

Market Outlook COCOA & COCONUT

August 11, 2023

Coconut

Desiccated Coconut

Whereas supply conditions are steadily deteriorating due to developing El Nino and dry conditions, prices haven't increased by reason of lack of global demand. The possibility of super typhoons hitting the Philippines is stronger this season due to the global changes in weather patterns.

Coconut Milk and Cream

Indonesia is seeing raw material related shipping delays as dry conditions start to kick in. We only see this getting worse over the next 6-12 months.

Coconut Oils

Prices have lifted obscurely from lows in recent months of \$900/MT CIF Rotterdam to over \$1150/MT on the futures market, with an increase anticipated in 2024. The global price of coconut oil is the key cost-driver to all coconut products.

Cocoa

Cocoa Powder

Cocoa powder pricing is on the rise with ratios remaining high on liquor, which should push pricing further upwards.

Cocoa Butter

Butter ratios remain high at 2.25. Albeit a decrease, this is overshadowed by the bean market firming. These high levels could impede demand.

Cocoa Terminal Bean Market

Bean price has hit 45-year record levels of approximately €3000/MT, influenced by news of El Nino and great concerns over quality and future supply. Future supply remains promising.

Coco Liquor

Cocoa Liquor pricing remains stable with strong demand

Chocolate

With Cocoa liquor and Cocoa butter remaining firm, present levels of chocolate are high and have increased since January.

Global Food News :

1. Cocoa prices are increasing due to an increase in black pod disease caused by rains in West Africa and reduced yields.
2. Europe's heat wave is more likely to impact Autumn/Winter salad and vegetable crops.
3. Russian withdrawal from the Black Sea Grain Initiative has caused grain and sunflower instability once again.
4. Wet weather is making root crop harvesting difficult in the UK and Ireland.
5. According to the European Drought Observatory, approximately 42% of EU 27 land is under an amber warning, while 4% is on a red alert.

