# The Ghana Cocoa Report 2024: Ghana Cocoa Export Partners: Key Destinations and Trade Insights

Explore Ghana's key cocoa export partners, including the European Union, United States, and emerging markets in Asia. Learn about trade dynamics, value addition, and market projections.



# **Highlights**

Ghana's major cocoa export partners include the European Union, the United States, and Asia, with the EU purchasing about **75**% of Ghana's total cocoa exports. Despite being the second-largest cocoa producer globally, Ghana exports most of its cocoa as raw beans, limiting the potential for value-added trade.

Strengthening trade relationships with emerging markets like China and improving local processing can boost Ghana's cocoa revenue and global influence.

# **Content**

Ghana Cocoa Export Partners and Destinations: Analyzing Trade Relations

# and Market Dynamics

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# Research Methodology

This article is based on data from the Ghana Cocoa Board (COCOBOD), the International Cocoa Organization (ICCO), and trade reports. Quantitative data on export volumes, revenue by country, and trade patterns were analyzed alongside qualitative insights from industry experts and academic research on cocoa trade dynamics.

# Top 10 Key Statistics and Facts about Ghana's Cocoa Export Partners

1. European Union market: The EU buys about 75% of Ghana's total cocoa exports, making it the largest regional importer.

2. **Top single-country importer**: The Netherlands is the top individual importer of Ghana's cocoa, purchasing nearly **20%** of total exports.

U.S. market share: The United States accounts for about 10-15% of Ghana's

cocoa exports, primarily for use in chocolate production.

- 4. Asia's growing demand: Countries like Japan and Malaysia have been increasing their cocoa imports from Ghana, reflecting growing demand in the Asian market.
- 5. Cocoa export revenue: Ghana earned over \$2 billion from cocoa exports in 2022, contributing significantly to the country's foreign exchange reserves.

6. Value-added cocoa: Less than 30-40% of Ghana's cocoa is processed

domestically, with the majority exported as raw beans.

7. Free trade agreements: Ghana's participation in the Economic Partnership **Agreement (EPA)** with the EU allows duty-free and quota-free access for cocoa products to the European market.

8. Côte d'Ivoire's role: As a regional partner and competitor, Côte d'Ivoire influences global supply and trade dynamics, affecting Ghana's export strategies.

9. China's emerging market: China has recently become an emerging market for Ghanaian cocoa, with trade volumes increasing in response to growing chocolate consumption.

10. Export share of GDP: Cocoa exports represent about 19% of Ghana's total exports and significantly contribute to the country's GDP.

#### Critical Analysis of Ghana's Cocoa Export Partners

Ghana, the world's second-largest cocoa producer after Côte d'Ivoire, exports a significant portion of its cocoa to international markets. The global demand for cocoa and chocolate products has allowed Ghana to establish strong trade relationships, particularly with the European Union, the United States, and emerging markets in Asia. However, despite the economic significance of cocoa exports, Ghana faces challenges in maximizing the value of its cocoa trade due to its reliance on raw bean exports and the global price volatility of the commodity.

The European Union as a Dominant Partner: The EU remains Ghana's largest cocoa export market, purchasing about **75%** of its cocoa. Within the EU, the Netherlands stands out as the single largest importer, largely due to its position as a processing hub for cocoa beans. Dutch companies process cocoa for distribution across Europe and beyond, making the country a critical link in the global cocoa value chain.

The **Economic Partnership Agreement (EPA)** between Ghana and the EU provides duty-free and quota-free access for Ghanaian cocoa products, ensuring a steady flow of exports to European markets. While this partnership has been beneficial in terms of maintaining market access, it also highlights Ghana's dependence on raw bean exports. The majority of cocoa exported to the EU is unprocessed, limiting Ghana's ability to capture value-added benefits that could boost export revenue.

**The U.S. Market and Cocoa Demand**: The United States is another key export destination for Ghanaian cocoa, accounting for about **10-15%** of total exports. The U.S. market is driven primarily by demand for chocolate, with major companies such as Hershey, Mars, and Mondelez sourcing cocoa from Ghana. While the U.S. is a stable market for cocoa beans, Ghana could enhance its trade relations with the U.S. by promoting value-added products like cocoa butter, powder, and chocolate.

One challenge for Ghana is competing with other major cocoa producers, such as Côte d'Ivoire, for a larger share of the U.S. market. However, sustainability concerns and increasing consumer demand for ethically sourced cocoa provide opportunities for Ghana to differentiate its exports through certification programs such as **Fairtrade** and **Rainforest Alliance**.

**Asia's Growing Demand for Cocoa**: In recent years, countries in Asia—particularly Japan, Malaysia, and China—have become increasingly important destinations for Ghanaian cocoa. Rising incomes, changing dietary habits, and growing chocolate consumption are driving demand for cocoa in these markets. Japan, in particular, has long been a stable importer of Ghanaian cocoa, with its confectionery industry heavily reliant on quality cocoa beans.

China, while a relatively new market for Ghana, represents a significant growth opportunity. As Chinese consumers develop a taste for chocolate, demand for cocoa imports is expected to rise. Ghana has the potential to capitalize on this trend by strengthening trade relations with China and expanding its market share in Asia. Diversifying its export partners in this way will help Ghana reduce its dependence on traditional markets like the EU and the U.S.

**Challenges in Value Addition**: Despite its strong position in global cocoa exports, Ghana exports most of its cocoa as raw beans. Only about **30-40%** of the cocoa produced in Ghana is processed domestically, which limits the country's ability to capture more value from its exports. Processed cocoa products, such as cocoa butter, powder, and chocolate, command higher prices on the global market and can significantly boost export revenue.

Ghana's government, through COCOBOD, has been working to increase domestic processing capacity by encouraging investments in cocoa processing plants. Companies like **Cargill** and **Barry Callebaut** have established operations in Ghana, but more needs to be done to increase the share of processed cocoa exports. Expanding the local processing industry will not only generate more income but also create jobs and stimulate economic development.

**Sustainability and Ethical Sourcing**: Another important factor influencing Ghana's cocoa exports is the growing emphasis on sustainability and ethical sourcing. Consumers in Europe and North America are increasingly demanding ethically sourced cocoa, which has led to the rise of certification schemes such as **Fairtrade**, **Rainforest Alliance**, and **UTZ**. These programs provide price premiums to farmers and help Ghanaian cocoa gain access to higher-paying markets.

However, meeting the certification requirements can be costly for farmers, and the benefits of certification are not always evenly distributed. To maximize the impact of sustainability certifications, Ghana must work to ensure that more smallholder farmers can participate in these programs and that they receive the full economic benefits of certification.

# Current Top 10 Factors Impacting Ghana's Cocoa Export Destinations

1. Global demand for chocolate: Rising chocolate consumption, especially in Asia, is driving demand for Ghanaian cocoa exports.

2. Trade agreements: The Economic Partinership Agreement (EPA) with the EU

facilitates duty-free access, making the EU Ghana's largest cocoa market.

3. Value addition: Ghana's limited domestic processing capacity reduces its ability to export higher-value cocoa products like butter and powder.

4. Sustainability certifications: Certifications such as Fairtrade and Rainforest

Alliance offer price premiums but are costly for farmers to implement.

5. Currency fluctuations: Changes in exchange rates, particularly between the cedi and the dollar, affect the competitiveness of Ghanaian cocoa exports.

6. Climate change: Erratic weather patterns and disease outbreaks impact cocoa production and export volumes.

7. Speculative trading: Speculation in global commodity markets causes price

volatility, affecting Ghana's export revenues.

8. **Government policy**: COCOBOD's pricing and export policies play a critical role in determining the volume and value of cocoa exports.

Competition from Côte d'Ivoire: Côte d'Ivoire's dominance in the global cocoa market affects Ghana's ability to expand its export share.

10. Infrastructure challenges: Poor infrastructure, particularly in rural areas, increases the cost of transporting cocoa from farms to export hubs.

# **Projections and Recommendations**

1.

Expand Processing Capacity: Ghana should focus on increasing its domestic processing capacity to boost exports of higher-value cocoa products. Government incentives for local processors and foreign investors can help drive this expansion.

2.

**Diversify Export Partners**: While the EU remains a key market, Ghana should continue to strengthen trade relations with emerging markets like China and other parts of Asia to reduce dependence on traditional markets.

3.

Promote Certification and Ethical Sourcing: Expanding participation in sustainability certification programs will enable Ghanaian cocoa to access higher-paying markets and meet rising global demand for ethically sourced products.

4.

**Improve Trade Infrastructure**: Enhancing the efficiency of transport and logistics infrastructure, particularly in rural cocoa-growing regions, will help reduce costs and improve Ghana's competitiveness in the global market.

5.

Strengthen Trade Negotiations: Ghana should leverage its position as a major cocoa producer to negotiate better terms with global buyers, ensuring fair pricing and sustainable trade relationships.

#### Conclusion

Ghana's cocoa export partners and destinations play a crucial role in shaping the country's economic landscape. While the European Union and the United States remain dominant markets, emerging demand from Asia presents new growth opportunities. By expanding value-added processing, promoting sustainability certifications, and diversifying its export destinations, Ghana can enhance its position in the global cocoa market and increase its export revenues.

#### **Notes**

This analysis is based on data from COCOBOD, ICCO, and trade reports on cocoa exports.

Key statistics were sourced from government and industry publications on cocoa trade and revenue.

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