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Report Highlights:

Ghana's cocoa bean production in marketing year (MY) 2024/2025 (October-September) is expected to climb to 700,000 metric tons (MT), up 32 percent from the MY 2023/2024 season's 531,000 MT production figure. The jump in production is attributable to improved yields recorded during the early part of the current year's main crop harvest. In the MY 2024/2025 season, reportedly more effective pruning exercises are underway. Also, the Ghanaian government is supplying farmers with more adequate quantities of insecticides to cover this season's application requirements. Ghana's cocoa bean exports are projected to reach 520,000 MT, up 55 percent over the preceding year's estimate of 336,000 MT.

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EXECUTIVE SUMMARY

FAS Accra (Post) foresees Ghanaian cocoa bean production in market year (MY) 2024/2025 (October-September) at 700,000 metric tons (MT), representing a 32 percent increase from the preceding year's estimate of 531,000 MT. Post sources inform that this significant jump in production is attributable to improved yields recorded during the early part of the current year's main crop harvest. Cocoa is a major agricultural commodity and source of export earnings, but production will remain depressed in MY 2024/2025 compared to the MY 2021/2022 high of 1.04 million metric tons (MMT). The Ghana Cocoa Board (COCOBOD) had previously announced cocoa bean production climbing as high as 800,000 MT, this number of late is being revised downward. Due to earlier adverse, erratic weather, COCOBOD is targeting a more conservative figure of 650,000 MT to better manage expectations.

Cocoa plays a major role in Ghana's economy. The cocoa industry employs some 800,000 farm families in 10 out of the country's 16 administrative regions. The crop generates \$2 billion in foreign exchange annually, making it a major contributor to government coffers and gross domestic product (GDP).

MY 2024/2025 figures indicate a recovery in cocoa bean exports. Cocoa bean exports are projected to reach 520,000 MT, up 55 percent increase over the preceding year's estimate of 336,000 MT. This projection is premised on COCOBOD's increased main crop bean purchases, as well as improvements in controlling the informal cross-border cocoa bean trade. For Ghana, the trade in cocoa and cocoa products represents a major source of export earnings. These exports account for the country's third largest source of foreign exchange revenue, trailing just behind that of gold and crude oil.

COMMODITY

COCOA

Table 1. Ghana: Commodity, Cocoa, Production-Supply-Distribution (PSD)

Cocoa	2022/2023	2023/2024	2024/2025
Market Year Begins	October 2022	October 2023	October 2024
Ghana	Post	Post	Post
Area Planted (1000 HA)	1,374	1,368	1,364
Area Harvested (1000 HA)	1,286	1,280	1,277
Bearing Trees (Millions)	1,286	1,280	1,277
Non-Bearing Trees (Millions)	143	142	142
Total Tree Population (Millions)	1,429	1,422	1,419
Beginning Stocks (1000 MT)	120	55	58
Cocoa Bean Production (1000 MT)	656	531	700
Cocoa Bean Imports (1000 MT)	5	12	15
Cocoa Paste Imports (1000 MT)	0	0	0
Butter, Fat & Oil imports (1000 MT)	0	0	0
Cocoa Powder Imports (1000 MT)	0	1	0
Choc. & Others Imports (1000 MT)	9	8	7
MY Total Bean & Prods. Imports (1000 MT)	14	21	22
Total Supply (1000 MT)	790	607	780
Cocoa Bean Exports (1000 MT)	467	336	520
Cocoa Paste Exports (1000 MT)	130	93	93
Butter, Fat & Oil Exports (1000 MT)	60	47	47
Cocoa Powder Exports (1000 MT)	38	32	30
Choc. & Other Food Preps. Exports (1000 MT)	10	7	5
MY Total Bean & Prods. Exports (1000 MT)	705	515	695
Domestic Grindings (1000 MT)	250	210	210
Domestic Consumption (1000 MT)	30	34	35
Ending Stocks (1000 MT)	55	58	50
Total Distribution (1000 MT)	790	607	780
Yield (MT/HA)	0.51	0.41	0.55
(1000 HA), (1000 MT), (MT/HA)			
MY = Market Year, begins with the month listed at the top of each column.			

PRODUCTION

FAS Accra foresees Ghanaian cocoa bean production in market year (MY) 2024/2025 (October-September) at around 700,000 metric tons (MT), representing a 32 percent increase from the preceding year's estimate of 531,000 MT. Post sources inform that this significant jump in production is attributable to improved yields recorded during the early part of the current year's main crop harvest. Cocoa is a major agricultural commodity and source of export earnings, but production will remain depressed in MY 2024/2025 compared to the MY 2021/2022 high of 1.04 million metric tons (MMT).

Improved cocoa tree management, along with more conducive weather conditions account for the enhanced harvest outlook. Post sources comment that cocoa bean purchases made toward the early part of the current MY 2024/2025 main crop season have come in significantly higher than that of the entire MY 2023/2024 production season.

A critical factor that oftentimes impacts Ghana's annual cocoa bean production is the January-February Harmattan season's weather.¹ The severity of which impacts the overall level of bean production in the Coastal West Africa region. It is expected that less than ideal crop growing conditions in January-February 2025, that included delayed and insufficient rainfall, will influence the outlook for the MY 2024/2025 mid-crop (i.e., the light crop's production numbers).² Although the Ghana Cocoa Board (COCOBOD) had previously announced cocoa bean production climbing as high as 800,000 MT, this number of late is being revised downward.³ Due to earlier adverse, erratic weather, COCOBOD is targeting a more conservative figure of 650,000 MT to better manage expectations.⁴

Cocoa Bean Area Harvested Update: Post foresees MY 2024/2025 area harvested at 1.27 million hectares, a marginal decrease of less than one percent from the preceding year's estimate of 1.28 million hectares. The decrease in area harvested is attributable to the Ghanaian government's implementation of its "National Cocoa Rehabilitation Program," as well as an uptick in unlicensed/unregistered gold mining activities spilling over into cocoa production lands.⁵ Industry sources comment that over 90,000 hectares of cocoa farms are infected with cocoa swollen shoot virus disease (CSSVD); and are targeted for rehabilitation. The difference in area planted and harvested observed is due to CSSVD's prevalence.

Cocoa Bean Production, The Decline: Ghana's cocoa bean production of late has experienced declining production volumes. COCOBOD's official estimates for the MY 2023/2024 season, peg production at 530,873 MT. Annual cocoa production is averaging about 800,000 MT according to COCOBOD data over the past five seasons, which includes the MY 2020/2021 high of 1.04 MMT. Ghana's cocoa production since the MY 2020/2021 record setting season, has registered three consecutive seasons of decline: 1) MY 2021/2022 – 683,269 MT; 2) MY 2022/2023 – 655,808 MT; and MY 2023/2024 – 530,873 MT. COCOBOD's production data highlights that the MY 2023/2024 season as being Ghana's worst performing cocoa bean production session over the past 15-years.

Cocoa Bean Production, What's Impacting It: In the MY 2024/2025 season, reportedly more effective pruning exercises are underway. Also, the Ghanaian government is now supplying farmers with more adequate quantities of insecticides to cover this season's application requirements.

¹ 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.

² Cocoa trees suffer shock when exposed to sustained and intense sunlight. This may require an extended period for the tree to recover, which impacts bean overall production. Likewise, heavy rainfall during the flowering period results in flower abortion, which adversely impacts bean production. Note that Ghana's COCOBOD will refer to the season's minor crop as "mid-crop," whereas the International Cocoa Organization (ICCO) refers to it as the "light crop."

³ COCOBOD, is a government-controlled institution, that fixes the buying price for cocoa in Ghana. It is a state-owned enterprise (SOE). As a legal entity, operating on the behalf of the Ghanaian government, it engages in commercial activities.

⁴ The Ghana Cocoa Board as Ghanaian government-controlled institution (and national regulatory authority) fixes the buying price for cocoa in Ghana. Its actions are meant to protect Ghanaian cocoa farmers from volatile prices on the world market through the price-fixing mechanisms.

⁵ The National Cocoa Rehabilitation Program is a two-year-long cocoa farms rehabilitation process that involves the cutting down of diseased cocoa trees, treating the farms, and replanting with disease-tolerant, early bearing, and high yielding cocoa varieties. The COCOBOD carries the full cost of the program's implementation and gives an amount of Ghanaian cedis (GHC)1,000.00 (~\$65.00) per hectare to each farmer whose trees are afflicted by cocoa swollen shoot virus disease. In the case of land tenancy, both the impacted tenant farmer and the landowner are compensated.

COCOBOD is also proceeding with the registration of Global Positioning System (GPS) coordinates for maintained (i.e., treated and pruned) farms to ensure accountability and traceability.

Reminiscent of prior seasons, weather and the cocoa swollen shoot virus disease is influencing cocoa bean production. Other significant concerns include unlicensed/unregistered gold mining activities (known locally as *galamsey*), along with informal cross border trade.⁶ Sources comment that over the past few seasons, more lucrative *galamsey* activities have enticed younger laborers away from farming. For growers, the impact is felt immediately, since it limits labor availability for crop maintenance and harvest operations. Other circumstances contributing to poor cocoa production, especially in the MY 2023/2024 season, include an uptick in black pod fungal disease (*Phytophthora palmivora*) infections. That also coincides with a cutback in government-supplied insecticides along with ineffective pruning exercises. In recent years the government has also limited free fertilize applications to reduce expenses.

Cocoa Bean Production Declines, Innovative Attempt to Tidy Up Numbers: In June 2024, COCOBOD announced it planned to push the delivery of 350,000 MT of the cocoa bean crop to the following season, alleging supply chain issues. Speculation abounds that in response to the cocoa bean price hike on the world market, some producers and the Licensed Buying Companies (LBCs) are holding back beans anticipating further price hikes. Once the beans are released for sale, this is likely to impact the season’s overall production numbers.

Chart 1. Ghana: Annual Cocoa Bean Production – MY 2009/2010 to MY 2023/2024



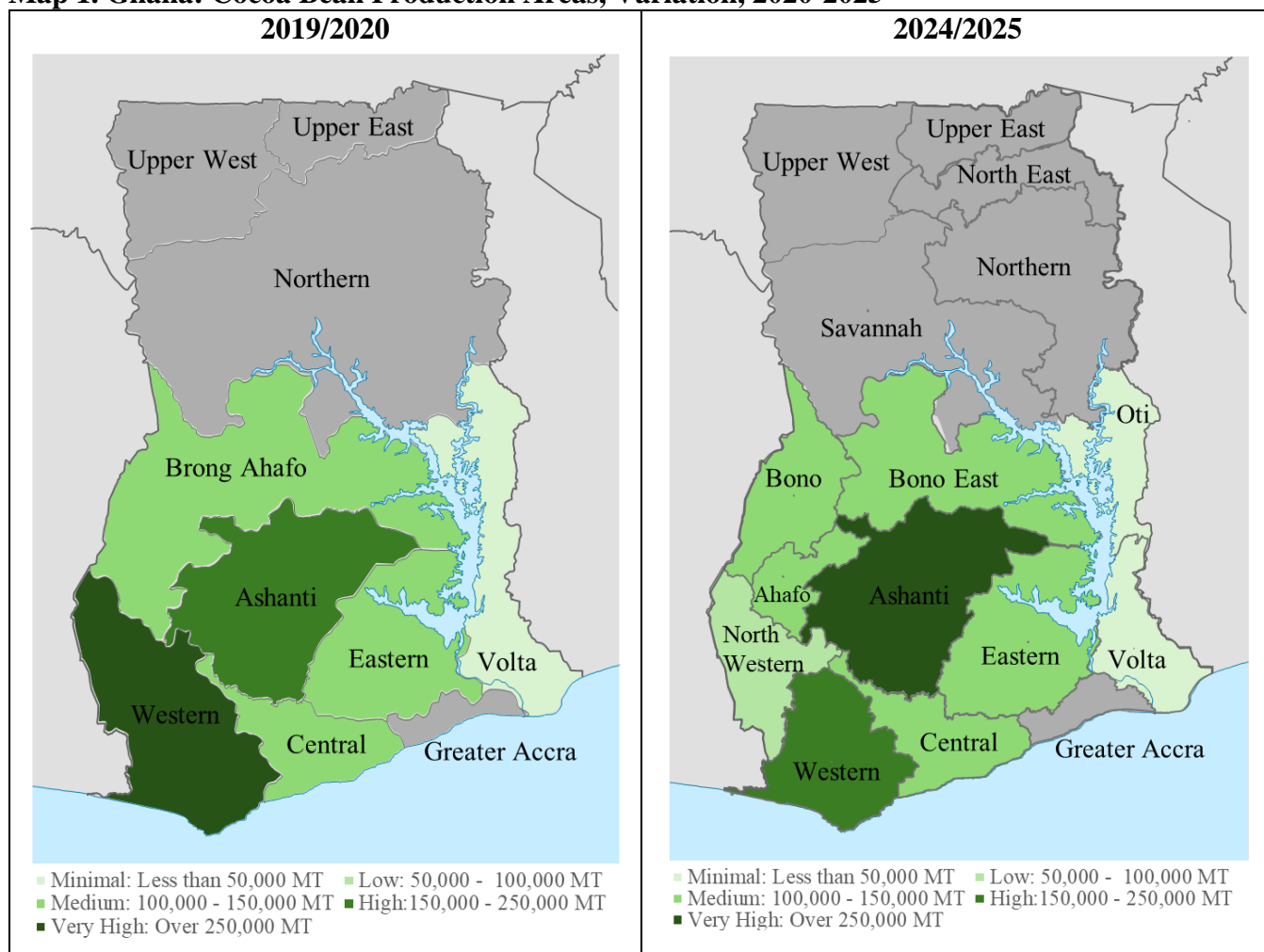
Source: COCOBOD, FAS Accra office research.

Ghana’s Cocoa Bean Production, From Where it Sprouted: The cocoa beans were first introduced to Ghana by Dutch missionaries at the beginning of the 19th century. Cocoa’s widespread cultivation, however, is often attributed to Tetteh Quarshie, who pioneered the cultivation of cocoa (*Amelonado*

⁶ Corrupted form of the English expression, “gather them and sell.”

cocoa) in the Akwapim Mampong area of Ghana’s Eastern Region later in the century. With cocoa cultivation scaling up, cultivation spread to other forest areas of the country, particularly the Eastern, Ashanti, Ahafo, Bono, Bono East, Volta, Oti, Central, Western, and Western North Regions. Cocoa pods here mature and ripen throughout the year. Cocoa is largely harvested by cutting (using sharp tools) the ripe pods from the trees, breaking them open and extracting the beans. The beans ferment for six-to-seven days with two-to-three turnings before drying for seven days; beans are graded, bagged, and sealed for export.

Map 1. Ghana: Cocoa Bean Production Areas, Variation, 2020-2025



Note: The 2020 map incorporates COCOBOD reported production data in COCOBOD designated production regions, based on Ghana’s old map with 10 administrative regions. The 2025 map (depicting Ghana’s current 16 administrative regions) incorporates production data obtained from Post sources, as well as highlights the impact of galamsey mining in the Ghanaian cocoa belt over time.

Source: COCOBOD; FAS Accra office research.

CONSUMPTION – DOMESTIC CONSUMPTION AND GRINDING

FAS Accra foresees Ghana’s MY 2024/2025 domestic consumption marginally up at 35,000 MT, representing a three percent increase over the preceding year’s estimate. Ghana’s MY 2024/2025 per capita cocoa consumption is reportedly forecast to remain unchanged at 1.0 kilograms (kg). While an

increase in cocoa products price will result in less demand, population growth and expected improvement in the domestic economy may induce increases in consumption to offset the decrease.⁷

Ghana’s Cocoa Bean Economy: Cocoa production plays a significant role in the Ghanaian economy. The cocoa industry employs approximately 800,000 farm families in 10 out of the country’s 16 administrative regions. The crop generates some \$2 billion in foreign exchange annually, making it a major contributor to government coffers and gross domestic product (GDP).⁸ Domestically, cocoa products such as chocolate, pebbles, and cocoa powder are routinely utilized by Ghanaians.

Chart 2: Ghana, Cocoa, Local Beans Deliveries over the past Five Years



Source: Ghana COCOBOD; FAS Accra office research.

Cocoa Bean Domestic Grinding: Ghana counts with installed domestic grinding, processing capacity of 504,780 MT. However, local processors are operating at below 50 percent of their installed capacity, due to insufficient bean supply. MY 2024/2025 total domestic grindings have also been retained at the 210,000 MT level; about the same as the preceding year’s estimate. Processors are anticipating a poor mid-crop harvest volume, leading to a more limited bean supply for domestic grinding.

Cocoa Bean Grinding, What Grinds Out: Grinders process the beans into cocoa liquor, which is further separated into butter and cake (powder). A higher percentage of the domestically processed cocoa beans is exported in the form of cocoa paste or liquor; cocoa butter, fat and oil; cocoa powder; and chocolate and other food preparations containing cocoa. A small fraction of this processing is utilized locally in confectionery products manufacturing for domestic consumption.

⁷ Ghana, with a population of over 34.5 million, is growing at 2.15 percent (Central Intelligence Agency (CIA), 2024 estimate). It has a young age structure, with approximately 56 percent of the population under the age of 25 (CIA, 2020).

⁸ Ghana’s 2023 GDP (most recent) is reported as \$76.37 billion, up from 2022’s \$74.26 billion, but not quite having caught up yet to 2021 record high GDP of \$79.52 billion.

Trade

Exports: Early MY 2024/2025 figures foretell a recovery in Ghanaian cocoa bean (harmonized system - HS 1801) exports. Reportedly, Ghanaian cocoa bean exports are projected to reach 520,000 MT, up 55 percent over the preceding year's estimate of 336,000 MT. This projection is premised on COCOBOD's increased main crop bean purchases, as well as improvements in controlling the informal cross-border cocoa bean trade.

For Ghana, the trade in cocoa and cocoa products represents a major source of export earnings. These exports account for the country's third largest source of foreign exchange revenue, trailing just behind that of gold and crude oil. Most cocoa beans and cocoa products from Côte d'Ivoire and Ghana are exported to the European Union (EU). The Netherlands, as the largest buyer from both countries, sources 50 percent of its cocoa beans from these nations and is a major exporter of cocoa paste, butter, and powder in turn. In MY 2023/2024, Ghana's top five cocoa bean export destinations include: 1) the Netherlands (75,423 MT, down 15 percent); 2) Belgium (34,617 MT, down 44 percent); 3) the United States (31,575 MT, down 39 percent); 4) Japan (20,742 MT, down 31 percent); and 5) Malaysia (20,411 MT, down 59 percent). Other key export destinations include: 6) Spain (18,700 MT, down 29 percent); 7) France (16,154 MT, down 44 percent); 8) Turkey (15,548 MT, down 36 percent); 9) Germany (13,357 MT, down 48 percent); and 10) Canada (10,425 MT, down 14 percent).

So, What's Going On: In the MY 2023/2024 season, production shortfalls in both Côte d'Ivoire (world's largest producer) and Ghana (second largest producer), caused cocoa prices to skyrocket. Cocoa futures prices hit a record high of \$12,000/MT during the 2024 holiday season. Together these two key West African producers contribute to over 60 percent of the total global cocoa supply and are major suppliers for the U.S. and European Union manufactured food industries.

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, cocoa shells, and cocoa liquor (also known as chocolate liquor) represent over 98 percent of Ghanaian cocoa product exports.⁹ Finished chocolate products represent around less than 1.5 percent of exports. In calendar year (CY) 2024 (January-December), Ghana exports of cocoa beans and cocoa products HS 1801, 1802, 1803, 1804, 1805, and chocolate and other food preparations containing cocoa HS 1806 surpassed some 512,000 MT, down about 7 percent from CY 2023. The Netherlands accounts for over 139,000 MT (up 3 percent) of the trade; followed by the United States absorbing 59,500 MT (down 10 percent) of Ghana's cocoa and cocoa products exports.

Exports, Cocoa Pricing: Through mid-February 2025, dry weather conditions in the West African producers Côte d'Ivoire and Ghana influenced cocoa futures markets; then keeping these above \$10,000/MT. More recently, with improving weather conditions in West Africa's key production regions, there is growing speculation of surpluses helping to drive down cocoa futures now to about the \$8,000/MT mark. Cocoa farmers throughout the production region are hopeful that improved growing conditions will reinvigorate their trees in time for the April-to-September mid-crop harvest.

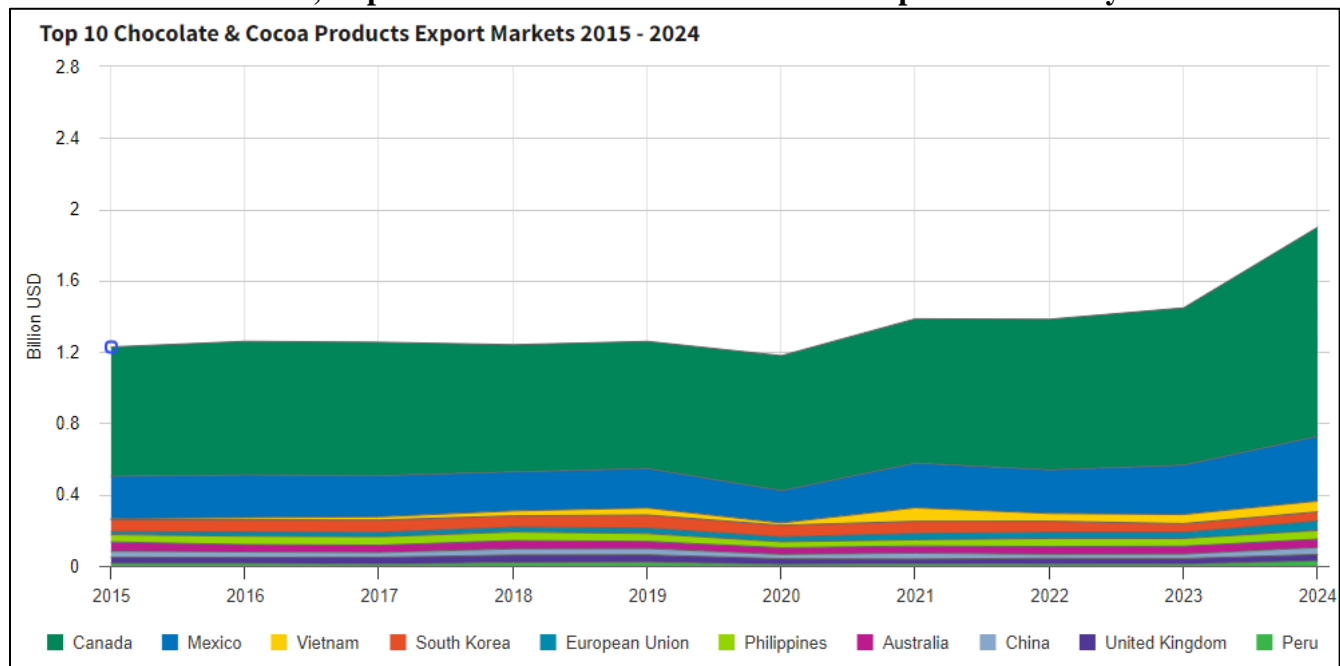
⁹ Cocoa liquor, paste, or mass, is pure cocoa in liquid or semi-solid form. It is produced from fermented cocoa bean nibs that have been dried, roasted, and separated from their skins.

Reportedly, earlier poor rainfall volumes were impeding cocoa tree flowering. Concerns raised then had 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 2025. With improving crop growing conditions taking root, thanks to above-average rains mixed with long periods of sunny weather across the West African cocoa production region, the mid-crop’s outlook is starting to strengthen. The International Cocoa Organization is currently projecting for MY 2024/2025 a supply surplus of 142,000 MT, following three consecutive years of deficits.

Ghana’s Cocoa Bean Exports’ Impact on U.S.-origin Chocolate and Cocoa Products Exports: 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, reached 421,848 MT.

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).

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



Source: USDA/FAS, Chocolate and Cocoa Products.

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: Limited domestic deliveries will likely induce imports of standard quality beans for domestic grinding. Post’s sources project MY 2024/2025 cocoa bean imports to hover at around the 15,000 MT mark, representing a 25 percent increase compared to the MY 2023/2024 estimate.

STOCKS

FAS Accra hears that Ghana’s MY 2024/2025 ending stocks are projected at 50,000 MT, down by about 14 percent from the preceding year’s estimate, as stocks become depleted to match demand in the face of the limited supply.

POLICY

Ghana’s Cocoa Board, a Legacy of State Market Control and Structure: In 1947, the British administration of the Gold Coast (a colony equal to contemporary Ghana), established the Cocoa Marketing Board/Ghana Marketing Board (1947-79), the forerunner to the Ghana Cocoa Board also called COCOBOD.¹⁰

COCOBOD is the Ghanaian national regulatory agency responsible for the cocoa value chain. Its mission is to encourage and facilitate the production, processing and marketing of quality cocoa in an efficient and cost-effective manner. COCOBOD’s functions focus on the production, research, extension, internal and external marketing, and quality control. The functions are classified into two main sectors; pre-harvest and post-harvest, which are performed by specialized divisions or subsidiaries.

Pre-harvest sector functions are performed by the Cocoa Research Institute of Ghana (CRIG), the Seed Production Division, and the Cocoa Health and Extension Division (CHED). The post-harvest sector functions are handled by the Quality Control Company (QCC) Limited and the Cocoa Marketing Company (CMC) Limited. COCOBOD/QCC post-harvest activities target quality control measures, that farmers must adhere to for acceptance of their crop at buying centers.

¹⁰ See, Ghana Cocoa Board, located at: <https://cocobod.gh/about-us>.

- 1) **Cocoa Research and Development:** COCOBOD's Cocoa Research Institute of Ghana (CRIG) is the country's preeminent cocoa research organization. Ghana ranks among the best of the premium quality cocoa suppliers for the global chocolate manufacturing industry. Key criteria established for the assessment of cocoa quality include flavor. Ghana's ranking is premised on the CRIG's parameters for proper harvest handling, as well as post-harvest processing including pod breaking, fermentation, drying, and storage. Education and sensitization on harvest and post-harvest handling by the CHED, as well as quality assessment by QCC do not include parameters for flavor quality. Concerns are being raised that Ghanaian cocoa's rich, intense, and unique chocolate flavor, characteristic of its premium quality, might become lost.
- 2) **Seed Production Division:** COCOBOD's Seed Production Division handles the multiplication and distribution of high-quality cocoa and coffee planting materials to farmers.¹¹ To ensure the production and delivery of improved cocoa varieties, the Seed Production Division operates 27 cocoa stations spread throughout the cocoa growing regions. Hybrid cocoa seed pods are produced through hand pollination of the female part of flowers (stigma) of selected female clonal parents with pollen from specific male parents; all selected through CRIG research. The Division also produces coffee seeds from established bi-clonal seed gardens.

To ensure sustainable cocoa production, COCOBOD distributes hybrid cocoa seedlings to farmers free-of-charge. COCOBOD's Seed Production Division is raising 60 million cocoa seedlings for distribution to farmers.

Beneficiaries of this program include:

- Farmers replanting fields treated for cocoa swollen shoot virus disease.
- Farmers with 30-year plus trees in need of rehabilitation/replacement.
- Farmers, in particular young farmers, intent on establishing new cocoa farms.
- Farmers aiming to rehabilitate abandoned and or unproductive cocoa farms.

- 3) **Cocoa Health:** COCOBOD's Cocoa Health and Extension Division controls for cocoa swollen shoot virus disease, rehabilitates old/unproductive cocoa farms, and provides extension services. The CHED conducts sectoring and surveys in cocoa districts, treats infected farms, provides disease tolerant and improved hybrid varieties, as well as reinspection of treated/replanted farms to prevent reinfection. It assists with fertilizers, weeding, and adoption of agronomic practices.

The CHED oversees and manages the Cocoa Extension System (a Public Private Partnership). It helps farmers acquire knowledge and skills in agricultural practices. Farmers are trained in basic business economics to improve productivity, income and livelihoods. Bunso Cocoa College serves as COCOBOD's flagship training center. The Cocoa College also hosts training programs for other organizations and institutions including non-governmental organizations (NGOs).

- 4) **Quality Control Company:** COCOBOD's Quality Control Company handles post-harvest activities. It enforces quality control measures to ensure production of premium quality

¹¹ COCOBOD's Seed Production Division has similar procedures in place for coffee. The Seed Production Division is also tasked with raising and distributing 2 million hybrid coffee seedlings free of charge to coffee farmers, as well as offer extension services to increase cultivation and production knowhow.

(Theobromine rich) cocoa.¹² The QCC inspects, grades, and seals cocoa for the local and international markets. It fumigates and disinfests production. The QCC is also responsible for inspecting storage sheds and issuing certificates of registration for premises accepted as grading centers or depots. No grading or sealing or storage of production is allowed in any shed/depot which has not been approved by the QCC. The Quality Control Company's staff is stationed in 73 operational districts within six cocoa-growing regions where cocoa arrivals are "check-sampled" to advise COCOBOD's Cocoa Marketing Company. Here there is the take-over of the cocoa beans from the Licensed Buying Companies or rejection should quality fall below a specified standard. A "purity certificate" is issued for every parcel of cocoa taken over. Another "check-sampling" is conducted on consignments prior to shipment to ensure that only quality cocoa is exported.

- 5) **Cocoa Marketing Company:** COCOBOD's Cocoa Marketing Company is responsible for the purchase, transportation, storage and marketing of cocoa beans, both internally and externally. The efficient marketing of premium cocoa beans is critical for Ghanaian cocoa production. International Cocoa Standards require cocoa to be well fermented, thoroughly dried, free from smoky beans, free from abnormal or foreign odor and free from any evidence of adulteration. These must reasonably be free from living insects, broken beans, and any other foreign materials. Ghanaian cocoa's quality is the reference standard utilized for measuring other countries' cocoa.

Cocoa Market Regulatory Framework: The cocoa trade is regulated by the [Ghana Cocoa Board Act of 1984](#).¹³ The Act mandates that COCOBOD exercise centralized control over the sale and trade of cocoa, with powers over the purchase, inspection, grading, sealing, certification, export and sale of cocoa. Only COCOBOD, or persons or organizations authorized by the board, can purchase cocoa.

The Board issues licenses to cocoa buyers. No person shall market or sell cocoa unless authorized by the COCOBOD. The Government sets the minimum farmgate price to be paid to farmers, at the beginning of each season. Cocoa produced in Ghana is graded under the [Cocoa Industry \(Regulation\) \(Consolidation\) Decree, 1968 \(NLCD 278\)](#).¹⁴

Customs Exemption: COCOBOD counts with Ghanaian statutory authority to sell cocoa without being liable to any customs export duties.

Cocoa Bean Purchases Pre-financing Policy: For the MY 2024/2025 season, Ghana is discarding plans to borrow from international banks to fund its cocoa crop. This breaks with the 32-year-old practice that fueled the Ghanaian economy. COCOBOD is aiming to "wean" itself from the annual

¹² Theobromine, also known as xantheose, is the principal alkaloid of *Theobroma cocoa*.

¹³ This Act makes provision for the establishment of the Ghana Cocoa Board as a body corporate and defines its functions, powers and rules of internal organization. The Board shall replace the Ghana Cocoa Marketing Board existing immediately before the commencement of this Act. The objects of the Board shall include: (a) to encourage the production of cocoa, coffee and shea; (b) to undertake the cultivation of cocoa, coffee and shea; (c) to initiate programs aimed at controlling pests and diseases of cocoa, coffee and shea; (d) to purchase, import, undertake and encourage the manufacture of, and distribute and market inputs used in the production of cocoa, coffee and shea; (e) to regulate the marketing and export of cocoa, coffee and shea. See, Food and Agriculture Organization of the United Nations/FAOLEX Database, Ghana Cocoa Board Act 1984 (PNDCL 81), located at: <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC132746/> and for a downloadable copy, go to <https://faolex.fao.org/docs/pdf/gha132746.pdf>.

¹⁴ Ibid, located at: <https://faolex.fao.org/docs/pdf/gha204596.pdf>.

syndicated loans prior to the start of the current season. It indicates that it will look to domestic funding sources for its cocoa purchases. Sources comment that COCOBOD is changing course after being unable to secure a \$1.5 billion syndicated loan with foreign lenders.

COCOBOD's Board raises a minimum of \$1 billion yearly to purchase seedlings, chemicals, fertilizers, and cocoa beans. In MY 2023/2024, Ghana was only able to secure \$600 million due to debt restructuring. Compounding matters, the drop in cocoa bean production tarnished the country's credit appeal. Absent foreign funding, the Bank of Ghana (i.e., central bank) needs to wait for revenue from the sales of cocoa beans to build up foreign reserves. Previously, the Bank of Ghana would receive the bulk revenue amount in October with the harvest rolling in. Historically, the central bank has been relying on this foreign exchange stream to manage volatilities in the exchange rate.

Cocoa Bean Pricing Policy and Purchases in Ghana: Domestic cocoa bean prices (i.e., producer price) are fixed by COCOBOD. The Ghanaian government, through COCOBOD announces the producer price at the beginning of the main crop season (usually the first of October). The Ghanaian government targets providing cocoa farmers with about 70 percent of the free-on-board (FOB) price. However, on occasion the producer price is pegged either significantly below or above the FOB price. The MY 2023/2024 producer price of GH¢33,120 (\$2,152)/MT, was then 83 percent of the \$2,600 FOB price. So far, the MY 2024/2025 producer price has been reviewed upward twice.

As of November 10, 2024, COCOBOD announced an increase in the producer price of cocoa beans from GH¢48,000 (\$3,000) per MT (i.e., GH¢3,000 (\$187.50) per 64 kg bag) to GH¢49,600 (\$3,100) per MT (i.e., GH¢3,100 (\$193.75) per 64 kg bag).¹⁵

Other Government Interventions: In addition to COCOBOD's policy on cocoa pricing, subsidies and other support programs play a major role in influencing farm productivity and farmer income. Some key government interventions in the cocoa value chain include: 1) free seedlings; 2) the Cocoa Disease and Pest Control (CODAPEC) program's mass spraying; 3) hand pollination; 4) mass pruning; 5) subsidized fertilizers; and 6) the national cocoa rehabilitation program.

Challenges and Compliance with EUDR: In CY 2024, Ghana reports exporting some 292,755 MT of cocoa beans and cocoa products to the European Union, accounting for close to 75 percent of that year's reported global export volume of 512,515 MT.

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, 2020.¹⁶ 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

¹⁵ Exchange rate: \$1.00=GH¢16.00.

¹⁶ See, European Commission, "Regulation on Deforestation-free Products," located at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461>.

enterprises.¹⁷ The additional phase-in period provides Ghana, and other producer countries such as Côte d’Ivoire, additional time to comply with the new requirements.¹⁸

Traceability is increasingly a key requirement for cocoa exports. By 2023, 82 percent of cocoa sourced by companies, that had signed sustainability agreements, was traceable back to the producer; ensuring better monitoring of farming practices and production conditions.¹⁹ 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.²⁰

MARKETING

Marketing year for cocoa beans begins in October of a particular year and ends in September of the following year. Normally, October to March constitutes the main crop or major cocoa harvesting season in Ghana, with April to September being the light crop or minor cocoa harvesting season. Lately, however, there have been years when COCOBOD has extended the main crop season by two months (October-May) and reduced the light crop or mid-crop season by same period (June-September) to ensure greater harvest from main crop season.

The bulk of cocoa beans (i.e., 70-80 percent of the annual production) are harvested in the main crop season. The light crop or mid-crop season accounts for the remaining 20-30 percent of the total annual output. The main difference between the cocoa beans harvested in the main crop season and that of the mid-crop season is the bean size, which is usually larger, and more uniform in the main crop harvest as compared to the mid-crop harvest. No variation exists between bean quality of the main crop and the mid-crop season harvests. However, due to preference for the larger-sized beans on the international market, cocoa beans from the main crop season typically attract premium prices.

The smaller-sized mid-crop cocoa beans are sold at a discount of 12.5 percent on the international market. Characteristically, Ghana’s cocoa bean exports have mostly been of the main crop harvests, earning the country the recognition on the international market as the supplier of premium quality cocoa beans. A smaller percentage of Ghana’s production (mainly beans from the mid-crop harvests) is usually delivered to domestic grinders/processors at 20 percent discount of the main crop bean price.

¹⁷ Ibid, located at: <https://eur-lex.europa.eu/eli/reg/2024/3234/oj>.

¹⁸ 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.

¹⁹ 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-public-ses-derniers-rapports-annuels-relever-les-defis-et-promouvoir-un-changement-durable>.

²⁰ 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>.

Chart 4. Ghana: Cocoa Producer Price Trend



Source: COCOBOD, FAS Accra office research.

The new cocoa price increase, which took effect on November 8, 2024, aims to support Ghanaian cocoa farmers by offering improved incomes. The decision also underscores the Ghanaian government's commitment to ensuring that cocoa farmers receive fair compensation and remain competitive within the global market. This move is expected to boost farmer confidence, enhance income stability, and strengthen the partnership between COCOBOD and the cocoa farming community.

Except for the MY 2024/2025 production season, COCOBOD has for decades (i.e., 32 years) resorted to syndicated loans to pre-finance cocoa bean purchases by the LBCs.

Ghana's Certified Cocoa Bean Sales Procedures (Negotiations and Contracts): Buyers of certified cocoa beans should be a registered licensed buyer with COCOBOD's Cocoa Marketing Company.

Registration procedures include:

- 1) The registered buyer should have a contract with COCOBOD's Cocoa Marketing Company to enable it to request delivery of certified cocoa beans against those contracts.
- 2) The buyer negotiates with the LBC or the Cooperative, which produces the certified cocoa and or possesses the certification license, to agree on tonnage to be produced or delivered. With regards to organic cocoa, because of its different physical attributes, COCOBOD's Cocoa Marketing Company enters direct negotiations with a licensed buyer nominated by the organic certification holder for the sale of the organic cocoa.
- 3) Buyers submit a shipment declaration at the beginning of the shipment period notifying COCOBOD's Cocoa Marketing Company as to which contract the delivery should be made against and with which type of certified cocoa (Organic, Traceable, UTZ or Rainforest).
- 4) A memorandum of understanding (MOU) defining the responsibilities and obligations of the stakeholders in the certification project is signed by COCOBOD, the buyer, and the LBC in the

case of traceability. With respect to UTZ, Rainforest Alliance, and Organic, the agreement is between COCOBOD and the certificate holder.

E-Transaction for Shipping Documents Presentation: The COCOBOD’s Cocoa Marketing Company from the start of the MY 2012/2013 season, introduced e-collection for the presentation of shipping documents to the buyers. The objective was to reduce the transaction cycle from the then average cycle of eight days to between two-to-three days. [Note: Transaction cycle refers to the time for the original shipping documents to be sent to the presenting banks].

Cocoa Bean Quality and COCOBOD Grading Standards: Cocoa beans from Ghana have a reputation as being the ingredient of preference for quality-oriented chocolate manufacturers. COCOBOD strives to meet the trade quality demanded by international markets. It seeks to protect Ghana’s image as the producer of the best quality bulk cocoa, while maintaining its reputation as a highly reliable supplier of premium quality cocoa. The minimum quality standards set by the Ghana Cocoa Board exceed the benchmarks established in the international cocoa market for the trade in good, fermented cocoa beans.

Table 3. Ghana: Ghanaian Cocoa Specifications

Grade	Moldy	Slaty	Other Defects
Grade 1	3%	3%	3%
Grade 11	4%	8%	6%

Note: Slaty = the color of slate.

Source: COCOBOD, FAS Accra office research.

The superior quality specifications for Ghana cocoa beans are often attributed to the excellent post-harvest handling practices of Ghanaian farmer. Unlike other origin countries where cocoa is dried by mechanical heating process, the Ghanaian farmer dries his produce using sunshine, with beans evenly spread out on a raised bamboo mat. Turning is regular allowing every part of the bean to be exposed to the sun’s rays. Coupled with complete fermentation, Ghana cocoa beans diffuse elevated natural chocolate aromas and present a perfect, uniform dry brown color appearance. Here quality control is rigorous with cocoa beans subjected to a minimum of three quality inspections prior to shipment.

Attachments:

No Attachments.