

Ghana and Ivory Coast lift threat to suspend cocoa supplies

July 17 2019



Cocoa accounts for 40 percent of the Ivory Coast's exports but the country only earns about eight percent of total profits in the cocoa-chocolate sector

Ivory Coast and Ghana, the world's two largest cocoa producers, have ended a threat to stop selling their production in what was a push for

higher prices.

In what they called a "historic" move, the two West African neighbours on June 12 vowed to suspend the sale of their 2020/2021 production to buyers unwilling to meet a [minimum price](#) of \$2,600 per tonne, a move that shook the [cocoa](#) market.

The two African nations—which together account for 60 percent of the world's production—are campaigning to end a situation where cocoa producers make only \$6 billion in a global chocolate market worth around \$100 billion.

"The two countries decided to lift the suspension of sales of the 2020/2021 crop from today July 16," the chief of Ivory Coast's coffee and cocoa council, Yves Kone-Brahima, and Joseph Boahen Aidoo, chief executive of the Ghana Cocoa Board, said in a joint statement Tuesday.

At a meeting in Ivory Coast's commercial capital Adidjan on July 3, the two countries introduced a so-called Living Income Differential of \$400 per tonne.

The differential would kick in for export contracts for the 2020/2021 crop if market prices fell below \$2,600 a tonne.

A World Bank report released last week said Ivory Coast, the world's largest producer, earns just a fraction of the crop's potential value, and that 55 percent of cocoa producers live on about 757 CFA francs (\$1.3 / 1.15 euros) a day, which is below the poverty line.

Cocoa accounts for 40 percent of the nation's exports but the country only earns about eight percent of total profits in the cocoa-chocolate sector.

Almost 80 percent of the sector's profits are concentrated in the processing of chocolate paste and in the distribution of finished products to consumers, "two phases in which Ivory Coast does not yet play a major role", the report said.

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