



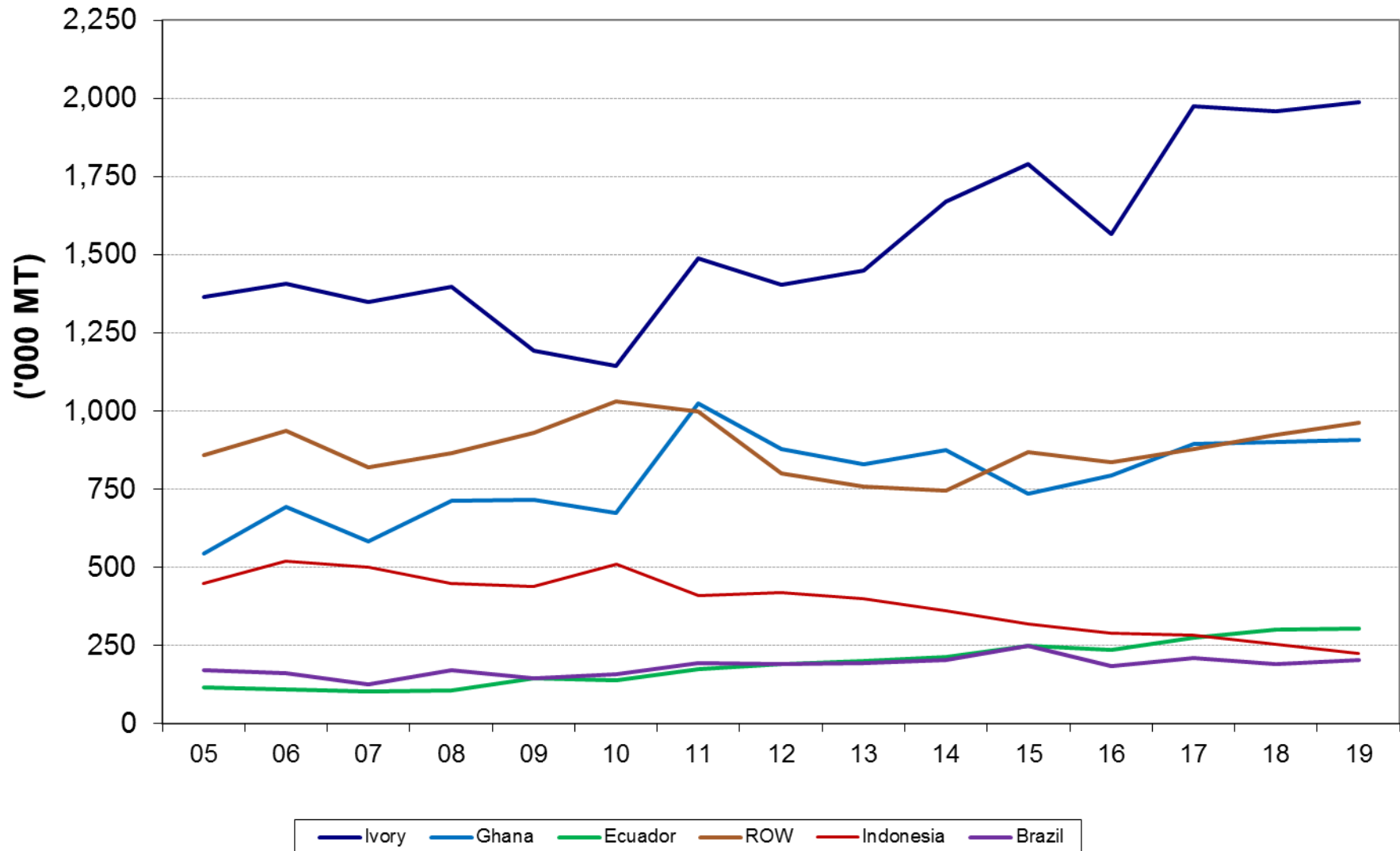
Cocoa Market

International Sweetener Colloquium
February 26, 2019
Miami, FL

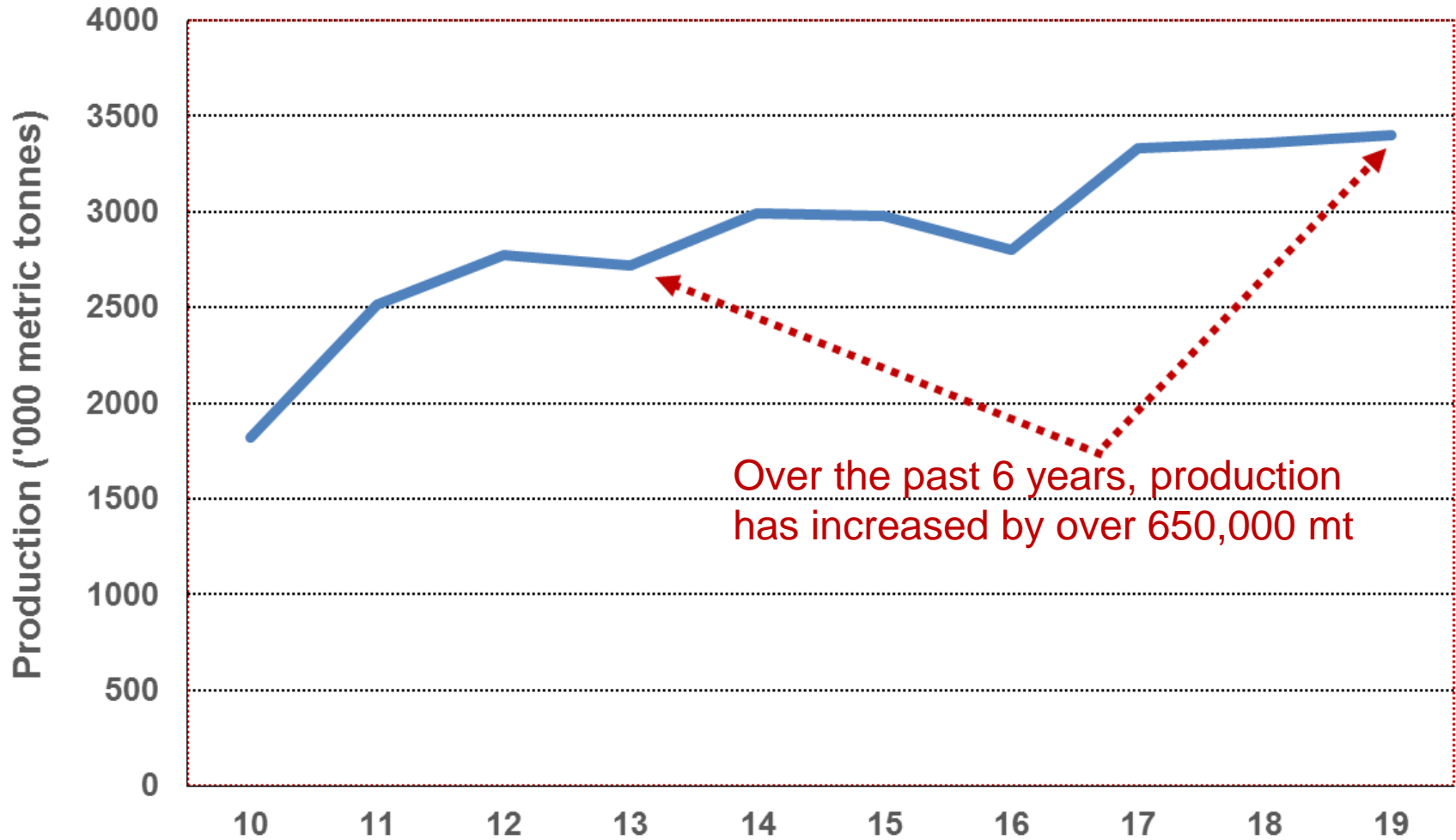


75-80% of the World's
Production

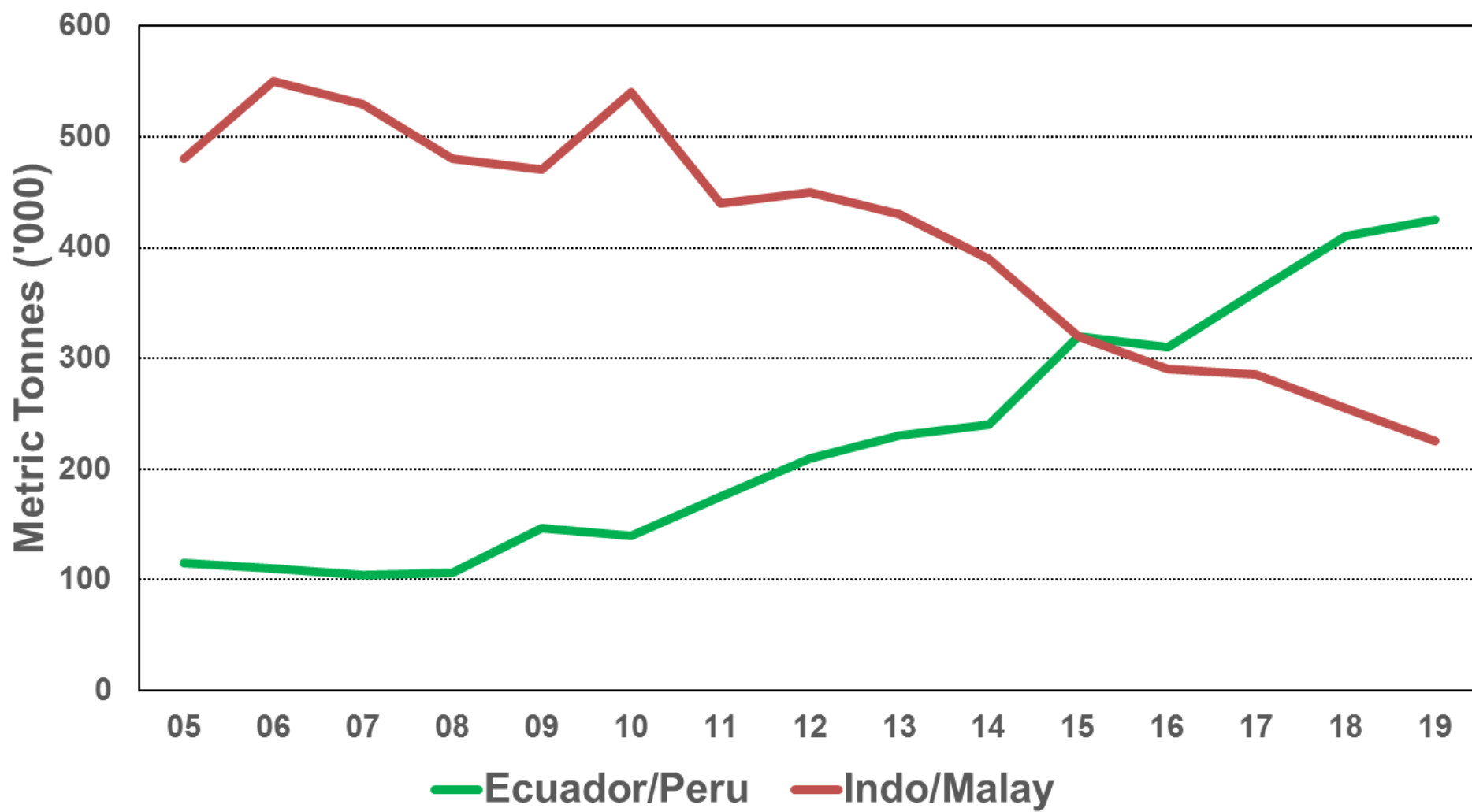
Cocoa Bean Crop Production



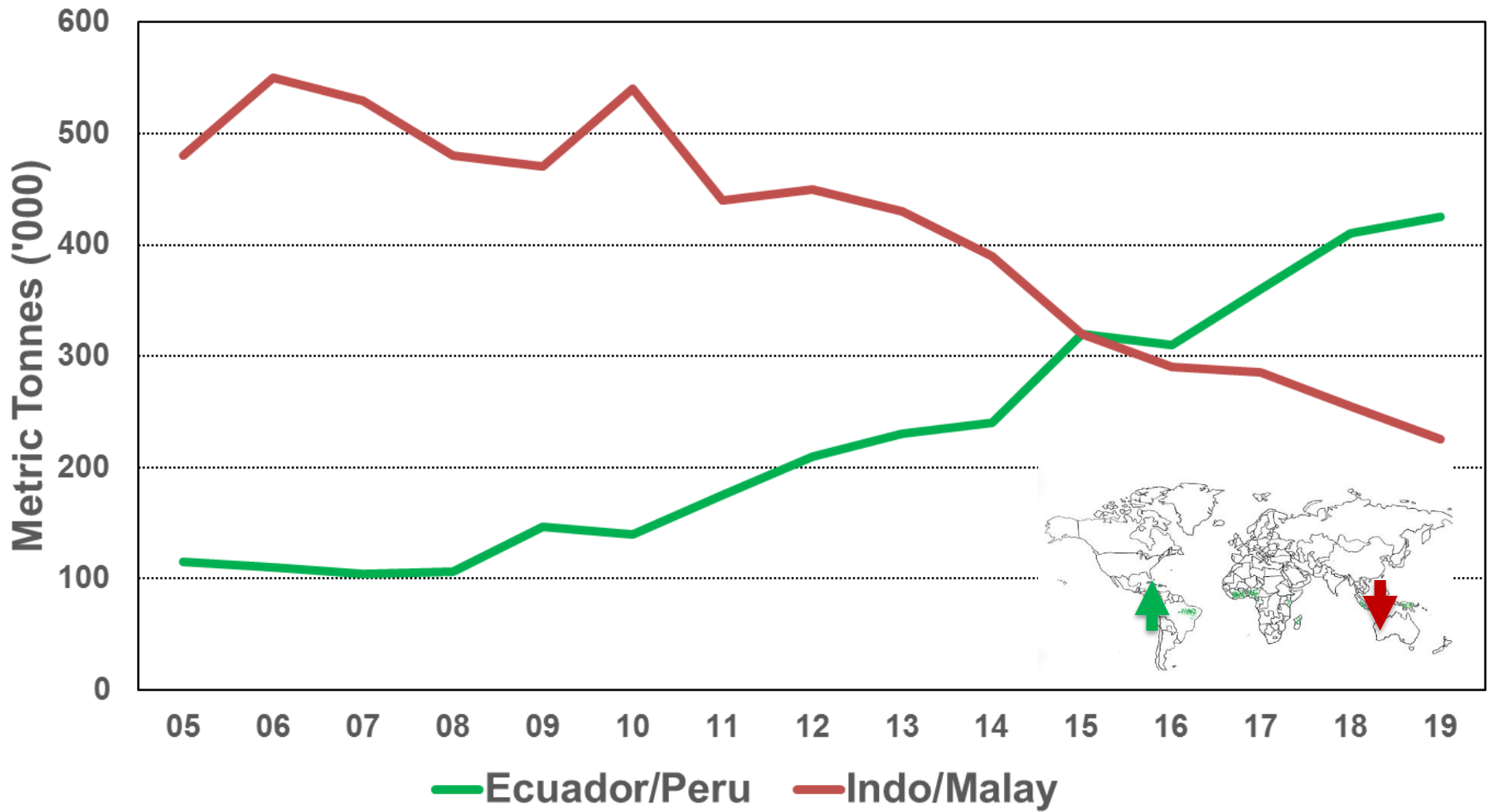
Total West African Production



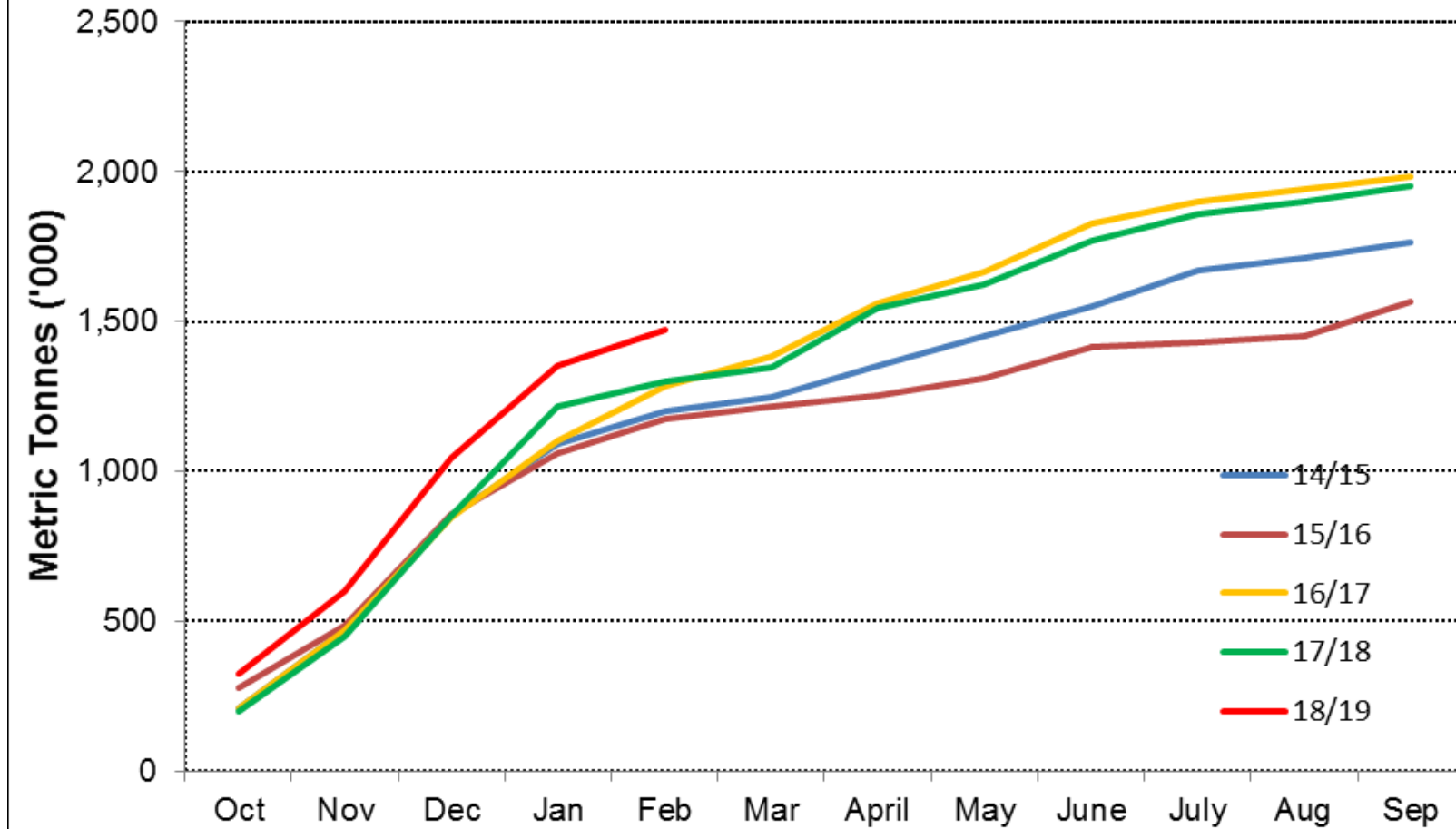
Regional Shifts in Global Cocoa Production



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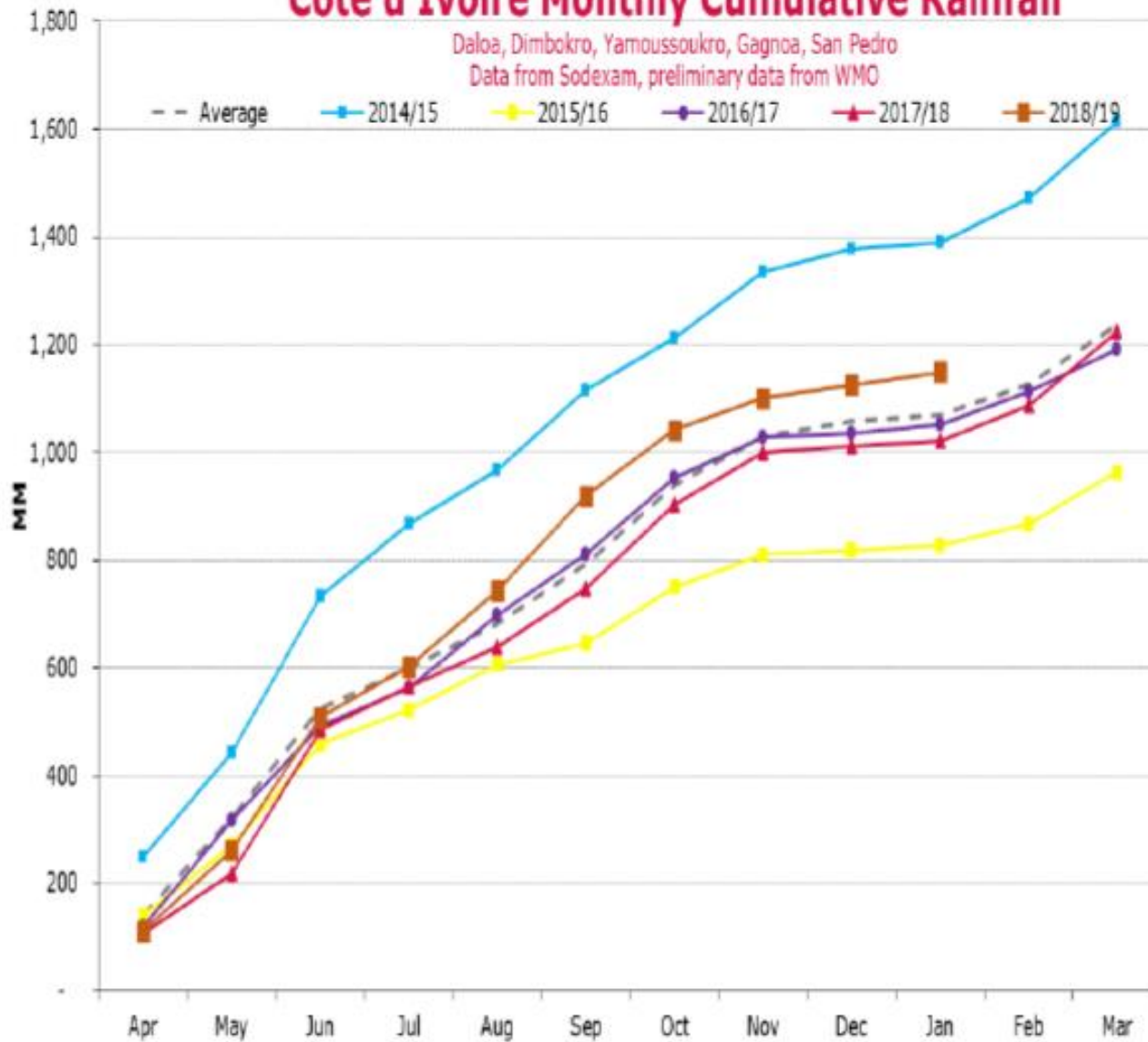


Ivory Coast Crop Flow - Cum Arrivals



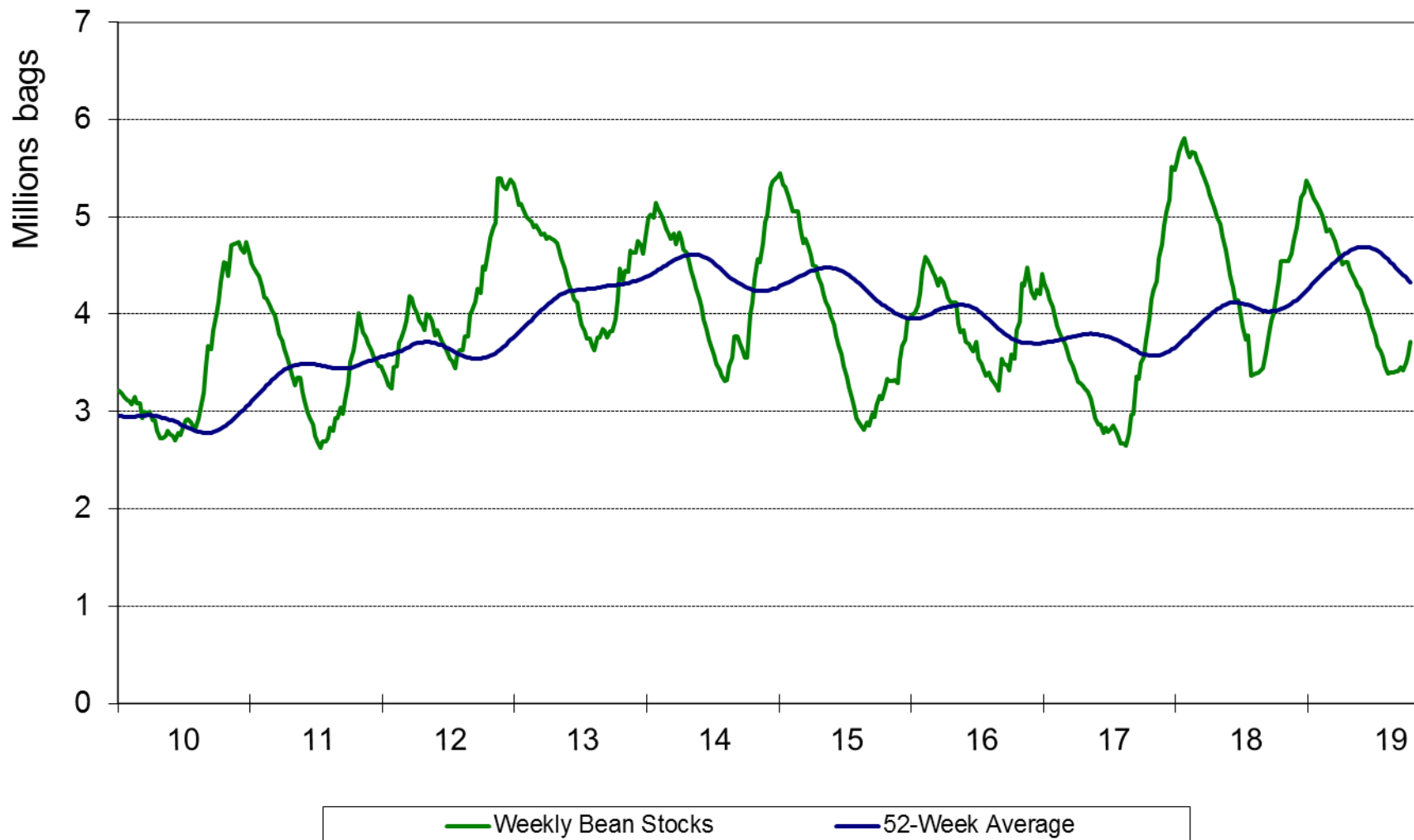
Côte d'Ivoire Monthly Cumulative Rainfall

Daloa, Dimbokro, Yamoussoukro, Gagnoa, San Pedro
Data from Sodexam, preliminary data from WMO



U.S. Cocoa Bean Stocks

145 lb bags



So what happened to the projected 1 million tonnes deficit by early 2020s?

**The
Telegraph**

Is the world really running out of chocolate?

Chocapocalypse 2020



**The
Washington
Post**

Chocolate maker says world is running out of chocolate

The Atlantic

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**THE
Star**
the people's paper



**The
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Original assumptions

Grind would continue to grow at +3% per year

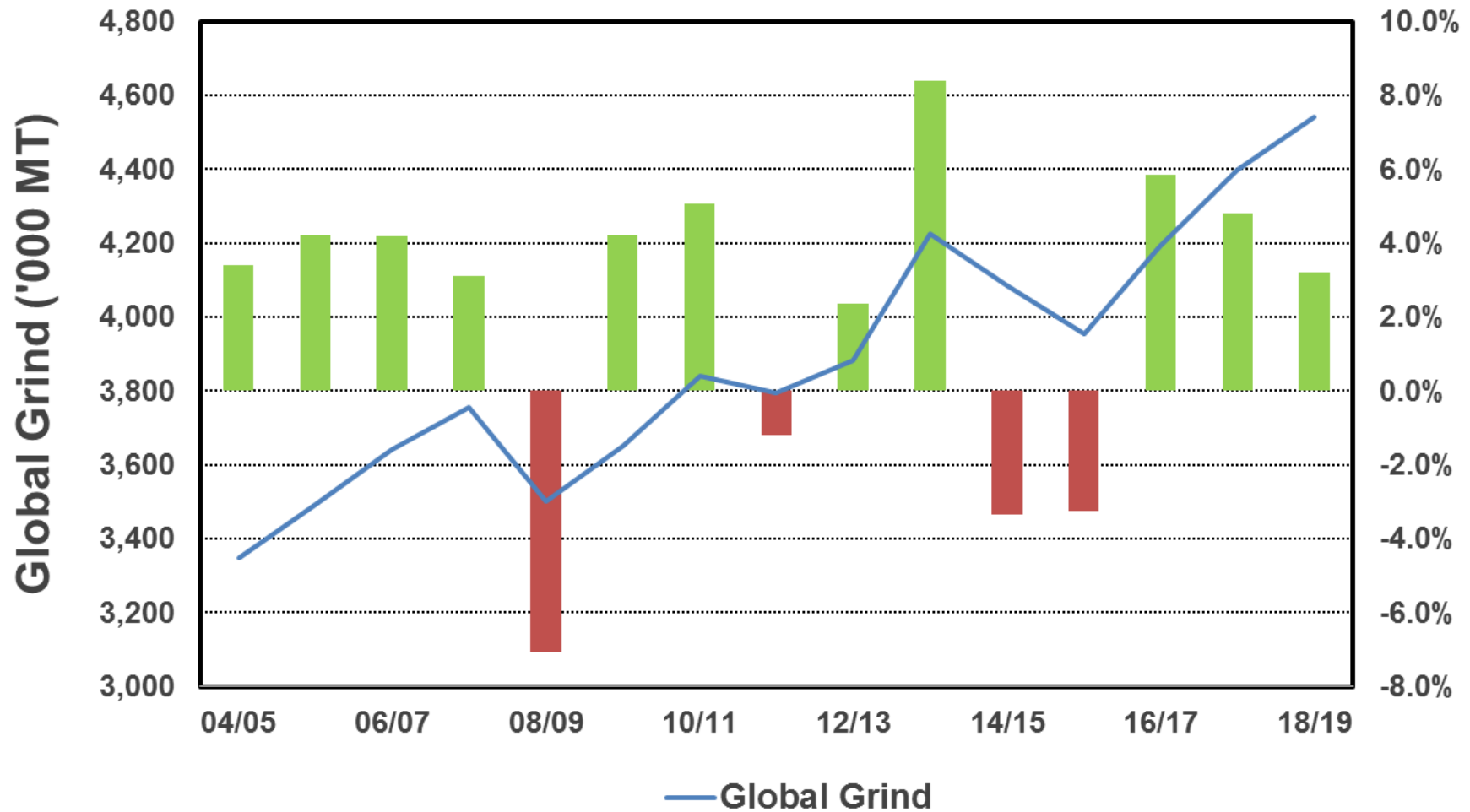
Production would grow nominally around +1% per year

Actual results (past decade)

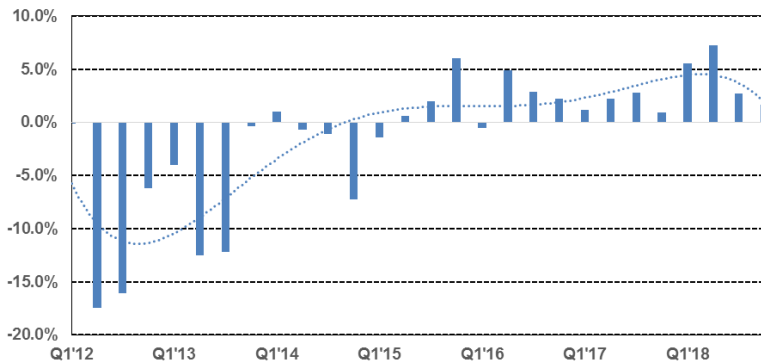
Grind has continued to grow around +2% per year

Production has kept pace and expanded at rate of +2.25% per year

Global Grind

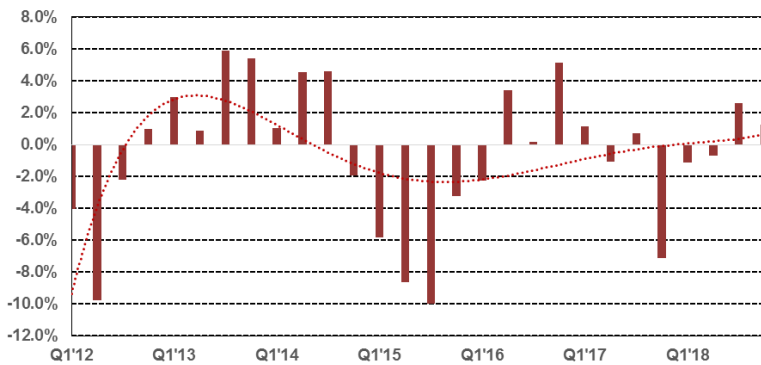


Western European Quarterly Grinds (%)



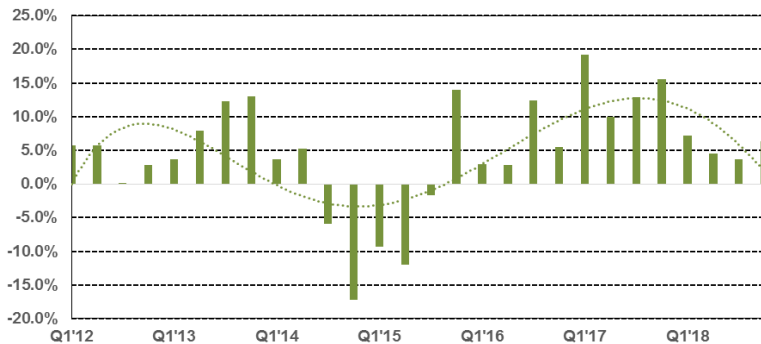
- Largest grinding regions (2 x as big as next largest)
- Growth of +4% over the past crop year
- Tremendous growth, but sets up a very high bar to meet or exceed for the current year

North American Quarterly Grinds (%)



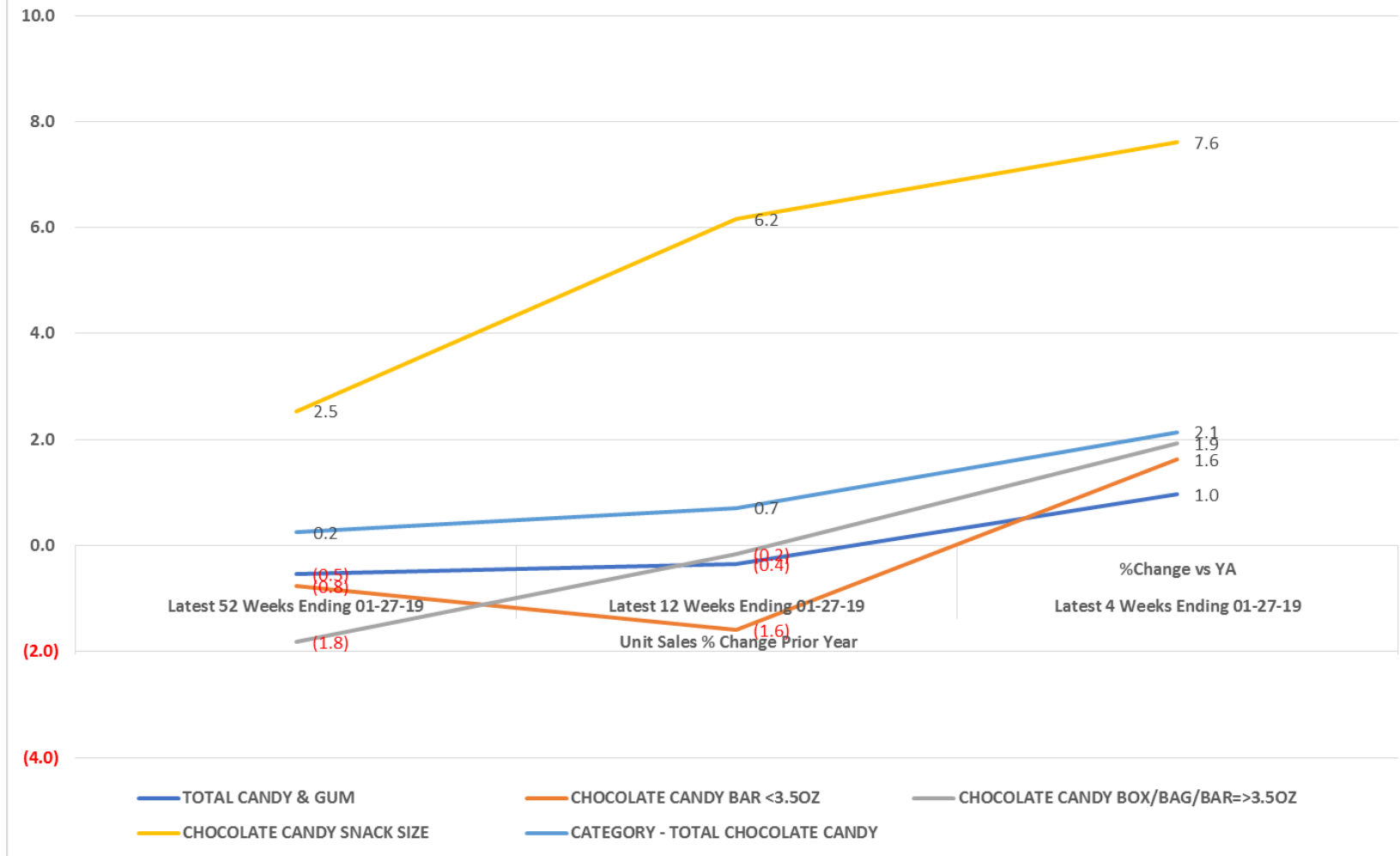
- Only major reporting region to register a decline in grind (-2.2% over the past “crop year”)
- Major restructuring underway across N. America
- Sale of ADM, entrance of Olam, Cargill acquiring ADM chocolate business
- Clasen new plant, sale of Blommer to Fuji Ingredients, Transmar bankruptcy

Asian Quarterly Grinds (%)

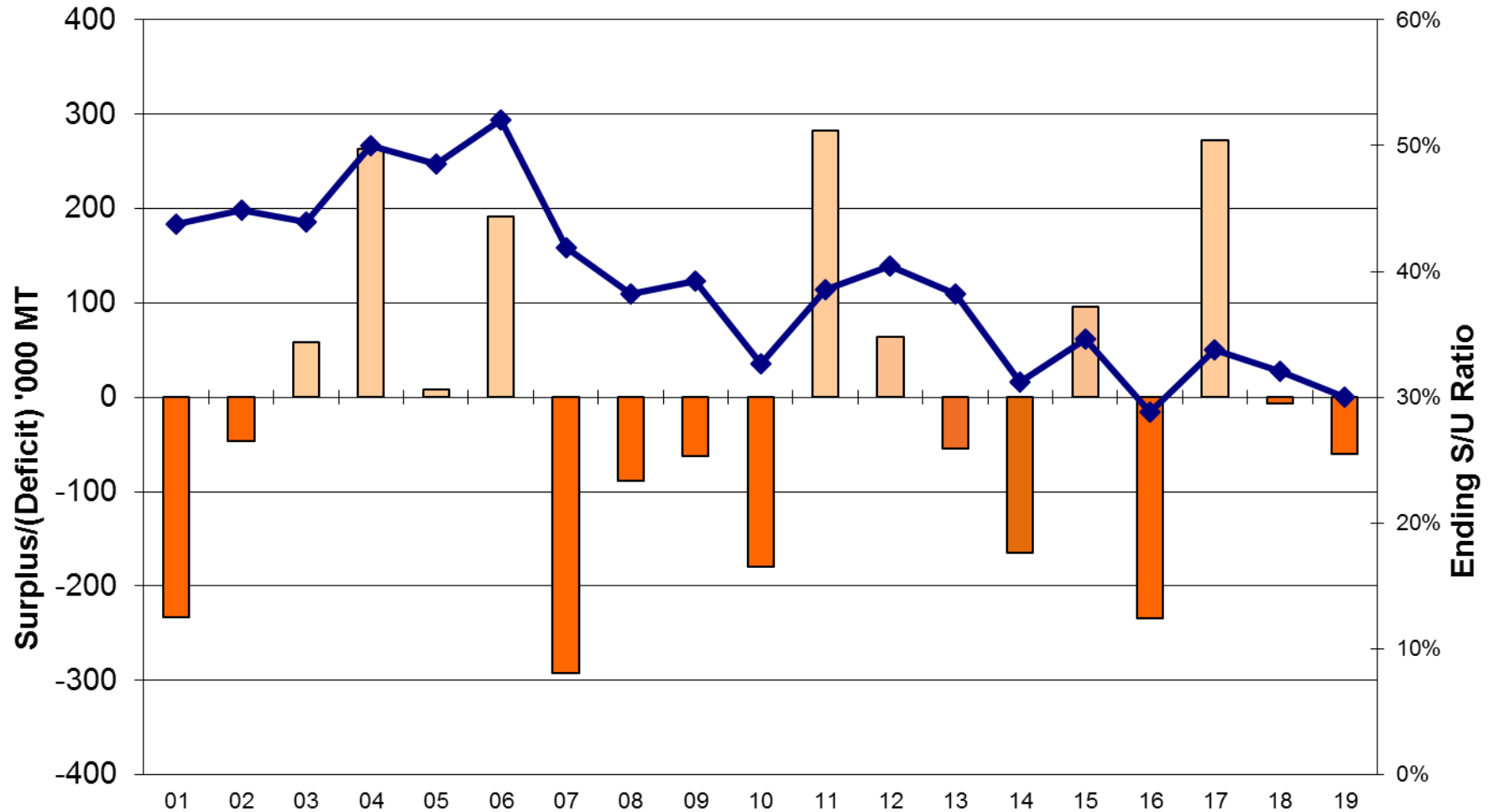


- Growing region of importance in terms of cocoa processing and population growth (up +10%)
- Major crop production issues in Malaysia (crop down -10%)
- Structural deficit region implies strong imports are necessary to run capacity

IRI Data
Multi-Outlet/Convenience
Unit Sales
January 27 2019



Structural Surplus/Deficit vs. S/U

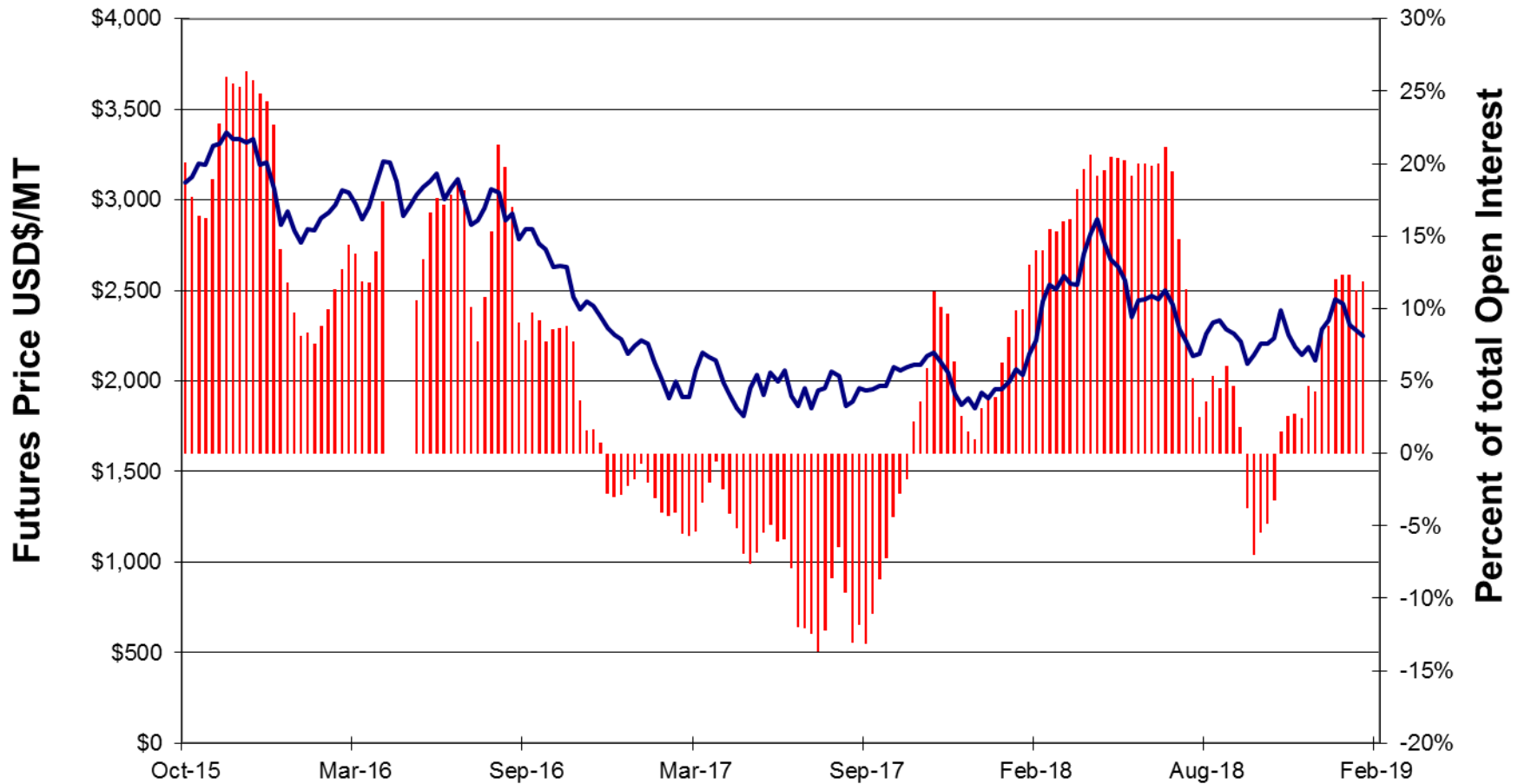


CCAK9 - Cocoa (Combined), May 19, Daily



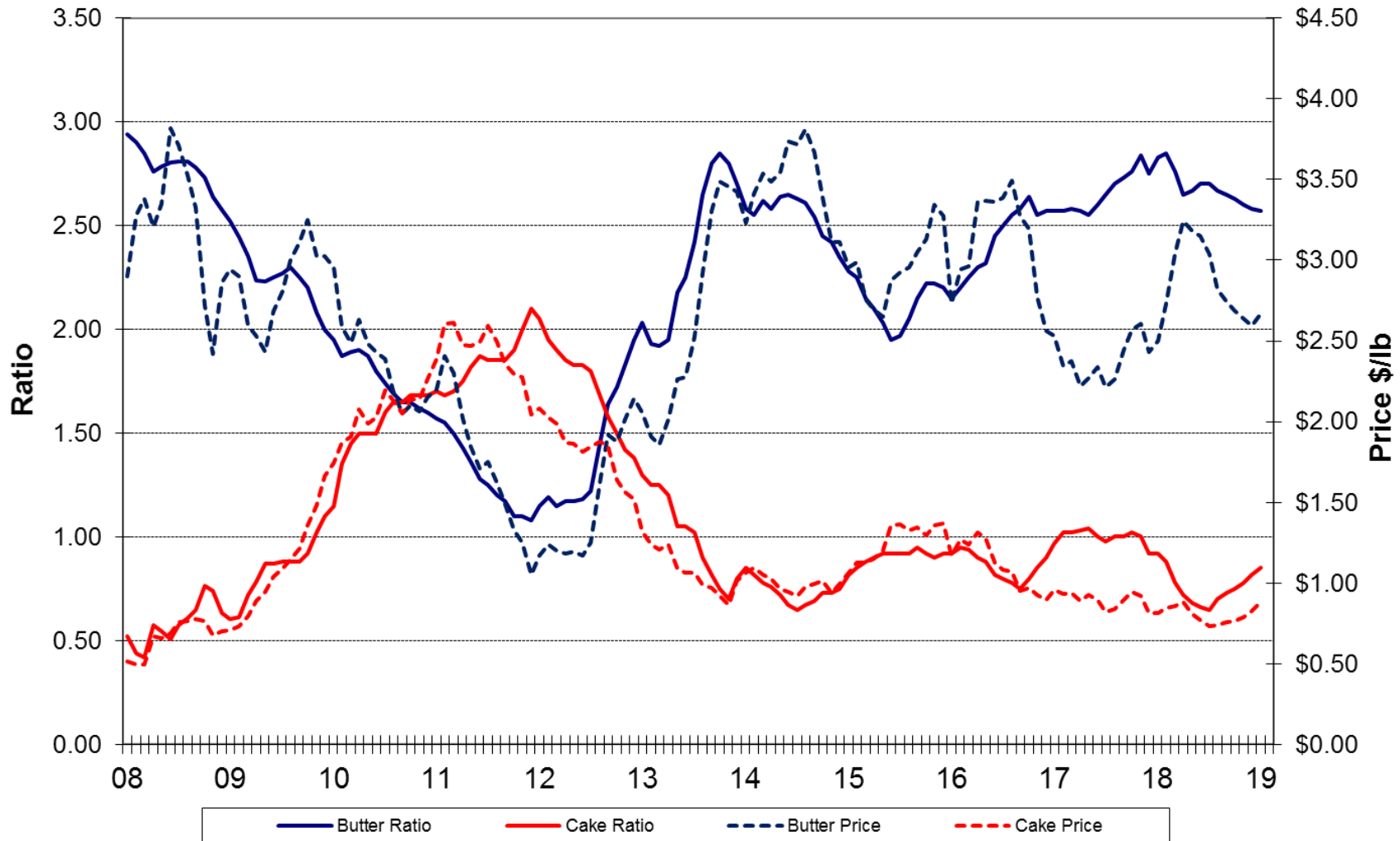


Speculator Activity 10/01/15 - present



Product Ratios and Prices

Monthly Series





Questions ?

Thank You