Chocolate prices expected to ease, but wonâ??t return to pre-â??cocoa crisisâ?? levels

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Consumers can expect some relief from rising chocolate prices with cocoa futures prices starting to ease after hitting record highs, according to a new international research report by agribusiness banking specialist Rabobank.

In the report Chocolate retail prices hit predicted highs â?? end of surge in sight, the bankâ??s RaboResearch division found that while consumers globally can expect some respite from price increases, retail chocolate prices will remain well above pre-â??cocoa crisisâ?• levels, signalling a new normal for the industry.

Chocolate manufacturers and retailers are adapting to this challenging environment, balancing cost recovery with consumer retention, the report said.

RaboResearch agriculture analyst Paul Joules said since 2021, retail chocolate prices globally have surged, driven by a cocoa market in crisis due to poor harvests, crop disease and structural supply issues. And this has also seen higher chocolate prices for Australian consumers.

â??This has led manufacturers and retailers to expand their value ranges, offering more affordable alternatives to cost-conscious shoppers,â?• he said.

Joules said chocolate manufacturers are employing strategies like â??shrinkflationâ?• and â??skimpflationâ?• to protect margins without losing consumers.

â??Shrinkflation involves reducing pack sizes, while skimpflation changes recipes to lower cocoa content, often replacing cocoa butter with cheaper fats or fillers,â?• he said.

Joules said in some European markets, these changes have altered products to the extent that they no longer meet the legal definition of â??chocolate,â?• forcing brands to update product descriptions.

Joules said the worst of the â??cocoa shockâ?• appears to be over, with cocoa futures expected to fall significantly by mid-2027.

However, he said, global cocoa prices will remain above â??pre-crisisâ?• levels due to ongoing structural issues such as ageing cocoa trees, crop disease, and climate swings, which means retail prices â?? including in Australia â?? could be slow to fall.

While chocolate prices are projected to ease gradually, they will still be higher than in 2021, the report says.