



## PRESS RELEASE

### Facing Global Challenges: Junglegold Responds to Global Cocoa Shortage

Bali, 4<sup>th</sup> May 2024

Dear Valued Customer,

At Junglegold, we're committed to bringing you the finest quality chocolate, handcrafted with the care and respect for the environment and local communities. However, due to factors beyond our control, we find ourselves needing to adjust our prices. We strive to maintain transparency with our customers and want to share the key reasons behind this necessary change.

**Global Cocoa Prices:** since the beginning of 2024 the cost of cocoa has reached record highs. It now costs over double to produce a chocolate bar than it did in 2023. The price of cocoa has never been so high. Here are the reasons:

- **Cocoa Shortage:** For the third year in a row global cocoa production has not met demand, with a projected shortage of nearly 10% that is expected to continue
- **Climate Change:** 60% of the world's cocoa comes from Ivory Coast and Ghana which has been ravaged by the effects of El Niño and climate change
- **Cocoa Disease:** Significant losses (15-50% in some areas) have been caused by swollen shoot virus which kills trees and requires replanting
- **Economic Pressure:** In Ghana and the Ivory Coast, cocoa farmers are paid government-set prices that are too low to allow for reinvestment in better farming inputs to protect against disease and increase yield. This has led to low productivity exacerbating the supply shortage.

**Indonesia Grows Cocoa – so why are we affected?** Despite historically being a top cocoa producer, Indonesia has dropped from third to seventh globally due to declining production. Indonesia is unable to meet domestic demand, importing over 50% of its cocoa. Reliance on imports means local market conditions are significantly impacted by global prices. Many factories have limited or stopped production as local prices have soared.

**Why Haven't Big Brands Increased Their Prices Yet?** Large companies maintain 12-18 month supply of beans protecting them from price fluctuations. It's only a matter of time before they also increase prices. In the meantime, smaller companies like Junglegold feel the impact sooner and must increase prices earlier to stay in business.

These challenges have left us with no option but to increase our prices to continue offering you the chocolate you love without compromising our values. While we've had to increase prices, we have also reduced our margins to remain as affordable as possible. While our costs have doubled, we've tried to minimise the increase passed on to our customers.

### What else is Junglegold doing?

- **Agronomic Support:** we have a dedicated team of agronomists who are on the ground with our farmers, providing direct technical support to improve quality and quantity of cocoa production while helping to manage pests and disease.
- **Climate Change:** we are developing solutions to address the challenges posed by climate variability in particular excessive rainfall or drought.
- **Research:** we are carrying out research into high-yield cocoa varieties and farming techniques to ensure our farmers have access to the best resources and techniques.
- **Sustainable Sourcing:** we maintain our commitment to ethically sourced cocoa and fair compensation for farmers while supporting sustainable farming practices.

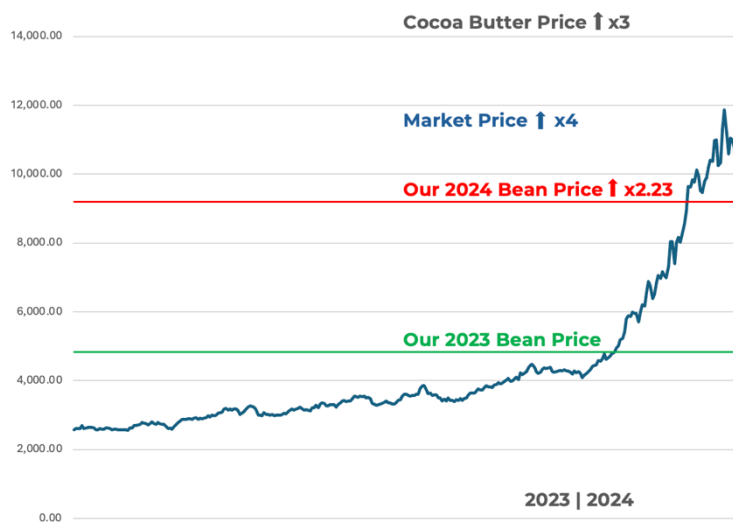


We understand that price increases are never welcome news and sincerely appreciate your continued support and understanding. It is your passion for quality and sustainability that allows us to pursue our mission of supporting Indonesia's cocoa farmers while creating the world's best chocolate.

Thank you for your understanding and loyalty.

Tobias Garritt  
**Founder & CEO**  
[www.junglegoldbali.com](http://www.junglegoldbali.com)

### Global Cocoa Shortage (US\$/ton)



### Our Cost Increase

