, [the European Union granted a 12-month additional phasing-in period](#), making the law applicable on December 30, 2025, for large- and medium-size companies and June 30, 2026, for micro- and small-size enterprises.¹⁹ The additional phase-in period provides Côte d’Ivoire, and other producer countries, additional time to comply with the new requirements.²⁰

Traceability is increasingly a key requirement for cocoa exports. By 2023, 82 percent of cocoa picked up by companies, that had signed sustainability agreements, was traceable back to the producer; ensuring better monitoring of farming practices and production conditions.²¹ Also, firms are adopting certification standards, such as the African Regional Standard for Sustainable Cocoa (ARS-1000). This standard, developed by the African Regional Organization for Standardization (ARSO), provides guidelines that support, environmental, social and economic sustainability in African cocoa production.²²

¹⁷ The regulation sets out criteria for which products can be classified as deforestation-free and requires companies to implement sustainable sourcing practices and traceability measures to ensure that their supply chains do not contribute to deforestation. According to the EUDR, commodities must be produced legally and deforestation-free. Traceability to the plot of land is necessary to demonstrate that there is no deforestation occurring at a specific location. The regulation requires that operators collect and provide in the due diligence statement geographic coordinates of the plots of land where the commodities were produced or harvested, which must then be submitted to the information system. Products that do not meet the traceability requirements may not be placed on the European Union market or exported. Traceability requirements apply to each batch of imported, exported or traded commodities. There is no exception for the traceability requirements via geolocation. See, European Commission, “Traceability and Geolocation of Commodities Subject to EUDR,” Located at: https://green-business.ec.europa.eu/deforestation-regulation-implementation/traceability-and-geolocation-commodities-subject-eudr_en and Global Traceability, “EUDR – How Can the EU Deforestation-free Regulation be Implemented and Complied With?” located at <https://www.global-traceability.com/en/eudr/#:~:text=The%20regulation%20sets%20out%20criteria,do%20not%20contribute%20to%20deforestation>.

¹⁸ See, European Commission, “Regulation on Deforestation-free Products,” located at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461>.

¹⁹ Ibid, located at: <https://eur-lex.europa.eu/eli/reg/2024/3234/oj>.

²⁰ See, U.S. Department of Agriculture (USDA)/Foreign Agricultural Service (FAS), GAIN-EUROPEAN UNION | E42025-0001| EU Deforestation Regulation – Revised Implementation Timeline for 2025,” located at https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=EU%20Deforestation%20Regulation%20-%20Revised%20Implementation%20Timeline%20for%202025_Brussels%20USEU_European%20Union_E42025-0001.pdf.

²¹ World Cocoa Foundation, “*L’Initiative Cacao & Forêts publie ses derniers rapports annuels: relever les défis et promouvoir un changement durable*,” located at: <https://worldcocoafoundation.org/news-and-resources/press-release/l-initiative-cacao-and-forets-publie-ses-derniers-rapports-annuels-relever-les-defis-et-promouvoir-un-changement-durable>.

²² See, World Cocoa Foundation, “Africa’s Sustainable Cocoa Standard: 3 Things to Know about ARS-1000,” Located at: <https://worldcocoafoundation.org/news-and-resources/article/africa-s-sustainable-cocoa-standard-3-things-to-know-about-ars-1000#:~:text=The%20African%20Regional%20Standard%20for%20Sustainable%20Cocoa%20%28ARS-1000%29,social%20and%20economic%20sustainability%20in%20African%20cocoa%20production>.

Challenges remain given that many Ivorian cocoa farmers cultivate crop on lands classified as forests. Post sources inform that about 12 percent of Côte d'Ivoire's cocoa producers operate in protected forest areas. This represents a significant risk factor for Ivorian cocoa producers maintaining continued access to the European market as compliance with deforestation-free supply chain requirements become stricter. Sources, further elaborate that this situation represents an opportunity to force the Ivorian cocoa sector to modernize, encouraging more sustainable agricultural practices and land-use reform.

MARKETING

Côte d'Ivoire's cocoa sector plays a crucial role in the global supply chain, but declining production threatens its global producer leadership, as well as the livelihoods of its farmers. Market fluctuations, deforestation, and sustainability pressures further add to the challenges. Côte d'Ivoire needs to act to restore its aging cocoa plantations and address the spread of crop disease to increase yield output and better long-term production stability.

Post sources argue that efforts to increase local processing, enhance traceability, and promote sustainable farming show a strong commitment to long-term value creation. Sources further elaborate that the Ivorian cocoa sector's success, however, will ultimately depend on strengthening the country's regulatory frameworks, the provision of greater investment in farmer training and capacity building, and reinforcing crop production enhancing environmental initiatives.

Attachments:

No Attachments.