Internalizing the cocoa value chain in producing countries

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Cocoa production by countries

Source: ICCO, Quarterly Bulletin of Cocoa Statistics
**COCOA VALUE CHAIN: KEY FACTS**

While chocolate sales worldwide represents about US$112 billion, the market value of cocoa beans at farm-gate is estimated at US$9 billion, with cocoa smallholders who account for about 95% of the global output still living mostly with less than 1US$ per capita per day.

Cocoa processing sector is highly concentrated: 8 multinational companies control nearly 70% of the global market.

Chocolate manufacturing is equally highly concentrated: 6 manufacturers control 40% of the market worldwide.

US$7 billion is the estimated consumption tax collected from chocolate confectionery products worldwide.
### Volume distribution (million of tonnes) within the Cocoa Supply Chain

- **Cocoa Beans**: 3.1 (1.2) million tonnes
- **Semi Finished Cocoa Products**: 1.3 (2.9) million tonnes
- **Chocolate Confectionery**: 7.00 (7.00) million tonnes

### Value distribution (billion of $US) within the Cocoa Supply chain

- **Cocoa Beans**: $10.1 ($3.9)
- **Semi Finished Cocoa Products**: $6.0 ($13.5)
- **Chocolate Confectionery**: $99.9 ($1.1)
Cocoa export dependency

Source: UN Comtrade Database
Policy Implications

Producing countries, by internalizing a larger share of the value of the chain will be better off as:

1. Public finances will become more resilient to the volatility (“boom and bust effect” of commodity prices;

2. The countries’ reserves of foreign currencies will improve;

3. More employment opportunities will be created; and;

4. Their economic growth will become more sustainable in the longer term.
THANK YOU

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