

# Cocoa Monthly Pricing Update

West European Cocoa, Ex-Works, €/mt

COCOA - SPOT	MINTEC CODE	CURRENT PRICE	PREVIOUS PRICE	M-O-M	M-O-M %
Cocoa Butter - Spot	<a href="#">COBS</a>	€4,182/mt	€4,200/mt	-€18/mt	-1%
Cocoa Powder (nat) - Spot	<a href="#">COPL</a>	€2,500/mt	€2,325/mt	+€175/mt	+9%
Cocoa Liquor - Spot	<a href="#">0A09</a>	€3,131/mt	€3,078/mt	+€53/mt	+2%
COCOA - 6 MONTHS FORWARD	MINTEC CODE	CURRENT PRICE	PREVIOUS PRICE	M-O-M	M-O-M %
Cocoa Butter - 6 months forward	<a href="#">WZ78</a>	€4,308/mt	€4,252/mt	+€56/mt	+1%
Cocoa Powder (nat) - 6 months forward	<a href="#">WZ77</a>	€2,510/mt	€2,330/mt	+€180/mt	+8%
Cocoa Liquor - 6 months forward	<a href="#">WZ79</a>	€3,189/mt	€3,129/mt	+€60/mt	+2%

Current Prices as at 16:00 London time: 26 Jan 2022  
 Previous Prices as at 16:00 London time: 29 Dec 2021

## Key Points

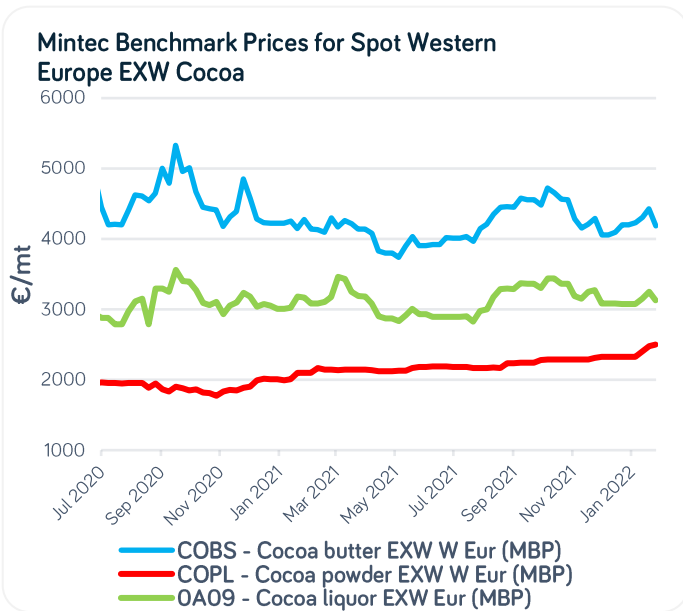
- Q4 grindings were slightly below expectations, but overall global figures still underpin strong demand.
- Cocoa powder prices have continued to rise amid heavy demand, whilst butter ratios have fallen.
- Arrivals in ports in Cote d'Ivoire have picked up, now tracking very close to last year, however the CCC continue to forecast the 2021/22 midcrop being 10% lower y-o-y.
- Despite rains throughout most of the month boosting prospects of a strong mid-crop, dryness over the last week of January could pose problems should they signal a prolonged dry season.

After rallying towards the middle of the month, the Mar-22 London ICE Cocoa futures contract fell following the release of Q4 grindings data and closed the month virtually unchanged compared to the last day in December. In addition, positive weather developments for the upcoming mid-crop harvest in West Africa were compounded with higher arrivals in ports, now nearly even with last year's crop. These drops come despite speculators moving from a net short to a net long position, last recorded at 16,943

contracts as of 25 January. On the other hand, producers have extended their net short position by nearly 27,000 contracts since the beginning of the month, providing the impetus for the downward moves. Finally, on 28 January, the ICCO revised its end of season carryover stocks for 2020/21, increasing it by 400,000 tonnes. Though the actual number is, in the words of one trader, a "random number generator", it should nevertheless be noted directionally as this could provide some resistance near current levels.

Is has not all been bearish, however, as rains in the past week in Cote d'Ivoire's growing regions were scarce. Additionally, the government's CCC (Conseil du Café-Cacao) marketing board are still projecting a 10% drop in the 2021/22 crop compared to the previous year. They note that the strong pick-up in arrivals in ports figures is due to contractual disputes at the end of the 2020/21 year that caused a delay in shipping that is just now being picked up in ports figures. Of note is that the CCC's forecasts for a 10% decline are centred around the main crop, with expectations that the mid-crop will be broadly the same size as last year.

Q4 grindings came in slightly below expectations. In Asia, grindings were still strong, up 6.3% year-on-year, a number which lifted total grindings to a record 231,309 tonnes. In Europe, grindings were also up 6.3% y-o-y, however after lapping poorer figures last year, this still represented a slightly unexpected drop versus Q3. North American grindings in Q4 fell 1.2% y-o-y...



...another somewhat poor result that raises questions about the level of consumer demand for cocoa products there.

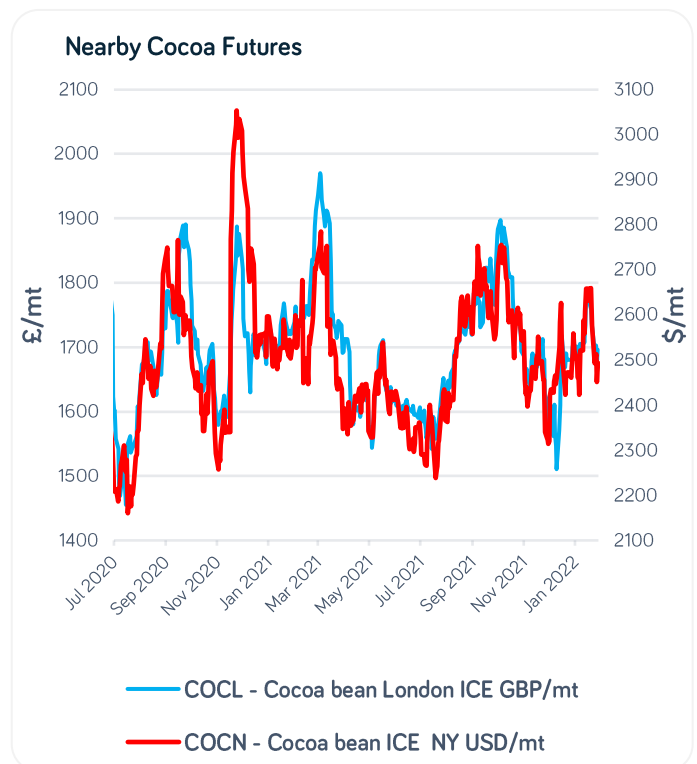
Prices for semi-finished products continued to see volatility, with cocoa powder rising beyond most expectations. Much like the London bean price, the Mintec Benchmark Prices for **spot cocoa butter EXW European Union [Mintec Code: COBS]** fell only €18/mt from the last assessment in December. However, the MBP for **spot cocoa powder EXW EU (natural 10-12%) [Mintec Code: COPL]** rose over 7.5% month-on-month to €2,500/mt, the highest level since March 2016.

A processor told Mintec, ‘we are currently offering discounts on high fat cocoa powder as a way of trying to get rid of some butter as we are seeing very little interest [in butter] right now.’ To that end, butter ratios have been gradually softening despite the lower terminal prices, with **spot butter ratio EXW EU [Mintec Code: CBRE]** falling from 2.09 on 29 December to 2.05 on 26 January. Liquor remained very stable throughout January. **The MBP for spot cocoa liquor EXW EU [Mintec Code: OAO9]** increased by only 1.7% throughout the month with little trade heard. The MBP for the **spot liquor ratio [Mintec Code: CBLR]** was unchanged at 1.53.

## Market participants’ expectations for February

Looking ahead to the coming weeks, one trader told Mintec that their suppliers are expecting cocoa butter spot ratios to fall as low as 2.00 in Europe as they struggle to find buyers for butter. However, they, ‘are expecting to see powder prices remain high for the foreseeable future as demand just doesn’t seem to be dropping.’ With the backwardation on the futures forward curve now having moved to a contango, where future prices are higher than spot prices, there is less constructive support on the front month.

Weather for the mid-crop is starting to become a key fundamental variable as we head towards the dry season. All indications right now are that rainfall has been sufficient for a strong mid-crop thus far, but a sudden switch to a prolonged hot and dry period could see pod and bean growth stunted, should the conditions over the past week continue over the next several weeks.



## Methodology, Feedback & Forward-Looking Statements

Mintec is committed to ensuring all published Mintec Benchmark Prices are representative of market value and in line with Mintec's transparency principles we encourage industry participants to reach out to the Proprietary Pricing Team. Any feedback and comments related to this document and prices contained within are welcomed and should be directed to [PRA@Mintecglobal.com](mailto:PRA@Mintecglobal.com).

All forward looking statements in this report are the views and expectations of the individual market participants. The Mintec Proprietary Pricing Team does not have a forward-looking view and are not involved in price forecasting.

The Monthly Pricing Update is published at the beginning of the month and contains proprietary data exclusive to Mintec. If you would like to gain access to this report, contact [PRA@Mintecglobal.com](mailto:PRA@Mintecglobal.com).

For details on the methodology used to assess the Mintec Benchmark Prices visit this [link](#).



## Appendix – Observed Price Points

Date Reported	Source Type	Specification	Incoterm	Location	Price	Currency	Unit	Delivery Horizon	Type	Date Occurred
26/01/2022	Seller	Cocoa butter	EXW	Germany	4183	EUR	mt	spot	Indicative offer	26/01/2022
26/01/2022	Seller	Cocoa butter	EXW	Germany	4309	EUR	mt	6m forward	Indicative offer	26/01/2022
24/01/2022	Trader	Cocoa butter	EXW	Netherlands	4533	EUR	mt	6m forward	Indication	21/01/2022
21/01/2022	Trader	Cocoa butter	EXW	Netherlands	4272	EUR	mt	spot	Indication	20/01/2022
19/01/2022	Seller	Cocoa butter	EXW	Germany	4494	EUR	mt	6m forward	Indicative offer	19/01/2022
19/01/2022	Seller	Cocoa butter	EXW	Germany	4429	EUR	mt	spot	Indicative offer	19/01/2022
18/01/2022	Trader	Cocoa butter	FCA	Spain	3705	EUR	mt	6m forward	Indication	18/01/2022
18/01/2022	Trader	Cocoa butter	FCA	Spain	3750	EUR	mt	spot	Indication	18/01/2022
14/01/2022	Trader	Cocoa butter	EXW	Netherlands	3550	EUR	mt	spot	Indication	13/01/2022
13/01/2022	Trader	Cocoa butter	FCA	Spain	4617	EUR	mt	spot	Indication	13/01/2022
13/01/2022	Trader	Cocoa butter	FCA	Spain	4617	EUR	mt	6m forward	Indication	13/01/2022
12/01/2022	Seller	Cocoa butter	EXW	Germany	4321	EUR	mt	spot	Indicative offer	12/01/2022
12/01/2022	Seller	Cocoa butter	EXW	Germany	4423	EUR	mt	6m forward	Indicative offer	12/01/2022
10/01/2022	Trader	Cocoa butter	EXW	Netherlands	4450	EUR	mt	6m forward	Indication	07/01/2022
07/01/2022	Trader	Cocoa butter	EXW	Netherlands	4126	EUR	mt	spot	Indication	06/01/2022
05/01/2022	Seller	Cocoa butter	EXW	Germany	4274	EUR	mt	spot	Indicative offer	05/01/2022
05/01/2022	Seller	Cocoa butter	EXW	Germany	4295	EUR	mt	6m forward	Indicative offer	05/01/2022
26/01/2022	Seller	Cocoa liquor	EXW	Germany	3132	EUR	mt	spot	Indicative offer	26/01/2022
26/01/2022	Seller	Cocoa liquor	EXW	Germany	3190	EUR	mt	6m forward	Indicative offer	26/01/2022
24/01/2022	Trader	Cocoa liquor	EXW	Netherlands	3360	EUR	mt	6m forward	Indication	21/01/2022
19/01/2022	Seller	Cocoa liquor	EXW	Germany	3328	EUR	mt	6m forward	Indicative offer	19/01/2022
19/01/2022	Seller	Cocoa liquor	EXW	Germany	3948	EUR	mt	spot	Indicative offer	19/01/2022
18/01/2022	Trader	Cocoa liquor	FCA	Spain	3657	EUR	mt	6m forward	Indication	18/01/2022
18/01/2022	Trader	Cocoa liquor	FCA	Spain	3605	EUR	mt	spot	Indication	18/01/2022
13/01/2022	Trader	Cocoa liquor	FCA	Spain	3416	EUR	mt	spot	Indication	13/01/2022
13/01/2022	Trader	Cocoa liquor	FCA	Spain	3416	EUR	mt	6m forward	Indication	13/01/2022
12/01/2022	Seller	Cocoa liquor	EXW	Germany	3189	EUR	mt	spot	Indicative offer	12/01/2022
12/01/2022	Seller	Cocoa liquor	EXW	Germany	3213	EUR	mt	6m forward	Indicative offer	12/01/2022
10/01/2022	Trader	Cocoa liquor	EXW	Netherlands	3265	EUR	mt	6m forward	Indication	07/01/2022
05/01/2022	Seller	Cocoa liquor	EXW	Germany	3096	EUR	mt	spot	Indicative offer	05/01/2022
05/01/2022	Seller	Cocoa liquor	EXW	Germany	3161	EUR	mt	6m forward	Indicative offer	05/01/2022
26/01/2022	Seller	Cocoa powder	EXW	Germany	2530	EUR	mt	spot	Indicative offer	26/01/2022
26/01/2022	Seller	Cocoa powder	EXW	Germany	2530	EUR	mt	6m forward	Indicative offer	26/01/2022
24/01/2022	Trader	Cocoa powder	EXW	Netherlands	2601	EUR	mt	6m forward	Indication	21/01/2022
19/01/2022	Seller	Cocoa powder	EXW	Germany	3004	EUR	mt	6m forward	Indicative offer	19/01/2022
19/01/2022	Seller	Cocoa powder	EXW	Germany	3004	EUR	mt	spot	Indicative offer	19/01/2022
18/01/2022	Trader	Cocoa powder	FCA	Spain	2506	EUR	mt	6m forward	Indication	18/01/2022
13/01/2022	Trader	Cocoa powder	FCA	Spain	2518	EUR	mt	spot	Indication	13/01/2022
13/01/2022	Trader	Cocoa powder	FCA	Spain	2506	EUR	mt	6m forward	Indication	13/01/2022
12/01/2022	Seller	Cocoa powder	EXW	Germany	2450	EUR	mt	spot	Indicative offer	12/01/2022
12/01/2022	Seller	Cocoa powder	EXW	Germany	2450	EUR	mt	6m forward	Indicative offer	12/01/2022
10/01/2022	Trader	Cocoa powder	EXW	Netherlands	2566	EUR	mt	6m forward	Indication	07/01/2022
05/01/2022	Seller	Cocoa powder	EXW	Germany	2350	EUR	mt	spot	Indicative offer	05/01/2022
05/01/2022	Seller	Cocoa powder	EXW	Germany	2350	EUR	mt	6m forward	Indicative offer	05/01/2022