

Christmas miracle? Cocoa prices drop 45% but your chocolate bar stays premium

Coface

Chocolate lovers, the cocoa market is in free fall! Prices have plunged by 45% since January, erasing two years of record highs and reshaping the industry. What's behind this sweet surprise and what does it mean for producers and consumers alike?

Key figures :

45% = fall in cocoa prices since January 2025

\$5,000 = current price of a ton of cocoa

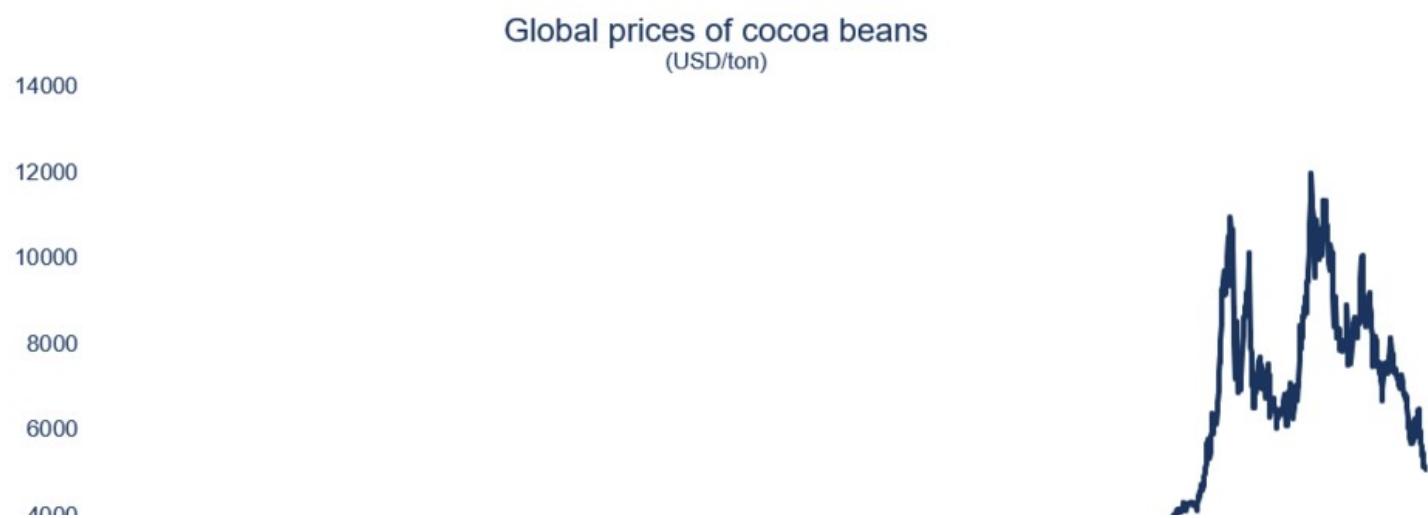
60% = share of Ivory Coast and Ghana in global cocoa production

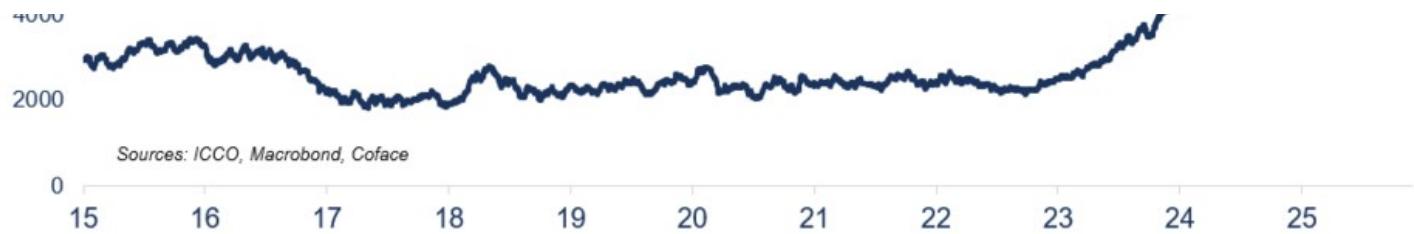
After two years of tension, the current correction is bringing cocoa prices back to more rational levels. But it would be illusory to talk about normalization: the sector remains fragile due to structural constraints and a very high geographical concentration of bean production.

- Simon Lacoume, sector economist.

A market in the midst of correction

After reaching nearly \$12,000/ton at the end of 2024, cocoa is now trading at around \$5,000/ton, a drop of more than 50% in one year. This sharp decline can be explained by two factors: optimistic harvest forecasts in [Côte d'Ivoire](#) and the end of speculation that had fueled the price surge in 2024. Despite this decline, prices remain twice as high as their 2012-2022 average (\$2,525/ton).





([data for the graph in .xls format](#))

Persistent structural tensions

Although [the effects of El Niño](#) and the swollen shoot virus¹ have subsided, the supply deficit remains, and the problems of 2024 persist. Plantations are ageing, investment remains too limited, and production is highly concentrated geographically. Cote d'Ivoire and [Ghana](#) together account for nearly 60% of global production, rising to 70% if we include the rest of West Africa. The cocoa sector is therefore extremely vulnerable to any disruption in supply from this region.

Robust global demand

Chocolate consumption continues to grow, driven by Asia and the premium segments. Ethical, organic and low-sugar chocolates are gaining ground, as is certified cocoa (Fairtrade, Rainforest Alliance). At the same time, producing countries such as Cote d'Ivoire and Ghana are seeking to increase the share of domestic grinding to capture more value.

Sustainability and diversification

West Africa remains dominant, but Latin America, particularly [Ecuador](#), aims to overtake Ghana by 2027, targeting 650,000 tons of cocoa produced per year. [Traceability initiatives imposed by the EU](#) and the Reference Price for a Decent Income (PRRD) mechanism put in place by the Ghanaian and Ivorian governments – setting a minimum producer price (farm gate price) of \$3,408/ton in Ghana and \$2,650/ton in Ivory Coast² – are simultaneously increasing pressure for a sustainable and transparent supply chain.

¹ A viral disease of the cocoa tree that is endemic in West Africa.

² PRRD differentials apply when the farm gate prices set by COCOBOD and the Coffee and Cocoa Board respectively are lower than the reference price.