



# COCOA'S MARKET SURGE



# Price Surge

Cocoa prices have surged more than 250% over the last year, surging to \$10,000 per metric ton - nearly double the record high set 46 years ago (which is just above \$5,000 per metric ton)



# Forecast



And the **forecast** suggests  
that the **prices** might **surge**  
more in the **coming days**



# Reasons

**Cocoa's troubles** were firmly rooted in fundamentals, triggered largely by a series of **crop failures** and a combination of **aging trees, diseases and bad weather** combined to create the **largest shortfall** seen in the cocoa market in more than **six decades**.

For our Analysis, I classified these into 2 main categories :



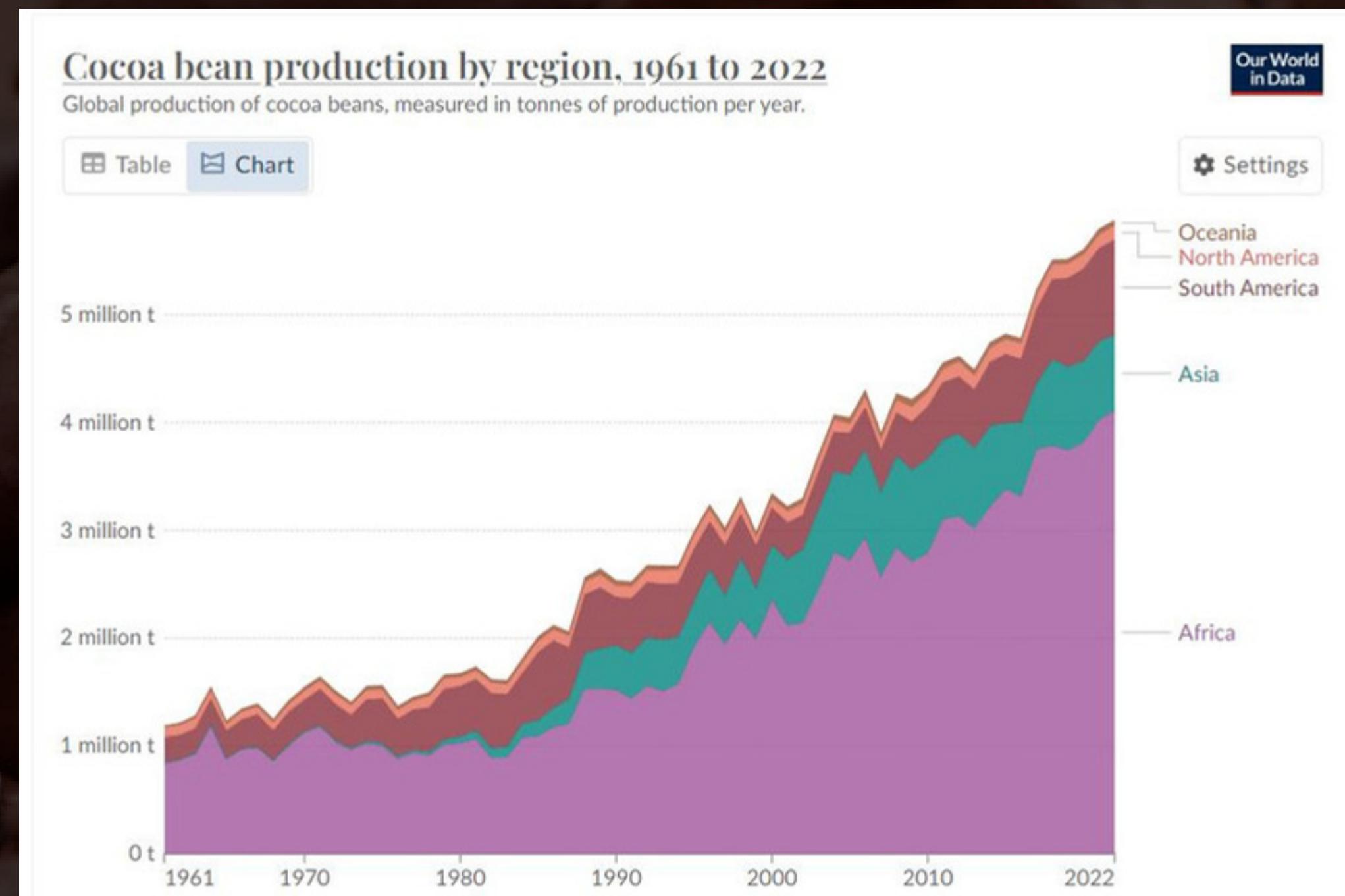
**Market Concentration**



**Business Continuity Plan (BCP)**

# Market Concentration

Cocoa production is extremely concentrated. Globally, the world produces 6.5 million tonnes of cocoa. But just two countries in West Africa—Côte d'Ivoire (Ivory Coast) and Ghana make up over half of the production.



# Business Continuity Plan (BCP)

Apart from natural calamities such as **El Nino (heavy Rains), lack of rains when needed**, Farmers didn't have a **BCP** (Business Continuity Plan) for their corps

As per the info, many cocoa trees are already past their **maximum yield potential**. There hasn't been a major round of **replanting** in over **two decades**. So the **old trees** aren't able to **deliver** as much.





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