

# Cocoa: from field to bar

From the harvesting of pods in the tropics to the chocolate bar enjoyed in Europe, cocoa illustrates the complexity of a global industry undergoing profound change. At the crossroads of finance, trade, and sustainable development, this emblematic raw material embodies the paradoxes of a market that is both dynamic and vulnerable. This in-depth analysis explores the economic, geographical, and social dimensions of an industry that provides a livelihood for millions of producers while supplying a multi-billion dollar global market.

## A structured global market, yet sensitive to cycles

The cocoa market exhibits contrasting dynamics between production and processing. For the 2023/2024 season, global cocoa bean production was estimated at approximately 4.382 million tonnes. Estimates for 2024/2025 predict a significant increase, with global production potentially reaching 4.840 million tonnes, representing a rise of +7.8% compared to the previous year.

However, this production growth is accompanied by a worrying paradox: the global grinding industry is showing signs of slowing down. For 2024/2025, global grindings are estimated at approximately 4.60 million tonnes, compared to 4.81 million in 2023/24. This divergence between increasing supply and decreasing processing demand reveals a generally well-supplied market but one subject to strong fluctuations depending on harvests, production costs, and changes in final demand. These structural oscillations represent a major challenge for all stakeholders in the industry, from producers to processors.



## Key producing countries: African dominance

The geography of global cocoa production reveals a remarkable concentration in West Africa, which accounts for approximately 71 to 73% of world production. This dominance revolves around a few major players who shape the balance of the international market.

Côte d'Ivoire holds the position of the world's leading producer, followed by Ghana, with these two countries forming the heart of global supply. Other African nations such as Cameroon and Nigeria also contribute significantly to this continental production. The increase in volumes in 2024/25 notably concerns Côte d'Ivoire, with forecasts higher than the historical average, which supports the overall balance of global supply.

This historical weight of West African producers makes the cocoa market highly sensitive to regional climatic conditions, national agricultural policies, and the socio-economic dynamics of these territories. Any disruption in these key areas immediately impacts global prices and the availability of the raw material, creating structural vulnerability for the entire sector.

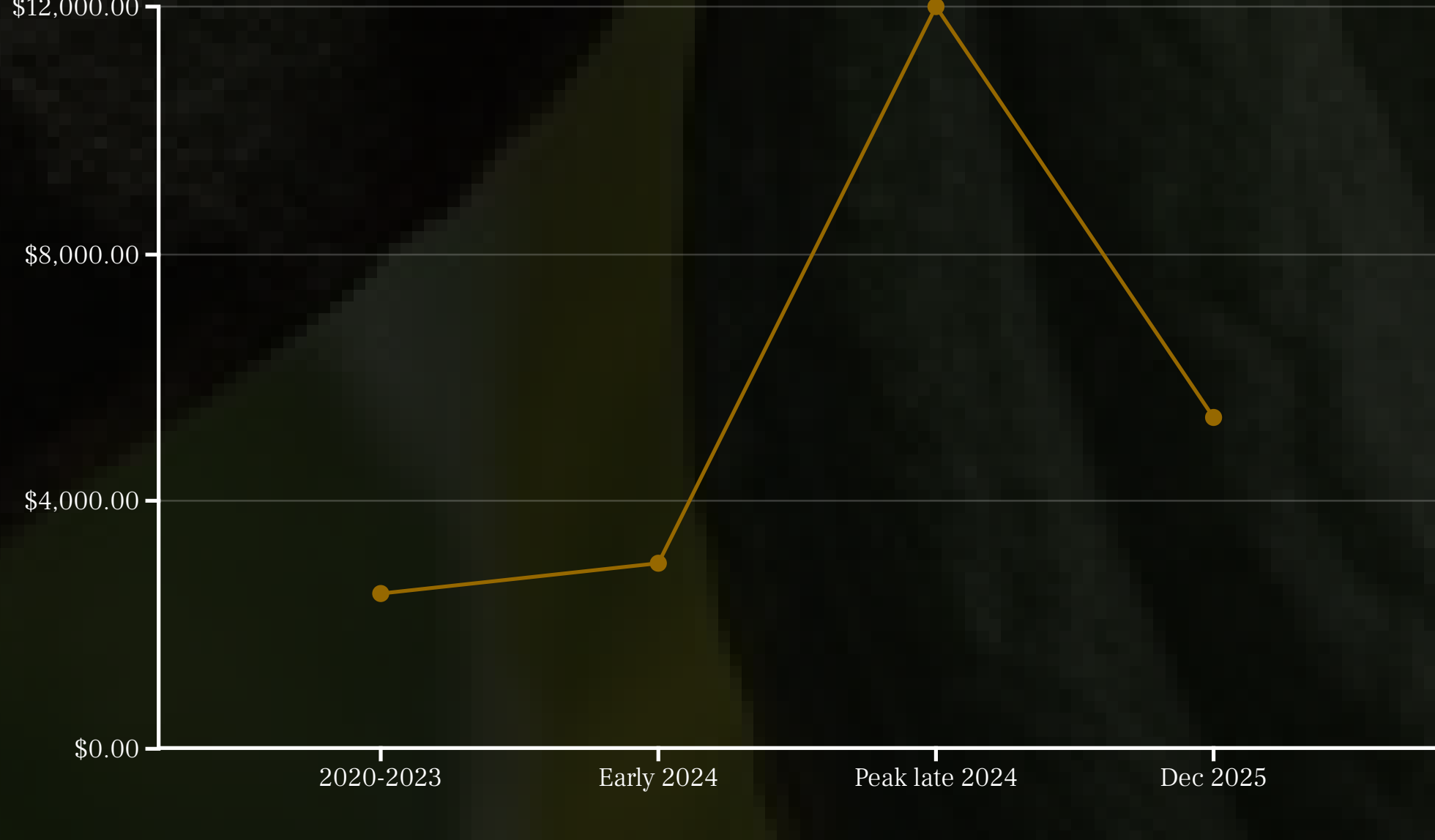
Côte d'Ivoire	Ghana	Other African Countries
World's leading cocoa producer, a pillar of global supply with increasing volumes for 2024/25	Second major producer, key partner to Côte d'Ivoire in Africa's market dominance	Cameroon, Nigeria, and other nations contribute to the 71-73% of continental production

## Prices, speculation and market dynamics (2024-2025)

The cocoa market has experienced spectacular volatility, perfectly illustrating the structural tensions within this sector. After years of relative stability with prices fluctuating around 2,000 to 3,000 USD per tonne, the market saw an extraordinary surge at the end of 2024, reaching historical highs of around 12,000 USD per tonne. This unprecedented rise disrupted the entire value chain, from producers to chocolatiers.

However, this price euphoria was short-lived. In December 2025, cocoa prices traded around 5,325 to 5,360 USD per tonne on futures markets, representing a massive correction of over 55% from the 2024 peaks. This dramatic fall can be explained by several converging factors: a gradual return of supply with more abundant harvests, forecasts of a surplus for the 2024/2025 season, and a significant decline in demand after the speculative peak.

This sequence of record prices followed by a brutal correction demonstrates that cocoa remains a highly volatile market, characterised by rapid cycles of euphoria and correction. This instability is a key factor for investors, processors, and all stakeholders in the chain, who must develop sophisticated hedging strategies to navigate this unpredictable environment.



## Processing and the European market: a strategic hub

Europe remains the world's leading cocoa processing hub, concentrating approximately 35.8% of global grinding with a total volume of 1.75 million metric tonnes during the 2023/2024 cocoa year. This dominant position reflects the continent's historical expertise in processing and adding value to this tropical raw material.

The Netherlands holds a prominent place in this European landscape, having ground approximately 600,000 tonnes of cocoa, accounting for more than a third of the continental volume. This Dutch concentration is explained by the presence of large industrial facilities and a strategic logistical position at the heart of Europe.

Switzerland, with its legendary chocolate tradition and premium expertise, processes approximately 55,000 tonnes of cocoa annually. In 2024, the Swiss Confederation imported nearly 143,000 tonnes of cocoa and derived products, including 61,000 tonnes of raw cocoa beans, mainly from Ghana and the Dominican Republic. These figures confirm Switzerland's key role in the value chain of premium chocolate and the high-end segment, where quality and traceability take precedence over volumes.



## Sustainability, equity, and social issues: a growing imperative

Cocoa represents an essential resource for millions of smallholder farmers, particularly in Africa and Latin America, whose livelihoods depend directly on this crop. The recent context of a spectacular price surge followed by strong instability highlights major challenges that transcend the simple economic dimension.

Income security is a central concern for these farmers who face extreme volatility in world prices. Working conditions on plantations, often precarious, require substantial improvements to ensure the dignity and safety of workers. Environmental sustainability is also becoming a critical issue, with the need to adopt environmentally friendly agricultural practices to preserve fragile tropical ecosystems.

Traceability emerges as an indispensable requirement, ensuring the ethical origin of cocoa and combating deforestation and child labour. Several initiatives are emerging to try and reconcile economic profitability, social equity, and environmental respect: fair trade labels, sustainable certification programmes, inclusive finance mechanisms for small-scale producers. These collective efforts aim to transform a sector historically marked by inequalities into a fairer and more sustainable model.

<b>Income Security</b> Ensuring stable and fair prices for millions of smallholder farmers facing extreme market volatility	<b>Working Conditions</b> Improving the dignity and safety of plantation workers, combating child labour
<b>Environmental Sustainability</b> Adopting responsible agricultural practices to preserve tropical ecosystems and combat deforestation	<b>Traceability and Transparency</b> Guaranteeing the ethical origin of cocoa through rigorous certification and monitoring mechanisms

## Challenges and vigilance for investors

For an institutional investor or a strategic player in the sector, several critical elements must be subject to constant monitoring and in-depth analysis. Understanding these factors determines the ability to anticipate market movements and manage the inherent risks of this volatile commodity.

Production cycles in West Africa constitute the primary factor for vigilance. Agricultural decisions, weather conditions, government policies, and the socio-political stability of these regions directly impact global supply and can cause considerable price variations in just a few months.

Price volatility represents a major challenge, as demonstrated by the 2024-2025 sequence with spectacular peaks followed by massive corrections. Investors must develop sophisticated hedging strategies and maintain rigorous discipline in the face of speculative temptations.

Global chocolate demand is evolving under the influence of multiple trends: consumption in emerging markets, the rise of the premium and "bean-to-bar" segments, and increasing demands for sustainability. These dynamics directly influence the level of grindings and price formation.

Finally, social and environmental risks cannot be ignored. Issues related to the labour of small-scale producers, deforestation, increasingly strict regulatory deadlines, and traceability requirements could profoundly affect the sector's image and impose standards that will transform established economic models.

	<b>African Production Cycles</b> Monitor weather, agricultural policies, and socio-political stability in Côte d'Ivoire and Ghana
	<b>Price Volatility</b> Manage extreme oscillations between speculative peaks and brutal market corrections
	<b>Global Demand</b> Analyse consumption trends, premium segments, and sustainability requirements
	<b>ESG Risks</b> Anticipate the impact of social and environmental standards on economic models

## Conclusion: a market at a crossroads

A symbol of a globalised market deeply sensitive to external shocks, cocoa today stands at a crossroads between economic performance, environmental sustainability, and social justice. The year 2024-2025 demonstrated with striking clarity how much this market can oscillate between extremes: soaring prices reaching historical highs of 12,000 USD per tonne, followed by a rapid return to more moderate levels around 5,300 USD. This extraordinary volatility makes rigorous analysis and risk management absolutely indispensable for all players in the sector.

The future of cocoa will fundamentally depend on the collective capacity of stakeholders to balance supply and demand in an uncertain climate context, to support millions of small-scale producers towards more remunerative and sustainable practices, and to guarantee ethical and environmental standards that meet the growing expectations of consumers and regulators. The contemporary of this historical sector into a truly sustainable and equitable model represents one of the great challenges of contemporary international trade, where economic, social, and environmental issues of paramount importance are simultaneously at play.

### Sources

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