

Ivory Coast domestic cocoa exporters on verge of default due to bean shortage

By [Ange Aboa](#)

15 Feb 2023

Ivory Coast cocoa exporters are close to defaulting on their contracts due to a lack of beans and urgently need up to 150,000 tonnes to honour their commitments, seven sources who attended a crisis meeting with the regulator on Friday told Reuters.



A worker carries a sack of cocoa beans in Gabeadjii, a village of San-Pedro, Ivory Coast August 6, 2022. REUTERS/Ange Aboa

As the world's top producer heads towards the end of its October-to-March main harvest, bean supply is tight. Exporters estimate that arrivals at its main ports stood at 34,000 tonnes for the week to 12 February, versus 66,000 tonnes during the same period last season.

Cocoa regulator the Cocoa and Coffee Council (CCC) met with representatives of Gepex, which represents multinational exporters, domestic traders' lobby GNI and UCOOPEXCI, which represents exporting cooperatives, last week to discuss the shortfall, the sources said.

"We are heading towards a certain default because we have not been able to buy beans since January," one of the sources, a member of UCOOPEXCI who attended the meeting, told Reuters.

Another of the sources, a member of the domestic cocoa traders association GNI, said they were also facing difficulties buying beans to honour export contracts.

Domestic export defaulting

The volume of cocoa being sold exclusively within the Fairtrade market, which commands a higher price that is passed on

to farmers, has also cut the volumes available to domestic exporters, some sources said.

"Certified cocoa costs between 950 CFA (\$1.54) and 975 CFA francs per kilo, while the farmgate price is 900 CFA francs. It is impossible for us to compete because multinationals have a monopoly on all certified cocoa," one trader said.

The sources said they had asked the CCC to react quickly so domestic exporters could avoid looming defaults. A spokesperson for the regulator confirmed a meeting was held on Friday to discuss the issue, but gave no further details.

At the meeting the watchdog proposed pushing back the loading period for the contracts of struggling exporters to June so that they can buy beans between April and June during the mid-crop harvest, the sources said.

"Delaying the loading period to June will not solve anything. Our customers expect cocoa from the main crop which is of much better quality than the mid crop," a domestic trader said.

Another solution proposed by the CCC included authorising local cocoa grinders to hold only 15 days' worth of beans grinding capacity instead of 45 days.

But cocoa grinding companies said the solution was impracticable because the stocks are already scheduled to be processed within a few months in response to strong market demand for semi-finished cocoa products.

"We are currently grinding at almost 95% of capacity due to strong international demand, and this stock will quickly be exhausted in a few weeks," said the manager of an Abidjan-based company.

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