

# PRESS RELEASE

## Asia Holds The Key To Future Demand For Cocoa And Chocolate Products

**The Cocoa Association of Asia (CAA) held its first successful online forum last Friday, immediately after the 3<sup>rd</sup> Quarter Cocoa grinding results for the region were released, gathering much interest throughout the industry.**

Singapore – 16<sup>th</sup> October 2020 - The Cocoa Association of Asia (CAA), the leading Cocoa Association in Asia for both Cocoa and Chocolate Companies, and the associated supply chains and suppliers conducted an online forum (Will Cocoa Demand Grind To A Halt) to review the 3Q grinding data. The panel of industry experts delivered a cautiously upbeat assessment of the Asia region data despite the impact of Covid-19 which saw a 10% drop against the same period in 2019.

The panel was made up by industry experts: **Mr. Andrew Rawlings, Associate Analyst - Agri Commodities, RaboResearch; Ms. Francesca Kleemans, Managing Director from Cargill Cocoa & Chocolate Asia Pacific; Mr Quek Ngee Chuan, Vice President for the Cocoa Division at Olam International Ltd; Mr. Antoine Delsart, Managing Director of Touton Far East Pte Ltd and Mr. Gerald Abwerzger; and Chief Executive Officer, Von Alm Pte Ltd.**



Quarter on quarter figures for 2020 is showing some positivity, trending based on Q2 vs Q1 at -2.26% and Q3 vs Q2 as being flat.

Considering the interruption to supply chains caused by the COVID pandemic, the reduced consumer footfall in the retail sector, and the COVID induced recession, the Panel expressed confidence in the measures taken by actors across the Asian cocoa value chain to respond to the

difficult circumstances of 2020. The Panel praised the manufacturing sector for innovation in product types and formats which chimed with consumer concerns around healthier snacks, affordability, and sustainability.

The panel also highlighted that Asia's young and increasingly growing middleclass population presented significant growth opportunities for the future, with the potential to develop the market into No.2 globally. Current Asia demand per capita for cocoa and chocolate products is very low compared to Europe or the USA. With manufacturers now developing bespoke products with affordability, innovation, and sustainability top of mind, the outlook is bright for a strong recovery.

While the panel expressed confidence about the future of the Asia region cocoa value chain, (Asia currently imports 80% of the cocoa beans it processes, mostly from West Africa and also increasingly from Latin America) it was tempered with nearer term supply caution around the unsettled global environment. These concerns include the upcoming elections in the USA and West Africa, BREXIT transition completion by the end of 2020, and the backdrop of the continuing COVID crisis. Looking towards regional supply, mainly from Indonesia which has now stabilized after several years of contraction, the panel emphasized the importance of raising both the quality

and sustainability in the coming years. So, with a secure supply of cocoa beans, ample processing capacity, and a sophisticated consumer segment that is culturally more in tune with cocoa and chocolate products, there is hope that Asia might hold the key to future demand for Cocoa and Chocolate products.

To hear the full story behind the cocoa industry's 2020 Q3 grind numbers, consumer demand and behaviour, and potential shift in production, visit the Google Play and the App Store at your convenience for access to this free Forum.

Visit <https://cocoaasia.org/dir/event/> to sign up.



## About the CAA

The Cocoa Association of Asia was formed about 15 years ago with the goal of getting Asian cocoa processors, chocolate manufacturers, cocoa traders to work together to transform and promote the cocoa & chocolate industry in Asia for Asia, building on the unique and vibrant diversity of cross-cultural talents and a growing economy.

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## MEDIA CONTACT

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