The Future of the World Cocoa Economy: Boom or Bust?

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FAO Committee on Commodity Problems

69th Session

Rome, 28-30 May 2012
Nature and Membership of the ICCO

- Inter-governmental organization
- 47 Member countries, 18 Exporting and 29 Importing countries, plus the European Union.
- 73% of world imports and 95% of world exports

Exporting members: Brazil, Cameroon, Côte d'Ivoire, Dominican Republic, Ecuador, Gabon, Ghana, Malaysia, Nigeria, Nicaragua, Papua New Guinea, Sierra Leone, Togo, Trinidad & Tobago, Venezuela

New from October 2012: DR Congo, Costa Rica & Indonesia,

Importing members: all European Union members (27 countries), Russian Federation, Switzerland

Consultative Board on the World Cocoa Economy: represents the private sector; discusses all issues of strategic interest to the cocoa sector and makes recommendations to the ICCO Council.
1. Main **forum for discussions on policy/strategic** issues affecting the global cocoa economy, including cocoa producing countries, cocoa consuming countries and the cocoa and chocolate industry;

2. Contributing to **market transparency**: collection and dissemination of statistics and information on the cocoa market, regular analysis of cocoa market, market information systems (MIS) for farmers, etc. (publication of the ICCO Quarterly Bulletin of Cocoa Statistics and the World Cocoa Directory);

3. Development and supervision of **projects** aimed at solving specific problems and improving the functioning of the cocoa economy.
Cocoa production (supply)

WORLD COCOA PRODUCTION
2011/12: 4.0 million tonnes

Latin America: 14%
(574,000 tonnes)

Asia & Oceania 15%
(590,000 tonnes)

Africa: 71%
(2.826 million tonnes)

Source: ICCO, Quarterly Bulletin of Cocoa Statistics
Cocoa grindings (demand)

WORLD COCOA GRINDINGS
2011/12: 4.0 million tonnes

Europe and Russia: 40%
(1.597 million tonnes)

Asia & Oceania
20%
(813,000 tonnes)

Africa: 18%
(732,000 tonnes)

Americas:
21%
(855,000 tonnes)

Source: ICCO, Quarterly Bulletin of Cocoa Statistics
Consumption of cocoa

Apparent consumption of cocoa beans (in 2010/11)

- Asia & Oceania: 15%
- Latin America: 9%
- North America: 24%
- Africa: 3%
- European Union: 37%
- Other Europe: 11%

Source: ICCO, Quarterly Bulletin of Cocoa Statistics
Cocoa price development

July 1978: US$ 17,500

Nov 2000: US$ 970

Source: ICCO, Quarterly Bulletin of Cocoa Statistics
Strategic challenges (Supply and demand)

Projections of world cocoa supply & demand

Successive supply deficits expected in the coming years

Net production
Grindings
Lack of synergy or strategic approach

A survey by the ICCO Secretariat revealed about 64 initiatives worldwide on cocoa sustainability involving by 60 agencies / companies

- Proliferation of mostly uncoordinated, at times competing initiatives in cocoa producing countries
- Weak approach, not leveraging collective assets and principles of cooperation
- Outcomes are disjointed, often without any involvement with existing structures in the countries, producing adverse consequences...

Despite the proliferation of initiatives, not much, if anything, has changed in the producing countries
The Cocoa Sector—A New Approach

**Scatter Gun Approach:** Disjointed efforts result in underleveraged resources and unintended consequences on other issues or stakeholders

**Systems Approach:** Stakeholders, issues, initiatives are integrated around common vision, outcomes and values
Boom and Bust: a possible scenario…
The World Cocoa Conference
19-23 November 2012, Abidjan, Côte d’Ivoire

www.worldcocoaconference.org
Objective: to critically review the strategic challenges facing the world cocoa economy and to agree on coordinated actions to be implemented.

Outputs: Conference expected to adopt a Global Agenda for a Sustainable World Cocoa Economy, outlining the key issues facing the world cocoa sector and the best approach, strategy and players to tackle them.

Emphasis should be on the National Sustainable Cocoa Development Plan supported by National Cocoa Platforms (PPP approach).

Key stakeholders (governments from Producing countries and key industry representatives expected to sign a Commitment of Stakeholders at the closing ceremony of the WCC, to implement the agreed Global Cocoa Agenda containing a timeline and indicators to monitor implementation.
Thank you

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