

# Chocolate sees price spike after drop in supply of cocoa and other ingredients



**Rising costs of cocoa on the commodity markets could push up the cost of chocolate in the coming months.**

Research has shown that chocolate prices have risen by 14% in the past year, and some analysts predict they are about to rise further due to depleted supplies of cocoa from the major origin countries.

*"The cocoa market has experienced a remarkable surge in prices...This season marks the second consecutive deficit, with cocoa ending stocks expected to dwindle to unusually low levels",* S&P Global Commodity Insights' Principal Research Analyst Sergey Chetvertakov told CNBC.

Côte d'Ivoire and Ghana account for more than 60% of the world's cocoa production, and Chetvertakov said that the arrival of the El Niño weather phenomenon is forecast to bring lower than average rainfall and powerful Harmattan winds to the West African region.

*"I believe that consumers should brace themselves for the likelihood of higher chocolate prices",* Chetvertakov said, as chocolate producers are compelled to pass on higher production costs to consumers as they continue to be squeezed by rising raw material costs, surging energy expenses and elevated interest rates.

Cocoa butter has also seen a 20.5% increase in prices year-to-date, according to food commodity price database Mintec. *"As chocolate is made up primarily of cocoa butter, with some cocoa liquor included in dark or milk, the price of butter is the most direct reflection of how chocolate prices would move",* Mintec's Director of Commodity Insights Andrew Moriarty said.

At Griffin Foods, we understand the concerns surrounding the fluctuations in cocoa prices, which can impact our valued customers. As a company, we are committed to minimizing any adverse effects. Our dedicated team continually monitors the chocolate market, analyzing key factors such as cocoa prices, supply and demand, and industry trends.

Thank you for your continued trust in Griffin Foods. We are here to support you and remain committed to delivering exceptional value while navigating market challenges together.