# Monty Bojangles warns rising cocoa costs push chocolate quality to a tipping point



Leading chocolate brands are navigating a precarious landscape as they grapple with escalating cocoa prices, a situation described as perilous by industry insiders. Andrew Newlands, the founder of premium chocolate brand Monty Bojangles, recently expressed concerns that value engineering—altering product formulations and reducing ingredients to maintain price points—could significantly degrade the quality of chocolate. He pointed out that chocolate is often seen as a "wonderfully complex" and "incredibly premium product," and its current low pricing undermines that perception. “When I see chocolate being sold at low prices, it annoys me,” Newlands remarked, underscoring the importance of recognising chocolate’s intrinsic value. This sentiment reflects a broader industry concern as companies confront mounting pressure from both consumers and fluctuating cocoa market dynamics.

The cocoa market has seen drastic changes, with prices surging up to $12,000 per tonne in early 2024, exacerbated by climate change effects and market speculation. While high-end chocolatiers such as Venchi and Domori have thrived amidst these pressures, experiencing a marked uptick in demand for their premium offerings, many mass-market brands are struggling with declining sales. Established companies like Hershey and Mondelez have resorted to passing increased costs onto consumers, implementing price hikes and altering product sizes, strategies fraught with the risk of alienating shoppers already feeling the pinch of inflation. The reality is stark: while cocoa farmers in West Africa continue to face financial hardship due to local prices remaining artificially low, major corporations boost their profit margins by shifting costs to their customers.

As chocolate prices rise, Newlands advocates for a more sensible approach. He believes that rather than slashing costs through value engineering, brands should raise retail prices to reflect the true quality of the product. This perspective is echoed by broader trends in the industry; as consumers increasingly gravitate towards quality over quantity, premium brands stand to benefit. A spate of poor cocoa harvests has deeply affected the market, particularly in regions like Ghana and Ivory Coast, where almost 75% of the world’s cocoa is sourced. Adverse weather conditions and market volatility have been detrimental not only to production but also to the livelihoods of the farmers, who see little return on their hard work compared to the profits of multinational chocolate companies.

Monty Bojangles' new direction occurs against this challenging backdrop, as their recent rebranding aims to appeal to a younger demographic. Newlands noted, “We’ve acquired and brought new people into the fold,” recognising the need for a fresh narrative that resonates with consumers aged 25 to 44. The brand's updated visual identity, symbolised by a new "spirit cat" logo, commemorates Newlands’ late pet and seeks to embody the qualities of wonder, curiosity, and playfulness—traits he believes are essential in cultivating a deeper connection with chocolate consumers.

As the chocolate industry continues to adjust in response to these economic fluctuations, the delicate balance between maintaining product integrity and navigating consumer expectations remains at the forefront. Newlands’ call for a reassessment of pricing strategies is a reminder that, in a world increasingly obsessed with instant gratification and low costs, the true art of chocolate making must be preserved and cherished.

## Reference Map:

* Paragraph 1 – [[1]](https://www.thegrocer.co.uk/news/chocolate-value-engineering-risks-degrading-category-founder-warns/705070.article), [[2]](https://www.ft.com/content/7dec664d-32dc-456a-950c-fa3b92f6fadb)
* Paragraph 2 – [[2]](https://www.ft.com/content/7dec664d-32dc-456a-950c-fa3b92f6fadb), [[3]](https://www.ft.com/content/f119b460-ebe5-47e2-a536-040bbf5d217c), [[7]](https://the-cfo.io/2024/04/25/the-bitter-taste-of-rising-cocoa-costs/)
* Paragraph 3 – [[3]](https://www.ft.com/content/f119b460-ebe5-47e2-a536-040bbf5d217c), [[5]](https://apnews.com/article/4a4d58a4e6076c8d46258c1b4dc414c4)
* Paragraph 4 – [[1]](https://www.thegrocer.co.uk/news/chocolate-value-engineering-risks-degrading-category-founder-warns/705070.article), [[6]](https://www.ft.com/content/206876e9-685c-46a3-a953-b77490e16736)
* Paragraph 5 – [[1]](https://www.thegrocer.co.uk/news/chocolate-value-engineering-risks-degrading-category-founder-warns/705070.article), [[4]](https://moneyweek.com/investments/should-you-invest-in-chocolate-stocks)

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## Bibliography

1. <https://www.thegrocer.co.uk/news/chocolate-value-engineering-risks-degrading-category-founder-warns/705070.article> - Please view link - unable to able to access data
2. <https://www.ft.com/content/7dec664d-32dc-456a-950c-fa3b92f6fadb> - In 2024, cocoa prices surged dramatically, reaching up to $12,000 per tonne, driven by climate change impacts in West Africa and market speculation. This surge led to increased chocolate prices, with consumers feeling the pinch. Despite higher prices, cocoa farmers in these regions still struggled financially due to fixed local prices set below global market rates. The volatility in cocoa prices highlights broader issues of how climate change is impacting essential crops, emphasizing the need for potential regulatory actions against market speculation in food commodities.
3. <https://www.ft.com/content/f119b460-ebe5-47e2-a536-040bbf5d217c> - Despite soaring cocoa prices and declining sales in the mass-market chocolate sector, premium chocolatiers are experiencing a surge in demand. In 2024, cocoa prices tripled due to poor harvests in West Africa, leading to increased production costs and price hikes across the industry. Major brands like Hershey’s, Mondelēz, and Nestlé reported declining sales, whereas high-end chocolatiers such as Venchi, Domori, Neuhaus, and Läderach have remained resilient, benefiting from higher profit margins and a consumer shift toward quality over quantity.
4. <https://moneyweek.com/investments/should-you-invest-in-chocolate-stocks> - Cocoa prices have dropped from their late-2024 peak but remain high due to poor harvests in West Africa, which supplies 70% of the world’s cocoa. Major chocolate firms like Hershey and Mondelēz forecast earnings pressure in 2025 due to soaring cocoa costs. The situation is complicated by proposed tariffs—especially on Ivory Coast imports—which could further raise cocoa costs and retail prices. While companies attempt to maintain profits by raising prices, reducing product sizes, or altering recipes, these strategies risk consumer backlash.
5. <https://apnews.com/article/4a4d58a4e6076c8d46258c1b4dc414c4> - This Easter, shoppers are facing significant increases in chocolate prices due to adverse climate conditions impacting cocoa production in West Africa. Ghana, Ivory Coast, Nigeria, and Cameroon supply about three-quarters of the world's cocoa, but recent severe seasonal winds and heavy rainfall have led to lower yields and higher production costs for farmers. Despite cocoa futures doubling and trading at record highs, these price hikes have not sufficiently compensated for farmers' reduced output and increased expenses. Conversely, major chocolate companies in Europe and the United States, such as Hershey and Mondelez International, have effectively passed these costs onto consumers, enhancing their profit margins.
6. <https://www.ft.com/content/206876e9-685c-46a3-a953-b77490e16736> - In London's cocoa market, a desperate quest by chocolate manufacturers for high-quality beans has resulted in a surplus of old, poor-quality beans, causing a price divergence between the UK and US markets. Cocoa futures in New York have surged, hitting over $10,000, while London prices have dropped to below $6,400. This divergence is driven by a global shortage due to poor weather and disease in major cocoa-producing countries like Ghana and Ivory Coast. Consequently, manufacturers are avoiding London's older stock, much of which is low-quality Cameroonian beans, further depressing UK prices.
7. <https://the-cfo.io/2024/04/25/the-bitter-taste-of-rising-cocoa-costs/> - Major global players in Europe and the United States, including The Hershey Company and Mondelez International, have been forced to pass on the rising cost of cocoa to consumers. Net profit margins at The Hershey Company increased from 15.8% in 2022 to 16.7% in 2023, indicating their efforts to offset the impact of higher cocoa prices. Mondelez International, the owner of popular brands like Toblerone and Cadbury, reported a jump in net profit margins from 8.6% in 2022 to 13.8% in 2023. These companies have implemented price hikes on their chocolate products, ensuring that consumers share the burden of the rising cost of cocoa.