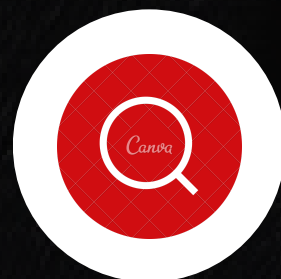
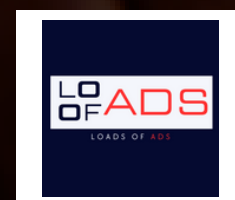


COCOA'S MARKET SURGE



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

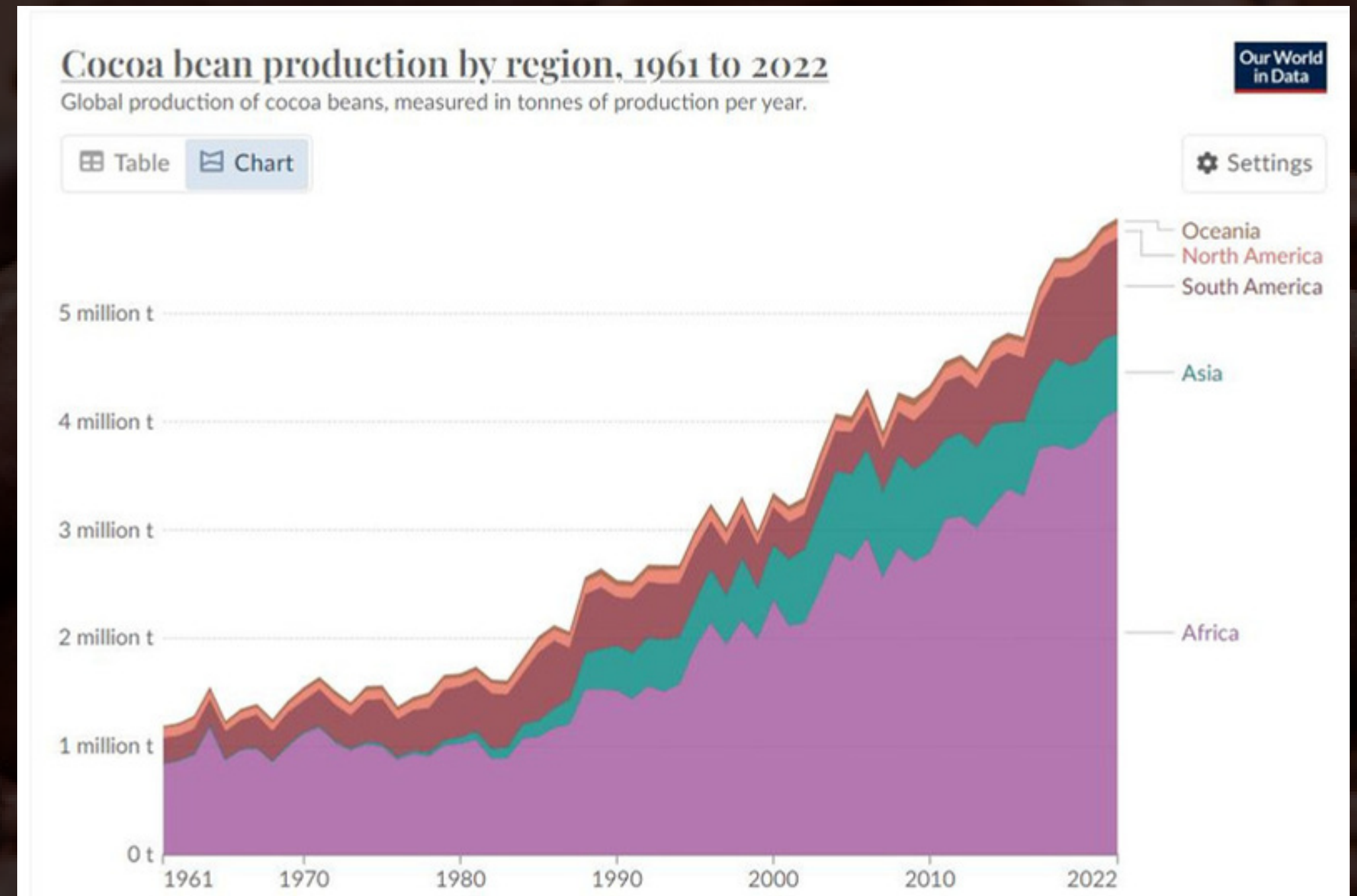


Business Continuity Plan (BCP)



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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