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Cote d'Ivoire

Cocoa

Report

2001

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Report Highlights:

Post forecasts 2001/2001 cocoa production to increase due to good rains and the vigorousness of young trees. Introduction of a new marketing system took effect from October 2, 2001, the beginning of the 2001/2002 marketing year. Cocoa bean exports are expected to increase in 2001/2002 due to increased supply and favorable world market prices. The new marketing system has undone the 1999 market liberalization and is expected to put a squeeze on the operation of major exporters.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Post forecasts 2001/2002 cocoa production to increase due to good rains and the vigorousness of young trees mainly in the center-west and south-west. The rains in 2001 have been heavy but poorly distributed. The rainfall in April and May caused a high level of tree flowering and pod formation. However, the high intensity of rainfall in June and July caused a significant fall of flowers and small pods. Since the latter part of July, the rains have been erratic and in certain producing areas, the center and center-west, there have been drought conditions in certain localities. In areas where there are predominantly old trees, these weather conditions made it impossible for new flowering to occur. In areas of predominantly young trees, the south-west and center-west, pod development and tree flowering were normal. In other areas, especially in the east, excessive rains have led to a prevalence of pod rot. The industry estimates main crop production between 950 TMT and 1million MT. The scarcity of pods and flowers in much of the country indicates the main crop will be shorter than normal, ending in mid-February. However, it may extend to its normal term of end of April in the center-west and south-west. Currently, rains are good throughout the producing areas. If these rains continue through the beginning of January and are complemented by a mild Harmattan (north-east dry wind) the mid-crop will be good. The prospects for a large mid crop are enhanced by the expected return to productivity of many trees which were rested during the main crop.

The marketing of the 2001/2002 crop started on October 2, 2001 with the introduction of the new marketing system (IV1013). There was initial problem linked with the fixing of the farmgate price. While the Producers's Association (ANAPROCI) announced a producer price of 325 F CFA/kg, the farmgate price was then ranging between 400 and 425 F CFA/kg. Some middlemen and traitants took advantage of this confusion and bought cocoa at the minimum price to the detriment of farmers. There was also the struggle to control the BCC (Bourse du Café et du Cacao) and the funds generated from export fees This resulted in disruption of marketing upcountry partly due to strike threats by ANAPROCI; suspension of the BCC by the Minister of Agriculture; and arrested cocoa exports until the latter part of October 2001. Since the beginning of November 2001, crop marketing has become normal. Upcountry bean arrivals at the Port of Abidjan and San Pedro as of the end of November were estimated at 450,000 MT, about 20 percent lower than that of the same period in 2000. Farmgate prices have been rising reflecting the scarcity of beans upcountry. Farmgate prices range between 580 and 640 F CFA/kg at the end of November 2001. With this level of farmgate price, farmers are receiving about 60 percent of world market price.

Quality of cocoa beans has been average in 2001/2002 . Initially, bean quality was excellent with bean size being less than 100 beans per 100 grams and humidity level has been about 10 percent. However, bean quality has degraded as the season progressed. In certain areas in the center, center-west and east, bean size is currently averaging more 105 beans per 100 grams which is quite unusual at this time of the year. The small bean size is due to drought conditions in certain parts of the country and aging plantations. The humidity level is also high, about 13 percent , and there is a high percentage of moldy beans. This is because the current cloudy, rainy weather, coupled with the high demand for beans, leaves insufficient time for proper drying. The upper

limit of humidity is normally 8 percent. The low crop quality has led to higher than normal discounting (averaging 7-10 percent) on most deliveries to exporters' warehouses in Abidjan and San Pedro.

Local consumption of cocoa beans is increasing due to expanding processing facilities. In 2000/2001, domestic bean processing is estimated at 280,000 MT and is expected to increase to 285,000 MT in 2001/2002. Local processing is mainly for the production of semi-finished products - cocoa cake, paste, butter, chocolate liquor and powder - for export.

Cocoa bean exports are expected to increase in 2001/2002 due to increased supply and favorable world market prices. Cocoa bean exports fell in 2000/2001 because of low world market prices and insufficient supply of good quality cocoa beans. Exports for the first 9 months of 2001 were 550,068 MT compared to 767,298 MT for the same period in 2000. Exports of cocoa beans and products accounted for 29 percent of total Cote d'Ivoire export earnings in 2000 compared to 27 percent in 1999. The increase is due to the rise in exports.

Stocks are expected to drop in 2001/2002 due to increased exports and low expansion in supply. At the beginning of 2001/2002, stocks level were high due to reduced exports.

The new marketing system has undone the 1999 market liberalization of cocoa marketing and has been squeezing on cocoa exporters, especially major exporters. On October 29, 2001, the ARCC (l'Autorite du Café et du Cacao) set trimestrial export limit for cocoa. The limit set for each exporter for October- December period is 42,000 MT with a maximum allowable transfer of 8,000 MT from one exporter to other. This export limit is the application of what was perceived in the original marketing plan as export rights (Droit des exportations) and was suspended due to exporters' protest. The export rights are meant to promote the activities of small exporters and to prevent any exporter to have a dominant position on the export market. On November 17, there was a government decree which requires cocoa beans for exports to be bagged only in 60 kg or 65 kg jute bags. This means that bulk exports of cocoa beans are not permitted. Though the decree is not yet being enforced, its implementation will adversely affect large shippers tied to manufacturers which have geared their processing to taking shipment in bulk. (Refer to earlier report (IV1013) on New Marketing System for Cocoa and Coffee).

Exchange Rate: U.S. \$1 = 742 F CFA on December 6, 2001.

PSD Table						
Country	Cote d'Ivoire					
Commodity	Cocoa Beans				(1000 HA)(MILLION TREES)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Planted	1556	1556	1557	1557	0	1558
Area Harvested	1385	1385	1386	1386	0	1390
Bearing Trees	1800500	1800500	1801800	1801800	0	1807000
Non-Bearing Trees	222300	222300	222300	222300	0	218400
TOTAL Tree Population	2022800	2022800	2024100	2024100	0	2025400
Beginning Stocks	202411	189411	159211	61006	127911	70988
Main Production	975000	1080000	1000000	1000000	0	1020000
Mid & Other Production	230000	220000	230000	180000	0	200000
TOTAL Production	1205000	1300000	1230000	1180000	0	1220000
Bean Imports	0	0	0	0	0	0
Liquor & Paste Imports	0	0	0	0	0	0
Butter Imports	0	0	0	0	0	0
Powder,Cake,Choc. Imp.	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	1407411	1489411	1389211	1241006	127911	1290988
Bean Exports	1030000	1200000	1000000	894573	0	1000000
Liquor & Paste Exports	105000	114499	130000	145450	0	146000
Butter Exports	52000	51827	60000	57698	0	58000
Powder,Cake,Choc. Exp.	60000	60879	70000	70997	0	72000
TOTAL Exports	1247000	1427205	1260000	1168718	0	1276000
Domestic Consumption	1200	1200	1300	1300	0	1400
Ending Stocks	159211	61006	127911	70988	0	13588
TOTAL DISTRIBUTION	1407411	1489411	1389211	1241006	0	1290988

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Cocoa Beans		
Time period	Jan-Dec	Units:	MT
Exports for:	1999		2000
U.S.	214662	U.S.	234481
Others		Others	
Netherlands	394418	Netherlands	365134
Germany	99253	Germany	102638
France	39732	France	39369
Belgium	27828	Belgium	66188
Russia	80449	Russia	78003
U.K.	58310	U.K.	63176
Spain	41327	Spain	28432
Italy	35992	Italy	36286
Poland	30832	Poland	22256
Turkey	18611	Brazil	36661
Total for Others	826752		838143
Others not Listed	71762		41706
Grand Total	1113176		1114330

Cote d'Ivoire Product Exports (MT) Jan-Sept 2000 and 2001

	2000	2001
Cocoa Cake	26,144	27,405
Cocoa Paste	65,845	91,146
Butter	28,903	32,119
Powder	8,690	14,468
Chocolate	4,262	4,240
Total	133,844	169,378

Source: Post Research

Cote d'Ivoire Cocoa Product Exports (MT) in 2000

	Cake	Paste	Butter	Powder	Chocolate
France	4,566	37,283	20,615	3,254	4,548
Netherlands	580	27,107	3,447	1,804	0
Belgium	0	3,461	20	0	1011
U.K.	36	110	2,852	0	0
Spain	17,010	824	668	80	0
Poland	588	8,338	1,634	144	0
Bulgaria	172	122	20	0	0
Israel	21	1,343	1,250	0	0
Australia	0	4,138	112	79	0
South Africa	0	1,054	454	144	0
U.S.	10,358	2,167	1,940	5,762	84
Canada	0	20	2,080	0	0
Germany	0	2,440	0	140	0
Japan	0	328	4,560	0	0
Others	1,223	2,324	514	1,363	37
Total	34,554	91,059	40,166	12,770	5,680

Source: Post Research