

Ivory Coast regulator warns cocoa exporters not to overpay

Ivory Coast's market regulator warned cocoa exporters on Tuesday, 12 March, against paying above the mandated price for beans delivered to their facilities at the top growing country's port threatening offenders with fines and the loss of their licenses.

By [Ange Aboa](#) 13 Mar 2024



FILEPHOTO: Cocoa pods are seen at a farm in Daloa, Ivory Coast, Oct. 2, 2023. REUTERS/Ange Aboa/File Photo

Ivory Coast and number two producer Ghana are in the midst of their worst harvest in years, with Ivorian arrivals estimated to be down by more than 28% on last season.

The resulting supply scarcity has pushed prices in London and New York to record levels.

"This situation has led to a frantic race to buy beans," the Coffee and Cocoa Council (CCC) said in a memorandum distributed to industry players. "It has recently been observed that licensed exporters are overpaying for cocoa."

While farmers can earn above a minimum price set by the CCC, prices along the rest of the cocoa supply chain are fixed and overpaying is forbidden.

"The multinationals have been very aggressive," the director of a European exporter told Reuters. "The grinders pay up to 1,500 CFA francs (\$2.51) per kilogramme, whereas we're authorised to pay a maximum of 1,095 CFA francs."

The CCC also warned cooperatives and up-country buyers against holding onto beans, saying they were required to sell their stocks to exporters within 21 days of acquiring them.

"Non-respect of this measure exposes the offender to the confiscation of stocks and the suspension of access to the purchasing system," the CCC wrote.

Cooperatives and buyers often hoard beans in anticipation of an increased CCC-mandated price scale.

Sources within the regulator told Reuters last week that despite record-high global cocoa prices it would keep its price scale unchanged for the mid-crop harvest due to open next month.

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