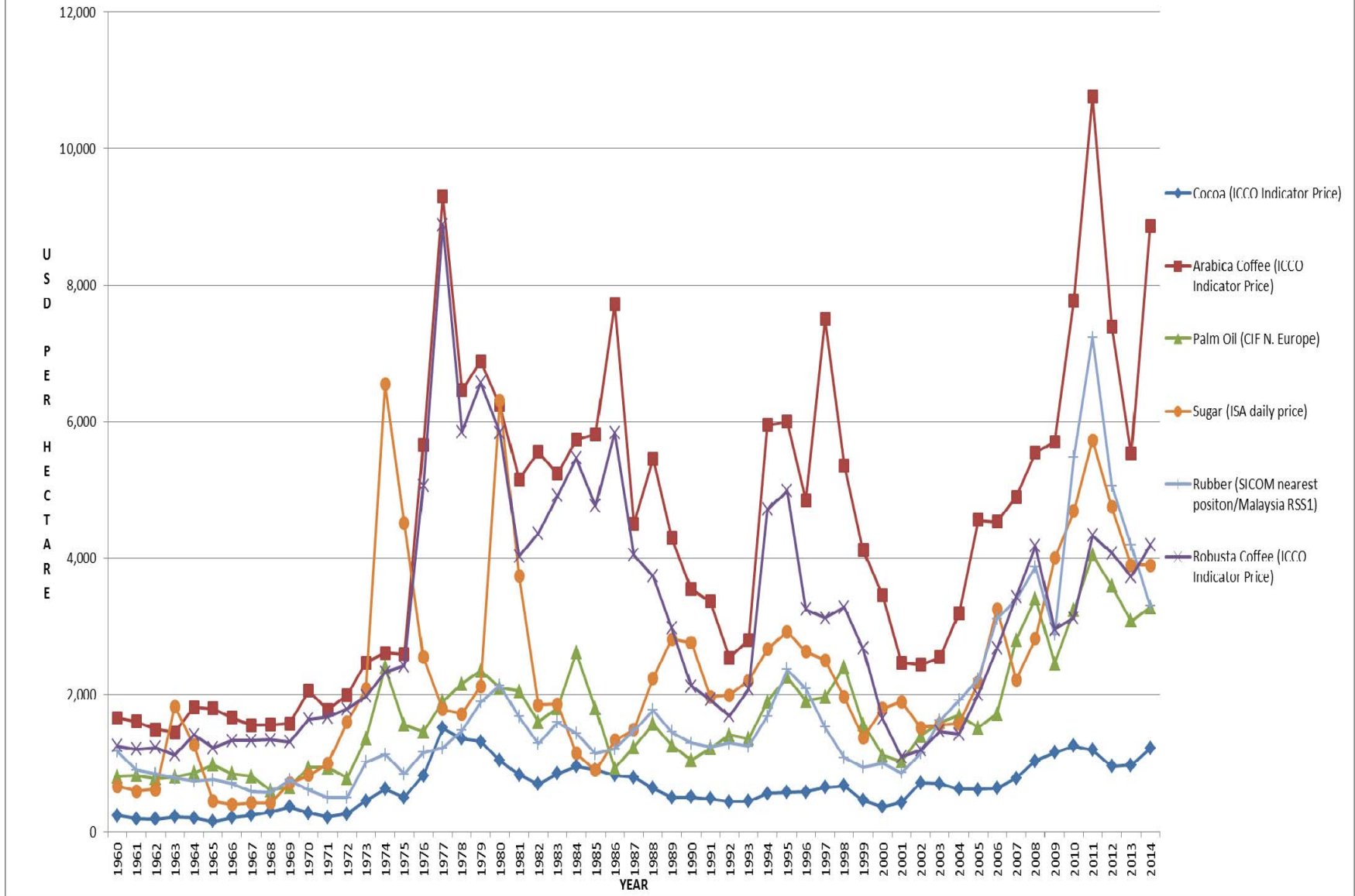


World Cocoa Conference 2014

Managing the Supply Deficit

Jonathan Parkman
Joint Head Agriculture

Revenues per Hectare for Tropical Soft Commodities



Increased Yields not Increased Hectares is the answer

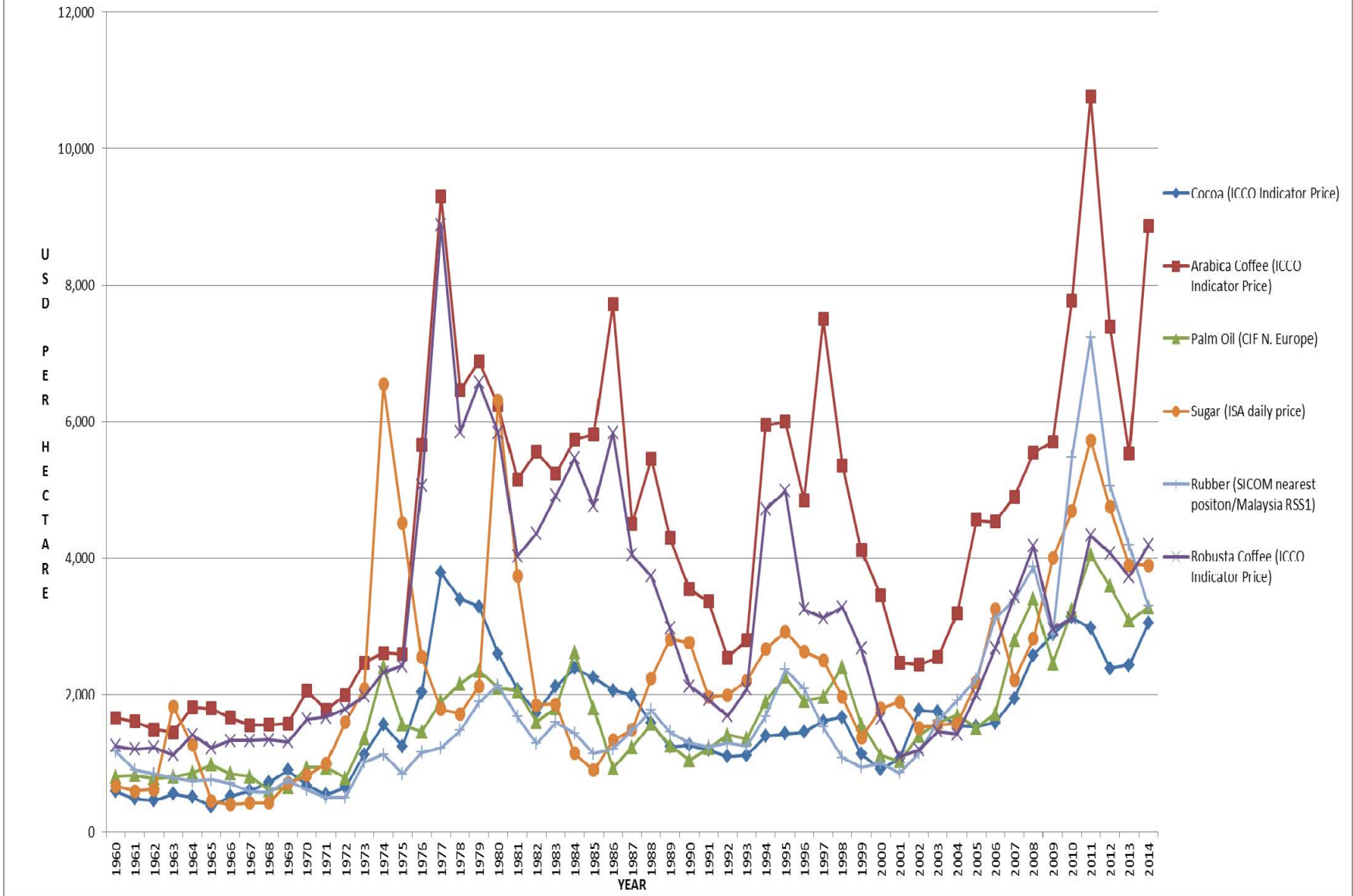
- Planting with unspecified source of seeds, irregular spacing, high density, infrequent weeding, little or no pruning, infrequent removal of mistletoe, infrequent disease and pest control, infrequent harvesting. Shade management is not normally practiced.
- Average Yield: 350 kg

- Planting in line at regular spacing with improved seeds from designated seed gardens, proper weed management, regular pruning and mistletoe removal, periodic shade management, Pest and disease control about twice a year, frequent harvesting
- Average Yield: 650 kg

- Improved seeds from designated seed gardens used to raise seedlings for planting, regular spacing at 3m X 3m, regular weed management, shade management, pest (about 4 times a year) and disease control (5-6 times a year), frequent pruning, fertilizer application once a year, frequent harvesting,
- Average Yield: 1400 kg

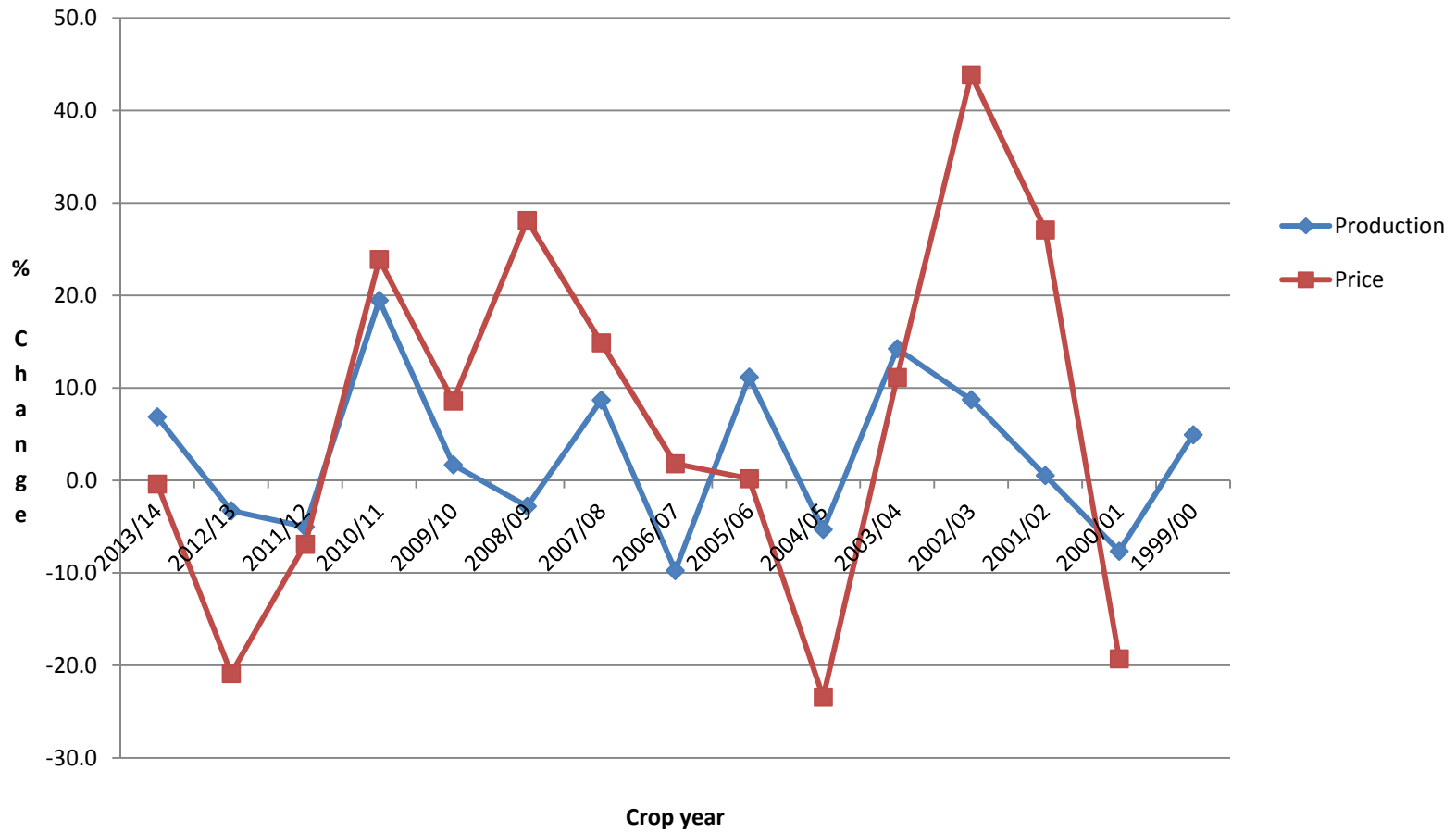
- Average Yield weighted on actual production techniques: 540 kg
- Source: Cocoa research Institute of Ghana

Revenues per Hectare for Tropical Soft Commodities



Time lag for Cocoa Production Increase

% Price change vs % Production change Lagged 2 years



A Few Thoughts for Discussion

- Cocoa remains a poor use of land when measured against alternative Tropical Soft Commodities.
- Increased yields not increased hectares should be the aim.
- Yields are improving.
- The margin for yield improvement with simple improved husbandry but without adopting a high input model, remains more than sufficient to balance supply and demand.
- A further sustained rise in prices is likely to produce significant surpluses from 2015/16 onwards.
- Should prices fall below \$2500/£1600 we will be tipped back into structural deficit.