

Cocoa prices hit highest in 12 years in New York

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Chocolate-making raw material cocoa's prices rose to the highest in more than 12 years in New York on Tuesday, only a few weeks after its prices jumped to the highest in 46 years in London, as traders and chocolate producers face restricted supplies.



Cocoa pods harvested in a cocoa farm are seen near the village of Kusa, in the Ashanti region of Ghana, 27 August, 2022. REUTERS/Francis Kokoroko

Prices for the benchmark cocoa contract at the Intercontinental Exchange in New York rose to \$3,429 per metric tonne earlier in the trading session, the highest since mid-March 2011, closing later at \$3,407, or up 1.4%.

Cocoa is currently among the hottest agricultural commodities, mostly due to an unusual fall in production in the western part of Africa, a region that supplies most of the raw material to chocolate makers worldwide, and the prospect of possibly negative weather going forward.

Ghana and Ivory Coast, as well as Nigeria and Cameroon, are located in one of the areas which analysts say could suffer from drier-than-normal weather for several months ahead due to the El Nino pattern that is under development.



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"Cocoa production is usually weaker in an El Nino year. We don't know how strong this current El Nino will be, but forecasters say it will probably be strong," said Rabobank cocoa analyst Paul Joules.

"The 2023/24 mid crop could be affected, as well as the 2024/25 main crop," he added, referring to the two annual cocoa crops African countries harvest.

The amount of cocoa arriving at ports to be exported in the number one grower Ivory Coast is down 4% in the season compared with the previous year, exporters estimated on Monday, indicating smaller production.

London cocoa futures settled up 18 pounds, or 0.7%, at 2,532 pounds per metric tonne.

Among other commodities, raw sugar settled up 0.3%, at 23.86 cents per pound, still trading in a recent narrow range, below the 11-year peak above 27 cents hit late in April.

Arabica coffee rose 0.3%, to \$1.563 per pound, while robusta coffee settled down \$20, or 0.8%, at \$2,532 a metric tonne.

(This story has been corrected to say cocoa hit the highest prices in 12 years, not 22 years, in the headline and paragraph 1)

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