

## A World Without Chocolate? Oh My!

By Meera Dolasia on December 12, 2014



The next time you eat a piece of chocolate, be sure to **savor** it, because according to two of the world's largest chocolate makers - Mars, Inc. and Barry Callebaut, the **decadent** treat may soon be in short supply. The problem? We are consuming the candy at a faster pace than farmers can grow cocoa.

The manufacturers say that in 2013, consumers **devoured** 70,000 metric tons more cocoa than was produced. And while having a couple of years of chocolate **deficits** would not be a matter of concern, experts say that this is the worst streak of supply-demand **imbalance** they have experienced in more than 50 years.



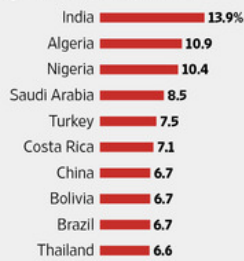
Part of the reason for the **disparity** is the large reduction in supply, caused by a **prolonged** drought in the West African countries of **Ivory Coast** and **Ghana**, where more than 70 percent of the world's cocoa is produced. Additionally, a nasty fungal disease known as frosty pod has destroyed 30 to 40 percent of global cocoa production. As a result, many farmers have switched to more profitable and easier to grow crops like corn. This means that even if conditions improve, cocoa production may never get back to normal. The good news is that there are some attempts being made to increase supply with trees that can produce up to seven times the amount of cocoa beans. But those are not ready for mass **deployment** yet.

Meanwhile, the world is only getting hungrier for chocolate. The biggest increase in demand is from the residents of emerging market countries like **India**. Though their consumption **per capita** is nowhere close to the amount Europeans devour, their newly acquired **penchant** for the treat, is making a huge dent in an already tight market.

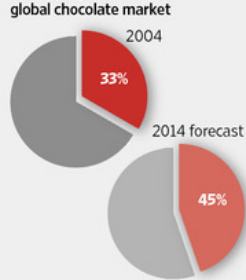
## Acquired Taste

Emerging-market chocolate demand is a big factor behind the recent rise in cocoa prices.

### Forecasted chocolate-sales growth this year, by volume



### Developing countries' share of the global chocolate market



### ICE cocoa futures, continuous front-month contract



Sources: Euromonitor International (growth, market share); CQG (futures)

The Wall Street Journal

There is also the growing **appetite** for dark chocolate, which contains more than 70 percent cocoa compared to normal chocolate that has a **paltry** 10 percent. Experts believe that if consumption continue at this pace, cocoa deficits could swell to one million metric tons by 2020 and to an even more worrisome, two million metric tons, by 2030.

Not surprisingly, cocoa prices have risen by 60% since 2012, a cost that manufacturers have **offset** by raising the prices of everyone's favorite candy. As the situation worsens, the price of chocolate can only rise - so be sure to enjoy every piece of the sweet treat, like it is your last!

Resources: Washingtonpost.com, USAtoday.com

## Article Comprehension

1. Why do chocolate makers think the candy will be short supply?
2. What has caused the supply of cocoa to decline? What is the solution experts are working on?
3. Why has the demand for chocolate gone up so much? What do experts fear will happen if we keep consuming the candy at this pace?

## Critical Thinking Challenge

Can you think of why even a small increase in consumption in countries like India and China, would cause a big ripple in the chocolate market?

## Vocabulary

appetite   decadent   deficits   deployment   devoured   disparity   imbalance   offset  
paltry   penchant   per capita   prolonged   savor

## Geography

Ghana, Africa   India   Ivory Coast, Africa