

## **Chocoholics Beware: Get Ready to Pay Higher for Chocolates, Ice Creams and Cakes as Cocoa Prices Skyrocket in India**

In the world of chocolates and ice creams, a bitter truth is emerging - the soaring prices of cocoa are beginning to bite into the bottom line of major players. Not only traditional chocolate makers like Amul, but also prominent ice cream brands like Baskin Robbins and Havmor, are grappling with the impact of higher cocoa costs, a TOI report stated.

Amul, a significant player in the chocolate market, is considering a significant price hike for its chocolate products. Jayen Mehta, Managing Director at Gujarat Cooperative Milk Marketing Federation (GCMMF), the umbrella organization for Amul, revealed that the price of cocoa beans has skyrocketed in India, reaching Rs 800 per kg from its previous range of Rs 150-250. Mehta emphasized the inevitability of passing on this cost burden to consumers, with a projected increase of 10-20% in chocolate prices within the next two months.

Despite the looming price hike for chocolates, Amul intends to maintain the current prices of its ice creams and beverages, acknowledging the challenges of adjusting prices for seasonal products. Mehta expressed confidence in the competitiveness of their offerings, suggesting that the impact on market share would be minimal.

Similarly, Baskin Robbins, a popular American ice cream brand in India, is feeling the heat of rising cocoa prices. Mohit Khattar, CEO at Graviss Foods, the master franchise holder for Baskin Robbins in India, disclosed that cocoa-based ingredient prices have surged by 70-80%. However, the company has opted to absorb these increased costs for now, refraining from raising consumer prices immediately. Khattar indicated that they would reassess the situation post-summer season, remaining hopeful about sales performance.

Havmor Ice Cream, which had already adjusted prices earlier in the year to offset inflation, is also strategizing to mitigate the impact of cocoa price hikes. Komal Anand, Managing Director at Havmor, highlighted the sensitivity of the ice cream market to pricing changes. Anand revealed that the company had proactively secured long-term pricing contracts in anticipation of such challenges, aiming to maintain current price levels despite the cocoa cost surge.

As cocoa prices continue to climb, chocolate and ice cream brands are navigating a delicate balancing act between maintaining profitability and retaining consumer loyalty. The decisions made by industry leaders like Amul, Baskin Robbins, and Havmor will likely shape the pricing dynamics in the coming months, impacting consumer choices in the chocolate and ice cream aisles.

Reference: <https://economictimes.indiatimes.com/industry/cons-products/food/chocoholics-beware-get-ready-to-pay-higher-for-chocolates-ice-creams-and-cakes-as-cocoa-prices-skyrocket-in-india/articleshow/109122276.cms>