

I.Coast freezes cocoa farmer prices due to falling rates

ABIDJAN, Côte d'Ivoire - Ivory Coast, the world's top cocoa grower, on Sunday set its minimum rate for farmers at 700 CFA francs per kilo for the 2017-18 crop, a steep drop over the previous year, due to falling global prices. Although production increased 28.5 percent to a record 2.15 million tonnes in the 2016-17 season, world cocoa prices have fallen by more than a third.



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The minimum price guaranteed to farmers was 1,100 CFA francs (1.68 euros, about \$1) per kilo at the start of the 2016-17 season.

But the Ivorian government had to lower the price to 700 CFA francs in April due to falling prices in international markets, which was linked to overproduction in relation to demand and aggravated by the weakness of the pound against the euro.

"The price of market quality and well-dried cocoa for the 2017-2018 harvest season is fixed at 700 CFA francs per kilo," Lambert Konan Kouassi, the head of the Coffee and Cocoa Council, said on Sunday.

Cocoa industry vital to the country's economic welfare

Last month, Konan mentioned problems with inventory management and failures of operators to explain the year's difficulties, as well as mutinies in the Ivorian army that scared markets earlier in the year.

The cocoa industry, which accounts for 15 percent of Ivory Coast's GDP and more than 50 percent of export receipts - as well as two-thirds of jobs - is absolutely vital to the country's economic welfare, according to the World Bank.

Price is disappointing

"The price is disappointing," said Cisse Sidikiba, the head of the national cocoa growers' association. "But one mustn't be ungrateful towards the Ivorian state, for two years our prices have been higher than in neighbouring countries," he said, referring to Ghana, the world's number two producer.

"If this price is maintained throughout the 2018-2018 season, I don't think the farmers will have too many problems," said Anderson Koua, the head of a cocoa cooperative in the southern Grand Lahou region.

However, Moussa Kone, the head of the National Farmers' Union for Ivory Coast's Progress said he was "disappointed. "We expected at least 850 CFA francs," he said.

Source: AFP

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