

# The Ghana Cocoa Report 2024: Ghana Cocoa Output 2024: Trends, Challenges, and Future Projections

Explore the projected cocoa output for Ghana in 2024, including key factors affecting production, market trends, and recommendations for sustainable growth. Learn about the impact of climate change, global prices, and government policies on cocoa production.



## Highlights

**Ghana is projected to produce between 850,000 and 900,000 tonnes of cocoa in 2024, maintaining its position as the second-largest global producer.**

**The government aims to increase local processing of cocoa beans, with a target to process 50% of total production by 2030.**

**Climate change, rising input costs, and sustainability regulations are the main challenges facing Ghana's cocoa sector in 2024.**

## Content

## Ghana Cocoa Output 2024: Trends, Challenges, and Projections

### Highlights:

Ghana is projected to produce between 850,000 and 900,000 tonnes of cocoa in 2024, maintaining its position as the second-largest global producer.

The government aims to increase local processing of cocoa beans, with a target to process 50% of total production by 2030.

Climate change, rising input costs, and sustainability regulations are the main challenges facing Ghana's cocoa sector in 2024.

### Research Methodology:

This article leverages data from the Ghana Cocoa Board (COCOBOD), the International Cocoa Organization (ICCO), and industry reports from the World Bank. The quantitative analysis focuses on historical production volumes, market trends, and government policies. Qualitative insights are drawn from expert interviews and field reports on cocoa farming challenges.

### Key Statistics and Facts:

1. Ghana is projected to produce 850,000 to 900,000 tonnes of cocoa in 2024, up from 850,000 tonnes in 2023.
2. Cocoa exports account for approximately \$2 billion annually, contributing about 30% of Ghana's total foreign exchange earnings.
3. Ghana's farmgate price for the 2023/2024 season was set at GHS 20,943 (\$1,820) per tonne, a 63% increase from the previous season, reflecting global market trends and the Living Income Differential (LID).
4. Over 800,000 smallholder farmers are engaged in cocoa production, with an average farm size of 2-5 hectares.
5. Ghanaian cocoa represents approximately 20-25% of global cocoa supply, second only to Ivory Coast.
6. The government has set a target to process 50% of cocoa locally by 2030, but currently, only about 25% is processed domestically.
7. Global cocoa prices averaged \$2,700 per tonne in 2023, with prices expected to increase in 2024 due to supply constraints.
8. The Living Income Differential (LID), introduced in 2019, adds a \$400 per tonne premium to cocoa prices to improve farmer incomes.
9. Climate change could reduce the amount of suitable land for cocoa cultivation in West Africa by up to 40% by 2050, posing a long-term threat to production levels.
10. Ghana's certified cocoa, including Fairtrade and Rainforest Alliance, constitutes around 25% of exports, catering to premium markets that demand sustainably sourced products.

## Body of Article / Critical Analysis:

### Introduction

Cocoa is an essential part of Ghana's economy, providing livelihoods for over 800,000 smallholder farmers and generating significant foreign exchange earnings. As the second-largest producer of cocoa globally, Ghana's cocoa output plays a crucial role in global supply chains, meeting the rising demand for chocolate and other cocoa-based products. In 2024, Ghana's cocoa output is projected to remain steady, but the sector faces several challenges, including climate change, fluctuating global prices, and increasing pressure to meet sustainability standards.

### Trends in Cocoa Production

Ghana's cocoa production for 2024 is estimated to be between 850,000 and 900,000 tonnes, maintaining the country's status as a top global producer. This projection reflects a relatively stable output, despite challenges such as rising input costs and climate change. The introduction of the Living Income Differential (LID) in 2019 has helped stabilize farmer incomes by adding a \$400 per tonne premium to cocoa prices. This initiative, implemented by both Ghana and Ivory Coast, aims to ensure that cocoa farmers earn a living income, which in turn supports sustained production levels.

**1H Government Policies Supporting Cocoa Output** Ghana's government, through COCOBOD, has introduced several initiatives aimed at enhancing cocoa production. These include the distribution of subsidized inputs such as fertilizers, improved seedlings, and pesticides, as well as farmer training programs that promote sustainable farming practices. The government's goal of processing 50% of cocoa locally by 2030 is a key part of its strategy to add value to cocoa exports and reduce dependency on raw bean exports.

**2. Sustainability Certifications and Market Access** Global demand for certified cocoa is rising, particularly in Europe and North America, where consumers are increasingly prioritizing sustainably sourced products. In response, Ghana has expanded its certified cocoa production, with Fairtrade and Rainforest Alliance cocoa accounting for approximately 25% of total exports. These certifications allow Ghanaian cocoa to access premium markets and command higher prices, benefiting farmers and supporting sustainable production practices.

## **Current Top 10 Factors Impacting Cocoa Output in 2024:**

**1H Climate Change:** Rising temperatures, erratic rainfall patterns, and soil degradation are expected to reduce cocoa yields in the long term, posing a significant threat to future cocoa output.

**2. Input Costs:** Rising costs of fertilizers, pesticides, and labor continue to impact farmers' profitability and, in turn, their ability to maintain or increase production levels.

**3. Global Cocoa Prices:** Fluctuations in international cocoa prices, driven by supply-demand dynamics, affect the incentives for farmers to invest in productivity-enhancing inputs.

**4. Living Income Differential (LID):** The LID premium improves farmer incomes, thereby supporting sustained production by ensuring that farming remains economically viable.

**5. Sustainability Certifications:** Growing demand for certified cocoa is reshaping global markets, with farmers who participate in certification programs benefitting from price premiums.

**6. Government Subsidies and Programs:** COCOBOD's subsidy programs for fertilizers, seedlings, and other inputs play a crucial role in maintaining cocoa output by reducing farmers' production costs.

**7. Land Tenure Issues:** Uncertain land ownership and fragmented farm sizes limit economies of scale and restrict investment in farm improvements, affecting overall productivity.

**8. Labor Availability:** Cocoa farming is labor-intensive, and rising labor costs coupled with labor shortages in rural areas can constrain production growth.

**9. Processing Capacity:** Ghana's current processing capacity only handles about 25% of total cocoa output. Expanding local processing is key to increasing value addition and supporting overall production.

**10. Pests and Diseases:** Cocoa pests such as the cocoa pod borer and diseases like black pod continue to pose a threat to yields, requiring ongoing investments in pest management and disease-resistant varieties.

## **Projections and Recommendations:**

**Looking ahead, Ghana's cocoa sector is expected to face a combination of challenges and opportunities. The country's cocoa output is projected to remain stable, but rising input costs, climate change, and sustainability demands will shape the future of the sector.**

### **Projections:**

**Cocoa output for 2024 is expected to be in the range of 850,000 to 900,000 tonnes.**

**Global cocoa prices are expected to increase, driven by rising demand and supply constraints, particularly in West Africa.**

**Ghana will continue to expand its certified cocoa production, accessing premium markets in Europe and North America.**

### **Recommendations:**

- 1. Invest in Climate-Smart Agriculture:** To mitigate the effects of climate change, Ghana should promote climate-resilient cocoa farming practices, including agroforestry and soil conservation techniques.
- 2. Expand Local Processing:** Increasing local processing capacity to meet the government's 50% processing target by 2030 will help capture more value from cocoa production and reduce reliance on raw bean exports.
- 3. Enhance Farmer Access to Inputs:** The government should continue to provide subsidies and improve access to inputs such as fertilizers, pesticides, and improved seedlings to boost productivity and maintain output levels.
- 4. Support Sustainable Cocoa Production:** Expanding participation in sustainability certification programs will allow farmers to access premium markets and benefit from higher prices for certified cocoa.

## **Conclusion:**

**Ghana's cocoa output is expected to remain stable in 2024, supported by government initiatives, favorable global market conditions, and the implementation of the Living Income Differential. However, challenges such as climate change, rising input costs, and land tenure issues must be addressed to ensure long-term sustainability and profitability in the sector. By investing in climate-resilient farming practices, expanding local processing capacity, and supporting certified cocoa production, Ghana can strengthen its position in the global cocoa market and ensure the continued growth of its cocoa sector.**

**Notes:**

**This article incorporates data from COCOBOD, ICCO, and the World Bank, providing a comprehensive analysis of Ghana's cocoa output in 2024.**

**Projections are based on current market trends, climate forecasts, and government policy initiatives.**

**Bibliography:**

- 1H Ghana Cocoa Board (COCOBOD) - Annual Cocoa Production Report 2023-2024**
- 2. International Cocoa Organization (ICCO) - Global Cocoa Market Report 2023-2024**
- 3. World Bank - Agricultural Commodity and Cocoa Market Reports 2023**
- 4. Fairtrade International - Impact of Sustainability Certifications on Cocoa Production 2023**
- 5. Ministry of Food and Agriculture, Ghana - Cocoa Sector Development Strategy 2023**

## **SEO Metadata:**

**Title: Ghana Cocoa Output 2024: Trends, Challenges, and Future Projections**

**Description: Explore the projected cocoa output for Ghana in 2024, including key factors affecting production, market trends, and recommendations for sustainable growth. Learn about the impact of climate change, global prices, and government policies on cocoa production.**

**Keywords: Ghana cocoa output 2024, cocoa production trends, Ghana cocoa farming, COCOBOD, global cocoa market, cocoa processing, climate change and cocoa, Living Income Differential, cocoa export trends, sustainable cocoa farming.**