

INTRODUCTION.

The Present Status of the Cacao Industry.

During the last ten years changes in the world consumption and production of cacao coupled with adverse fluctuations in world economic conditions have had an alarming effect upon the price of cacao.

Table A.

World Production & Consumption of Cacao
in tons of 1,000 kilos.

Year.	Production.	Consumption.	Surplus of Production over Consumption.
1910	218,499	203,408	15,091
1920	373,751	376,072	- 2,321
1925	497,043	484,903	12,140
1926-27	521,300	446,700	74,600
1927-28	484,800	478,100	6,700
1928-29	537,200	508,500	28,700
1929-30	534,200	504,400	30,100
1930-31	524,500	533,800	9,300
1931-32	528,800	518,200	10,600

The large excess crops of the years 1927 and 1928 resulted in a steady decrease in price from 1928. The situation was further aggravated by the world wide depression which began in 1929. The lowering of the general price level caused a further slump in the price of cacao until a very low level was reached in 1932.

The position regarding the balance between production and consumption has been further complicated by the increasing output of Nigeria and the Ivory Coast. On the inducement of the high prices of cocoa in 1916 to 1920, these countries evidently planted new areas which are now coming into full bearing

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swelling their output in 1932 by 26% and 75% respectively over the 1928 output. The consumption of cacao, however, has been checked by the unfavourable economic conditions which have curtailed the purchasing power of a large number of people consuming cacao products. The combined effect will be to create a large excess of production over consumption for the next two or three years, precluding the possibility of an increase in price, except through an improvement in the general price level.

The present situation and the outlook for the next few years have been the cause of great anxiety in the chief cacao producing countries. In the Gold Coast cacao constitutes about 70% of the value of all exports, and in Trinidad over 50% the value of all agricultural products. Being a chief source of revenue the cacao industry receives very careful attention from the governments of these countries which make every effort to improve its financial status.

The present situation regarding the cacao industry in Trinidad presents the following features:-

- (a) Abnormally low prices have increased the number of marginal producers and have driven several out of production.
- (b) Working capital is scarce; several estates have found it difficult to meet interest on mortgages.
- (c) The inducement of high prices prevailing at the beginning of the 20th. century and the scramble for sites adjacent to roads and markets led to indiscriminate planting of large acreages of cacao on relatively poor soils.
- (d) There is a large and increasing acreage of abandoned cacao.
- (e) Witchbroom control is demanding an additional expenditure which most planters cannot afford.
- (f) Prospects are bright for an increasing demand for Trinidad "fine" cocoa.