



# COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

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8<sup>th</sup> – 12<sup>th</sup> May 2006

## ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York futures (US\$/tonne)
8 <sup>th</sup> May	1070.06	1593.32	881.00	1545.33
9 <sup>th</sup> May	1098.52	1630.99	898.00	1584.33
10 <sup>th</sup> May	1090.98	1626.72	894.33	1581.00
11 <sup>th</sup> May	1100.55	1636.69	891.33	1589.33
12 <sup>th</sup> May	1093.34	1641.12	889.67	1595.33
Average	1,090.69	1,625.77	890.87	1,579.06

## Up-coming Events

- International Workshop on Chocolate Making Course, Bangi Selango, Malaysia, 22<sup>nd</sup> - 25<sup>th</sup> May 2006
- Extra-Ordinary General Assembly of the Cocoa Producers' Alliance, 9<sup>th</sup> June 2006

### In the News:

- Nigeria: World Cocoa Trade Worth \$30bn, Says Obasanjo
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- Nigeria: President Obasanjo Calls for Fair Pricing of Cocoa
- Ghana Supports Improved, Expanded Cocoa Production
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- Africa must make more and better cocoa - Ghana
- Ghana's Cocobod close to Cargill deal
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Cocoa Producers Alliance

**International Financial Futures and Options Exchange (LIFFE)**  
**London Futures Market – Summary of Trading Activities**  
 (£ per tonne)

<b>Monday 8th May 2006</b>						
<b>Month</b>	<b>Opening Trans</b>	<b>Settle</b>	<b>Change</b>	<b>Daily High</b>	<b>Daily Low</b>	<b>Volume</b>
May 2006	865	870	-2	873S	865	595
Jul 2006	859	865	0	867	859	2,856
Sep 2006	875	879	-1	881	875	1,099
Dec 2006	898	899	-1	900	895	807
Mar 2007	909	909	-1	909	904	329
May 2007		917	-1			0
Jul 2007	925	925	0	925	925	20
Sep 2007		933	0			0
Dec. 2007		941	0			0
Mar-08		947	0			0
<b>Totals</b>		<b>909</b>				<b>5,706</b>

<b>Tuesday 9th May 2006</b>						
<b>Month</b>	<b>Opening Trans</b>	<b>Settle</b>	<b>Change</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
May 2006	865	867	-3	869	861	17,363
Jul 2006	865	882	17	885	862	18,453
Sep 2006	879	896	17	897	877	828
Dec 2006	898	916	17	917	897	4,376
Mar 2007	910	925	16	926S	909	240
May 2007		933	16			0
Jul 2007		941	16			0
Sep 2007		949	16			0
Dec. 2007		957	16			0
Mar-08		963	16			0
<b>Totals</b>		<b>923</b>				<b>41,260</b>

<b>Wednesday 10th May 2006</b>						
<b>Month</b>	<b>Opening Trans</b>	<b>Settle</b>	<b>Change</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
May 2006	862	857	-10	869	852S	4,148
Jul 2006	881	879	-3	892	867	8,962
Sep 2006	895	892	-4	905	881	1,754
Dec 2006	915	912	-4	923	904	678
Mar 2007	925	922	-3	933	916	527
May 2007	941	931	-2	941S	941S	7
Jul 2007		939	-2			0
Sep 2007		947	-2			0
Dec. 2007	958	955	-2	961	958	500
Mar-08		961	-2			0
<b>Totals</b>		<b>920</b>				<b>16,576</b>

**Thursday 11th May 2006**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	858	854	-3	862	851	1,075
<a href="#">Jul 2006</a>	874	876	-3	884	869	5,014
<a href="#">Sep 2006</a>	887	889	-3	898	881	1,579
Dec 2006	905	909	-3	917	902	658
Mar 2007	919	919	-3	927	913	732
May 2007	924	929	-2	928S	923	66
Jul 2007		937	-2			0
Sep 2007	953	947	0	953S	953S	168
Dec. 2007	951	955	0	953	951	100
Mar-08		961	0			0
<b>Totals</b>		<b>918</b>				<b>9,392</b>

<b>Friday 12th May 2006</b>						
Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	854	851	-3	854	843	15,339
<a href="#">Jul 2006</a>	871	874	-2	876	866	6,226
<a href="#">Sep 2006</a>	886	887	-2	888	879	575
Dec 2006	906	908	-1	908	900	2,051
Mar 2007	915	916	-3	917	908	297
May 2007		926	-3			0
Jul 2007		934	-3			0
Sep 2007		944	-3			0
Dec. 2007		952	-3			0
Mar-08		958	-3			0
<b>Totals</b>		<b>915</b>				<b>24,488</b>

**New York Board of Trade**  
**(New York Futures Market – Summary of Trading Activities)**  
(US\$ per tonne)

**Monday 8th May 2006**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	1480 <sup>B</sup> 1530 <sup>A</sup>	1517	5	1523	1517	4
<a href="#">Jul 2006</a>	1522 1525	1522	0	1528	1513	3063
<a href="#">Sep 2006</a>	1543 0	1542	-1	1547	1535	526
<a href="#">Dec 2006</a>	1573 0	1571	-2	1579	1566	224
Mar 2007	1601 <sup>B</sup> 1605 <sup>A</sup>	1600	-2	1595	1595	10
May 2007	1620 <sup>B</sup> 1625 <sup>A</sup>	1618	-2	0	0	0
Jul 2007	1635 <sup>B</sup> 1645 <sup>A</sup>	1638	-1	0	0	0
Sep 2007	0 0	1656	0	0	0	100
Dec. 2007	0 0	1673	-1	0	0	7
Mar-08	0 0	0	0	0	0	0
<b>Totals</b>		<b>1424</b>				<b>3,934</b>

**Tuesday 9th May 2006**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	1524 0	1558	41	1524	1524	3
<a href="#">Jul 2006</a>	1520 1525	1563	41	1565	1520	15180
<a href="#">Sep 2006</a>	1545 1546	1582	40	1585	1544	2466
<a href="#">Dec 2006</a>	1573 0	1612	41	1611	1573	1782
<a href="#">Mar 2007</a>	1600 <sup>B</sup> 1605 <sup>A</sup>	1641	41	1637	1608	409
May 2007	0 0	1659	41	0	0	50
Jul 2007	0 0	1678	40	0	0	167
Sep 2007	0 0	1696	40	0	0	520
Dec. 2007	0 0	1714	41	0	0	5
Mar-08	0 0	0	0	0	0	0
<b>Totals</b>		<b>1470</b>				<b>20,582</b>

**Wednesday 10th May 2006**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	1560 0	1556	-2	1560	1560	4
<a href="#">Jul 2006</a>	1549 1552	1561	-2	1578	1547	12088
<a href="#">Sep 2006</a>	1569 1572	1580	-2	1598	1569	1522
<a href="#">Dec 2006</a>	1601 1602	1610	-2	1628	1600	1092
<a href="#">Mar 2007</a>	1627 <sup>B</sup> 1631 <sup>A</sup>	1639	-2	1655	1628	547
May 2007	1642 <sup>B</sup> 1650 <sup>A</sup>	1658	-1	0	0	131
Jul 2007	1660 <sup>B</sup> 1670 <sup>A</sup>	1677	-1	0	0	205
Sep 2007	0 0	1695	-1	0	0	205
Dec. 2007	0 0	1712	-2	0	0	0
Mar-08	0 0	0	0	0	0	0
<b>Totals</b>		<b>1459</b>				<b>15,794</b>

**Thursday 11th May 2006**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	1500 <sup>B</sup> 1550 <sup>A</sup>	1566	10	0	0	65

<a href="#">Jul 2006</a>	1554 1558	1566	5	1574	1552	7112
<a href="#">Sep 2006</a>	1572 0	1586	6	1593	1572	1669
<a href="#">Dec 2006</a>	1600 <sup>B</sup> 1606 <sup>A</sup>	1616	6	1620	1604	550
<a href="#">Mar 2007</a>	1630 1631	1646	7	1651	1630	455
May 2007	1648 <sup>B</sup> 1655 <sup>A</sup>	1665	7	0	0	50
Jul 2007	0 0	1684	7	0	0	0
Sep 2007	0 0	1701	6	1700	1700	70
Dec. 2007	0 0	1718	6	1717	1717	20
Mar-08	0 0	0	0	0	0	0
<b>Totals</b>		<b>1475</b>				<b>9,991</b>

**Friday 12th May 2006**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2006	1500 <sup>B</sup> 1560 <sup>A</sup>	1552	-14	0	0	65
<a href="#">Jul 2006</a>	1569 1570	1572	6	1573	1559	7096
<a href="#">Sep 2006</a>	1589 0	1592	6	1594	1579	1065
<a href="#">Dec 2006</a>	1620 0	1621	5	1620	1610	379
<a href="#">Mar 2007</a>	1648 <sup>B</sup> 1650 <sup>A</sup>	1651	5	1650	1641	573
May 2007	1665 <sup>B</sup> 1670 <sup>A</sup>	1670	5	1666	1666	184
Jul 2007	1684 <sup>B</sup> 1690 <sup>A</sup>	1690	6	1686	1686	46
Sep 2007	0 0	1707	6	1701	1701	230
Dec. 2007	0 0	1727	9	1720	1720	87
Mar-08	0 0	0	0	0	0	0
<b>Totals</b>		<b>1478</b>				<b>9,725</b>

**Spot Prices (US \$ per tonne)**

	8 <sup>th</sup> May	9 <sup>th</sup> May	10 <sup>th</sup> May	11 <sup>th</sup> May	12 <sup>th</sup> May
Main Crop Ghana, Grade 1	1913	1954	1952	1957	1960
Main Crop Ivory Coast, Grade 1	1806	1847	1845	1850	1862
Main Crop Nigerian, 1	1786	1827	1825	1830	1832
Superior Arriba	1752	1793	1791	1796	1798
Sanchez f.a.q.	1732	1773	1771	1776	1794
Malaysian 110	1542	1583	1581	1586	1605
Sulawesi f.a.q.	1574	1615	1613	1618	1630
Ecuador Cocoa Liquor	2547	2615	2612	2620	2662
Pure Prime Press African Type Cocoa Butter	4135	4246	4241	4254	4323
10/12% Natural Cocoa Press Cake	700	719	718	720	739

Source: Cocoa Merchants' Association

# News

## **Nigeria: World Cocoa Trade Worth \$30bn, Says Obasanjo**

May 7, 2006

This Day (Lagos)

Etim Imisim

Abuja

African leaders have called for a radical change in the world cocoa economy as he urged African cocoa producing countries to be proactive. The African leaders, led by President Olusegun Obasanjo, spoke at the African cocoa summit held yesterday in Abuja to guarantee fair prices for the product and avoid a possible glut in the international market. President Obasanjo put the worth of world trade in cocoa at \$30 billion dollars a year and said that this has been growing at the rate of five per cent a year in the last several years.

The summit which was attended by leaders of the seven cocoa producing countries in Africa adopted a declaration on sustainable cocoa economy in the continent. Called Abuja Declaration, the document is expected to be endorsed and implemented by Uganda, Cote d'Ivoire, Ghana, Cameroun, Gabon, Sao Tome and Principe, Togo and Nigeria. Obasanjo also criticised a situation where the rich, consuming countries of Europe and America fix prices for cocoa instead of poor producers in African. He added that Africa is responsible for the export of 80 per cent of cocoa in the world. Nigeria is producing 400,000 metric tonnes, Ghana 600,000 metric tonnes, Cote d'Ivoire 1.2 million metric tonnes. While Cote d'Ivoire is the largest producer, accounting for 40 per cent of total world output, Nigeria's production has increased by 250,000 in the last three years.

The Nigerian leader however regreted that despite Africa's dominance in cocoa production, the continent's consumption, which he put at only 2 per cent, was abysmally low. The regional consumption of cocoa translates into 80,000 for Africa, 1.5 million for Europe and 1.1 million for America. The situation is that there is an imbalance where Africa does not consume what it produces and consumes what it does not produce. The consequence of this imbalance is that the rich, consuming countries of Europe and America dictate prices for cocoa which are not remunerative for farmers in the continent. "A situation where commodity exchange markets in Europe and America unduly influence the international cocoa price without consideration to cost of production is unacceptable," Obasanjo said.

Obasanjo however disagreed with the solution proffered by the Cocoa Producers' Alliance (COPAL) to attain a reasonable balance between world cocoa supply and demand. He wanted COPAL's Libreville Declaration on Production Management Plan be shelved for a more proactive measure. The declaration asked member states exporting 10,000 metric tonnes or more of cocoa to reduce production in an attempt to increase demand. "I wonder if that is the best approach or if we should seek other approaches for increased and sustained production," the president said. The President's solution tallies both with the Abuja Declaration and the report of the meeting of ministers of the cocoa producing countries held Thursday and Friday before the summit yesterday. This is that production should increase along with addition of value to the product. These are to be matched by the stimulation of local and international consumption. The emerging economies of Asia like India and China with improved purchasing power are targeted.

## **Africa's cocoa farmers urged not to depend entirely on foreign market**

May 07, 2006

Source: Xinhua

Nigerian President Olusegun Obasanjo has called on African cocoa countries to make joint efforts to defend cocoa price on the international market rather than cutting cocoa production to shore up the price. Speaking at the First Africa Cocoa Summit which was opened here on Saturday, the Nigerian president urged cocoa farmers on the continent "not to depend entirely on the foreign market to survive," saying that he believed the Libreville Production Management Plan (PMP), which required major cocoa exporters to cut production, was faulty because it did not consider the local scene. While admitting that "we consume what we do not produce and produce what we do not consume," Obasanjo noted that one strategy that would improve the dwindling prices was to encourage local consumption. He listed some of cocoa by-products to include cocoa-butter, cocoa-cake, cocoa-wine, cocoa-powder, chocolate, cocoa body cream, cocoa composite bread, cocoa soap and animal feed.

While stressing on the need to increase production of cocoa and its by-products for both local and foreign consumption, Obasanjo said it was the only way to guarantee market and good prices for cocoa farmers. He said Cote d'Ivoire, which is the leading producer on the continent produced 1.2 million tons, Ghana about 800,000

tons and Nigeria, whose production shot up from 150,000 tons to about 400, 000 tons must join hands with others to save farmers. He stressed the importance of a united action by African producers to counter moves by consumer countries, which he said, were developing substitute for some cocoa products including cocoa butter with a view to reducing dependence on cocoa beans.

Similarly, he said, various trade barriers and legislation were being put in place in addition to the introduction of Minimum Residue Level and the introduction of the cocoa seed to some countries that were not traditionally cocoa producers. He said there was the need for proactive action among African countries and also the need to expand the cocoa market beyond London, to China "where we can encourage the 1.3 billion population there to eat one chocolate bar per week."

He added that the meeting should evolve short-, medium- and long-term strategies for the sustainable development of the cocoa industry in Africa for the benefit of its people. Sao Tome and Principe President Frederque de Menezes and high- ranking officials from Uganda, Ghana, Cote d'Ivoire and Togo were unanimous in their separate addresses on the need for Africa to take joint action on cocoa.

### **Nigeria: President Obasanjo Calls for Fair Pricing of Cocoa**

May 8, 2006

Abuja

President Olusegun Obasanjo on May 7 cautioned that cocoa producing nations are not prepared to accept the situation where the Commodity Exchange Markets in Europe and America unduly influence the international cocoa price without consideration to the cost of production. Speaking at the end of African Summit on Cocoa in Abuja, President Obasanjo charged the cocoa producing African countries in attendance to be proactive and in agreement "on how to guarantee fair prices for our product", noting that one of the ways to guarantee market and good prices for cocoa producers is "to consume what we produce" In this regard, he referred to the measures adopted by Nigerian government to increase the local consumption of cocoa through a school-feeding programme that allow the serving of cocoa beverage drinks to about 25 million primary school children. This is expected to inculcate the habit of cocoa beverage consumption in Nigerian youths.

While putting the worth of world trade in cocoa at \$30 billion dollars a year, President Obasanjo decried the production and consumption imbalance in Africa despite it's dominance in cocoa production and regretted the situation where Africa does not consume what it produces and consumes what it does not produce. He also disagreed with the solution proffered by the Cocoa Producers' Alliance (COPAL) to attain a reasonable balance between world cocoa supply and demand; instead he sought after the shelving of COPAL's Libreville Declaration on Production Management Plan, which asked member states exporting 10,000 metric tonnes or more of cocoa to reduce production in an attempt to increase demand. He alerted cocoa producers that consuming countries are developing substitutes for some cocoa products such as cocoa butter, with the ultimate goal of reducing cocoa consumption. This is in addition to their various trade barriers to make export of cocoa beans more and more difficult.

According to President Obasanjo, others steps taken to deprive traditional African cocoa producers from gaining market access include Minimum Residue Level, ochratoxin, child labour and the promotion of cocoa production in countries such as Vietnam, which are not traditional cocoa producing countries. At the end of the summit, Heads of State and Governments from eight African cocoa producing countries concurred to work together to increase local consumption of the product to guarantee market and good prices for producers.

The summit also resolved to:

- Create Cocoa Development Fund (CDF) for application to all strategic areas of intervention in the African cocoa economy and to exploit market potential of Africa;
- Explore emerging market in Europe and Asia and promote intra-African trade;
- Harmonise common tariff; reduction of trade barriers and also to invest;
- Introduce production and supply management scheme;

- Support the existing market information systems, as well as human and institutional capacity building, including technology transfer.

Ministers and other stakeholders from Nigeria, Cameroon, Ghana, Cote d'Ivoire, Gabon, Togo, Sao Tome and Principe, and Uganda attended the summit aimed at guaranteeing fair prices for cocoa and avoiding its possible glut in the international market.

### **Ghana Supports Improved, Expanded Cocoa Production**

May 9, 2006,

Nana Addo Dankwa Akufo-Addo, Minister of Foreign Affairs, Regional Integration and NEPAD, on Monday said Ghana would support every move to increase cocoa production on the Continent while searching for decent world market prices for the commodity. Briefing journalists on his return from the African Cocoa Summit in Abuja, Nigeria, at the weekend, the Foreign Minister said Ghana also supported moves to ensure that the cocoa market frontiers were expanded and made accessible to a wider spectrum of people especially in India and China.

The Cocoa Summit held at the instance of President Olusegun Obasanjo of Nigeria was to discuss long-term development of the industry and to look at the critical aspects of the cocoa economy with the ultimate goal of ensuring that African cocoa producing countries that collectively accounted for 80 per cent of global cocoa beans had remunerative prices. Nana Akufo-Addo, who represented President John Agyekum Kufuor, said the objectives of the Summit were threefold. "It sought to explore long-term measures of the survival of the cocoa industry in Africa, expand domestic processing and consumption of cocoa and cocoa products and increase markets worldwide." He called on players in the Ghanaian cocoa industry to adopt aggressive promotion efforts to market the produce even in traditional markets while introducing new scientific products from cocoa. The Foreign Minister said Ghana had been provisionally selected to host the next Summit, which "must become an important feature on our national calendar".

He said he was not pleased with the virtual gap between the Cocoa Research Institute's products and industry which had made potential world market products sit idle at the research centres. "This is the new level that we as a cocoa growing nation must strive to reach and overcome if we are to remain competitive in the industry," Nana Akufo-Addo said.

The Summit was attended by President Fradique de Menes of Sao Tome and Principe; Prime Minister Edem Kojo of Togo; Mr Soni Ebai, Secretary-General of the Cocoa Producers Alliance (COPAL); representatives of the governments of Cote d'Ivoire; Uganda; Cameroon; Ministers of Agriculture and cocoa producing State Governors of Nigeria, members of the public, private sector and academia. He said the Ghana Cocoa Board was among a large number of exhibitors, who paraded their wares at the Summit. It attracted a large number of participants to the products especially the cocoa powder beverages noted for their high nutritional contents, as well as the cocoa gin and brandy from the Cocoa Research Institute of Ghana.

Ghana is the world's second largest cocoa producer with 600,000 tonnes of cocoa while Cote d'Ivoire leads world production with 1.2 million tonnes. Nigeria's production is about 400,000 tonnes.

### **African cocoa majors to explore new markets**

ABUJA (May 09 2006):

Main African cocoa-growing countries plan to explore new markets in Asia and to boost domestic consumption in a new step to improve supply management and strengthen world prices, they said on Sunday. West Africa produces about 80 percent of the world's cocoa and those governments are keen to encourage local processing of beans and to reverse a long-term decline in prices in real terms with some form of supply management.

Heads of state or senior representatives from Ivory Coast, Ghana, Nigeria, Cameroon, Gabon, Togo and Sao Tome and Principe, held a summit in Abuja on Saturday to find new ways of tackling cocoa production and export problems. Africa's top cocoa growers resolved to "promote aggressive market diversification targeting emerging markets like China and India among others," said a statement issued after the summit. The meeting also agreed to improve Africa's competitiveness in the world market by curbing production and marketing costs. The growers plan to seek greater market access for finished and semi-finished products in major Western consuming countries.

A previous attempt to reverse a long-term decline in prices in real terms, under the auspices of the cocoa Producers' Alliance at a 1996 conference in Libreville, Gabon, failed because producers broke their quotas.



Prospects for another similar deal are now slim, authorities said. Officials say current global supply of cocoa is slightly below demand, but prices remain weak because of a massive overhang of beans in consumer-country warehouses. The Libreville Declaration said that global stocks of beans should not be allowed to rise above 34 percent of annual demand from bean grinders to keep prices at \$2,000 per tonne.

#### **Africa must make more and better cocoa - Ghana**

Tue, 09 May 2006

Accra - Ghana would support every move to increase cocoa production in Africa while searching for decent world market prices for the commodity, Foreign Minister Nana Addo Dankwa Akufo-Addo, said on Monday. He said on his return from the African Cocoa Summit in Abuja, Nigeria, that Ghana also favoured moves at ensuring that the cocoa market frontiers were expanded and made accessible to a wider spectrum of buyers especially from India and China. The Cocoa Summit held at the instance of Nigerian President Olusegun Obasanjo discussed long-term development of the industry and looked at the critical aspects of the cocoa economy with the goal of ensuring that African cocoa producing countries which accounted for 80 percent of global cocoa beans received fair prices.

Nana Akufo-Addo said the objectives of the summit were threefold: "to explore long-term measures of the survival of the cocoa industry in Africa, expand domestic processing and consumption of cocoa and cocoa products and increase markets worldwide." He called on players in the Ghanaian cocoa industry to adopt aggressive promotion efforts to market cocoa - even in traditional markets - while introducing new scientific products from cocoa. The minister said he was unhappy with the gap between the Ghana Cocoa Research Institute's products and the industry, noting that potential world market products were sitting idle at the research centres. According to him, this trend must change if Ghana is to remain competitive as a cocoa growing nation.

*-panapress*

#### **Ghana's Cocobod close to Cargill deal**

ACCRA (May 13 2006):

Ghana's cocoa industry regulator Cocobod is close to sealing a deal with US agribusiness giant Cargill to build a cocoa processing facility in the world's second-biggest producer, the Cocobod chief said. "We are close to signing a bean supply agreement (with Cargill)," Isaac Osei, the regulator's new chief executive told Reuters in an interview late on Thursday. "We could sign in the next month," he added. Talks with cocoa firm Archer Daniels Midland about setting up a second processing facility are ongoing, he said. Osei took office in early April and has been tasked by Ghana's President John Kufuor to increase the percentage of its cocoa which Ghana processes and restore efficiency to an industry racked by logistical problems.

Cocoa is one of Ghana's biggest export earners and about 20 percent of its crop is processed locally. Some processors fear there will not be enough of the cheaper light crop beans, which account for about 25 percent of the country's 600,000-tonne harvest, to meet demand from the country's current three processors and new entrants. "People who process cocoa don't use only light crop beans. They can import beans. We can sell them light crop beans when we have them," he said. "If it is not available we will give it to them on a pro rata basis, so no one (processor) is disadvantaged," he added.

The 2005/06 season has been characterised by fights between local buyers and regulator Cocobod over a shortage of bean storage space and jute sacks as well as congestion at the port. New warehouses and better management of existing space should ease congestion problems at Ghana's ports, Osei said. A 50,000-tonne warehouse in Tema port will open in June, while the regulator can also lease more warehouses in Tema should the need arise, he said. The regulator may also build a warehouse in Takoradi, from where the bulk of Ghana's cocoa is exported. "In Takoradi we are looking at probably building 100,000 tonne capacity (warehouse). That would be in our next budget year. We are in the planning phase," he said.

The regulator will also ensure there are enough jute sacks, he said. "The problem is a thing of the past," he said. In Ghana's semi-liberalised market, buyers purchase beans from the farmers and sell them to the regulator for export. Many buyers frequently complain of low profits and question the viability of the business. Osei said: "If they feel it is not viable, they would not be in the business. If any buyer feels it is not a profitable business, I am sure he would be out." "There is competition among them and many of them should have facilities up country but they don't so they cannot expand." Some buyers would like to export a percentage of their beans to enable them to maximise profit but Osei said that further liberalisation is not on the cards.

## **Close Up: The case for fair trade**

May 8, 2006, Source: Close Up

Fair trade is all about making sure third world farmers get paid a fair price for the crops they produce. It sounds worthy - and it is - but it's also turning into a huge business opportunity for companies with an eye for untapped markets.

*Erica Adutwumaa Kyere is a cocoa farmer from Ghana.*

In New Zealand a block of chocolate made from her product costs \$5.80, compared to \$3 for a relative block from a big company. The farmers who grow the cocoa that goes into the cheaper block of chocolate make between \$44 and \$158 per year. In comparison farmers who grow the cocoa for the fair trade block of chocolate make \$600 a year

And that \$600 goes a long way

"We've been able to invest in bore holes, that is the provision of portable water, because in our part of the world most of the villages do not have portable water. "We've also been able to build school... there are eight schools to our credit...we've been able to attract teachers to these schools, because it's always very difficult getting teachers who are educated to go into the villages," says Erica

She says fair trade takes into consideration all the toils and efforts the farmers in the third world actually put into producing the raw material. Research carried out by Moxie Design Group shows that 25% of New Zealanders are what are called "solution seekers", that is we want to feel environmentally and socially responsible about the products we buy..

We don't want to compromise on quality and are prepared to pay a premium, within reason.

New Zealanders are not however the first to latch on to the fairtrade concept. In the United Kingdom 59% of consumers buy fair trade products and supermarkets have embraced the concept wholeheartedly. The Co-op chain switched its entire range of chocolate and coffee over to fair trade in 2003 and within six months sales had jumped by as much as 25%.

Even British stalwart Marks and Spencers is in on the act. This year it removed all of its tea and coffee products to replace them with fair trade versions.

In New Zealand it is largely small businesses that are offering fair trade products. But some bigger companies have jumped on the band wagon. Esquires, an international coffee chain with 18 stores across New Zealand, only uses fairtrade coffee

"When Esquires was founded in 2002 we weren't fairtrade certified...we made a conscious decision to move to that at the end of 2002," says general manager of Esquires New Zealand operation Chris King. "Every business decision we make has to stack up from our business case point of view, but the fantastic thing about this branding exercise is that it does both for us... it is a great quality product and it is a product that we have built into our business as a viable business alternative."

Starbucks has also got in on the act, though not in such a big way. Four percent of the coffee sold at the chain is fair trade certified.

"For us to grow the way we are the coffee industry has to grow with us and if you don't take care of the coffee farmers and their families, they'll switch what crops they're growing or they'll abandon the farm to go work in the cities," says Starbucks spokesman Christine Day. "Fair trade represents only about 1% of the world coffee supply... it doesn't certify the mid and larger farms who we also buy from...so for us the reality is that we can't purchase enough."

Whatever the case both Starbucks and Esquires are tapping into a potentially lucrative market.

More than a million dollars worth of fairtrade products were sold in New Zealand last year, a huge increase from only \$2000 three years ago.

### **How eating chocolate can change lives**

08 May 2006

By SUE ALLEN

Ghanaian farmer Agnes Abrafi has a simple message for New Zealanders: buy fair trade products and help people like her and her children have better lives. Mrs Abrafi and Erica Kyere are part of Ghana's Kuapa Kokoo cocoa cooperative and are speaking in New Zealand as part of the Fair Trade Fortnight.

The cooperative was set up in 1993 to ensure farmers did not lose out when the Ghanaian cocoa market was liberalised. These days it has 45,000 members in 1500 villages.

Ms Kyere, a research and development officer, said the cooperative structure meant more money was returned to farmers. Villages also received a social premium to invest in their community. Mrs Abrafi said the money had been used for two new wells in her village. Fair trade had also trained her how to farm grass cutters, a rodent eaten in Ghana, and helped her put her two children through school.

"If you buy fair trade chocolate then farmers like me can improve their products and we can improve our lives and our children's lives," she said.

Spending on fair trade products in New Zealand has increased from \$2000 a year to more than \$1 million in 2005. In Britain, the figure has risen from \$8.6 million a decade ago to \$403 million last year.

Oxfam estimates the average New Zealander spends about \$130 a year on sweets and chocolates, but only 2 cents of that on fair trade chocolate. Fair trade shops will host A Fair Cuppa on World Fair Trade Day next Saturday. People are also being encouraged to host their own fair trade morning tea that day.

### **Chocolate That's Good For You**

CBS Broadcasting Inc (CBS) SALT LAKE CITY

You've heard the news that chocolate is good for you. Well, in this Healthy Living report, the makers of a new kind of chocolate called Xocai say their version is not just healthy it's a super food.

Researchers have been singing the praises of dark chocolate in recent years, saying it's "chock full" of healthy antioxidants. It has more than red wine or green tea and studies suggest these antioxidants can help prevent cancer and benefit the heart.

Dr. Steven Warren a Xocai consultant agrees, "Chocolate, dark un-pressed cocoa powder, definitely decreases blood pressure, decreases bad cholesterol, increases good cholesterol. They're finding it has an aspirin affect so it keeps clots from forming."

But even though it's considered so healthy, there's always been a problem with chocolate.

"Every study that's been done on chocolate has one little footnote." Says Dr. Warren, "because of the sugar and fat, we can't recommend chocolate even though it does all these good benefits."

But the makers of a new kind of chocolate say they've solved that problem. Xocai is a product made in Utah. Company representatives say their chocolate, which comes in beverage and nugget form, is truly a health food.

Dr. Warren extols the virtues of Xocai, "if you do this three times a day, you're getting 12 servings of fruits and vegetables a day."

Manufacturers say what makes Xocai different is what's not in it; refined sugar and added fats. It also contains heart healthy blueberries, red grape juice and acai, a berry found in the Amazon that contains high concentrations of antioxidants.

Customers are reporting improvements in blood sugar levels, cholesterol and circulation.

Matthew Anderson suffered a head injury and says his chronic headaches are getting better after using Xocai.

“[It’s] limiting my headaches,” says Matthew, “I stopped fainting because it increased my blood flow.”

Xocai isn’t cheap. A one month supply of the beverage is about \$125, the nuggets are \$135.

We have the wrong website address and spelling for my Wednesday Healthy Living story on Healthy Chocolate.

### **Nigerians urged to consume locally-produced goods**

Monday, May 8, 2006

President Olusegun Obasanjo says cocoa producing African countries need to encourage cocoa consumption locally, rather than cut production to shore up the price of the commodity. Speaking at the opening of the First Africa Cocoa Summit in Abuja at which all the producing countries converged, Obasanjo said cocoa farmers should not depend entirely on the foreign market to survive.

He said that he believed that the Libreville Production Management Plan (PMP), which required major cocoa exporters to cut production, was faulty because it did not consider the local scene. While admitting that “we consume what we do not produce and produce what we do not consume,” Obasanjo noted that one strategy that would improve the dwindling prices was to encourage local consumption.

He listed some of cocoa by-products to include cocoa-butter, cocoa-cake, cocoa-wine, cocoa-powder, chocolate, cocoa body cream, cocoa compositebread, cocoa soap and animal feed. While stressing on the need to increase production of cocoa and its by-products for both local and foreign consumption, the president said it was the only way to guarantee market and good prices for cocoa farmers.

He said Cote d’Ivoire, which is the leading producer in the continent produced 1.2 million tonnes, Ghana about 800,000 tonnes and Nigeria, whose production shot up from 150,000 tonnes to about 400,000 tonnes must join hands with others to save farmers.

He stressed the importance of a united action by African producers to counter moves by consumer countries, which he said, were developing substitute for some cocoa products including cocoa butter with a view to reducing dependence on cocoa beans. Similarly, he said, various trade barriers and legislation were being put in place in addition to the introduction of Minimum Residue Level and the introduction of the cocoa seed to some countries that were not traditionally cocoa producers.

He said there was the need for proactive action among African countries and also the need to expand the cocoa market beyond London, to China “where we can encourage the 1.5 billion population there to eat one chocolate bar per week. He added that the meeting should evolve short, medium and long term strategies for the sustainable development of the cocoa industry in Africa for the benefit of its people.

Sao Tome and Principe president, Frederque de Menezes and high ranking representatives of the governments of Uganda, Ghana, Cote d’Ivoire and Togo were unanimous in their separate addresses on the need for Africa to take joint action on cocoa.

### **Boateng calls for modernization of cocoa loading**

Koforidua, May 13, GNA- Daasebre (Professor Emeritus) Oti Boateng, Omanhene of New Juaben Traditional Area, has called for the modernization of the loading of cocoa beans at the ports of the country to help reduce congestion at the ports.

He explained that, if the country claims it needs money and had to sell cocoa for the money, then the country need to establish the system whereby when the cocoa moves out of the farms to the ports, they are quickly transported to the buyers.

Daasebre Oti Boateng said the current methods of loading being used at the ports of the country were outmoded and slow and suggested the use of conveyer belts and appealed to the Ghana Commercial Bank (GCB) to consider financing such a project.

He was speaking at the New Juaben Omanhene's Palace when the members of the Board of Directors and the Management Staff of GCB paid a courtesy call on him on Friday.

The members of the GCB Board and the management staff were on a two-day performance review meeting at Koforidua and decided to pay a courtesy call on the Omanhene.

Daasebre Oti Boateng called on the Bank to support industries that had links with the agricultural production in the country . He said the saving culture of the country had fallen down because of the recent history of the country and called on the GCB to champion an education programme to educate the citizens of the importance of saving and to assure them of the safety and confidentiality of their savings.

In reaction to some issues raised by Daasebre Oti Boateng, the Managing Director of GCB, Mr Lawrence Adu-Mante said the bank wants to raise some substantial long-term capital from the stock exchange to be able to be a major player in financing of cocoa purchasing in the country and help reduce the dependence of the country on annual foreign support for internal purchasing of cocoa.

He said the bank also want to be a major financial player in supporting the oil industry in the country and also build a strong human resource base that could be compared to the best in the world.Source:  
GNA

## Tit Bits

(Source: *Business Recorder* – [www.brecorder.com](http://www.brecorder.com))

### **African cocoa majors to explore new markets**

ABUJA (May 09, 2006): Main African cocoa-growing countries plan to explore new markets in Asia and to boost domestic consumption in a new step to improve supply management and strengthen world prices, they said on Sunday.

### **Ivorian cocoa arrivals seen up**

ABIDJAN (May 09, 2006): cocoa arrivals at ports in Ivory Coast reached around 1,065,000 tonnes between October 1, 2005 and May 7, 2006, exporters contacted by Reuters estimated on Monday.

### **US MIDDAY: cocoa futures rise**

NEW YORK (May 10, 2006): The US benchmark cocoa futures contract rallied 2.7 percent Tuesday to the loftiest price in three months, fuelled by a flagging dollar and limited producer selling from West Africa, traders and brokers said.

### **New York cocoa futures end flat**

NEW YORK (May 10, 2006): US cocoa futures settled flat to a whisker down amid a dearth of market-moving signals, with speculators unable to push the benchmark contract on either side of this month's trading range, market sources said.

### **US MIDDAY: cocoa futures dip**

NEW YORK (May 11, 2006): US cocoa futures ended in negative territory Wednesday, with producer selling and speculative profit-taking knocking the benchmark contract down from a 3-month peak, traders said.

### **New York cocoa futures climb to three-month peak**

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### **US MIDDAY: cocoa firms**

NEW YORK (May 12, 2006): US cocoa futures finished on positive ground in range-bound trading Thursday, finding some support from currency-related buying amid an eroding dollar, market sources said.

### **New York cocoa futures dip on origin sales**

NEW YORK (May 12, 2006): US cocoa futures ended in negative territory on Wednesday, with producer selling and speculative profit-taking knocking the benchmark contract down from a 3-month peak, traders said.

### **Indonesian cocoa prices up**

JAKARTA (May 12, 2006): cocoa bean prices in Indonesia's cocoa-growing belt of Sulawesi island rose from last week supported by rising international prices despite the rupiah's extended gains against the US dollar, traders said on Thursday.

### **US MIDDAY: cocoa little changed**

NEW YORK (May 13, 2006): US cocoa futures were called to open little changed on Friday amid mixed directional signals from a weaker cocoa market in London and a sliding dollar, exchange floor sources said.

### **Ghana's Cocobod close to Cargill deal**

ACCRA (May 13, 2006): Ghana's cocoa industry regulator Cocobod is close to sealing a deal with US agribusiness giant Cargill to build a cocoa processing facility in the world's second-biggest producer, the Cocobod chief said.

### **New York cocoa firmer on dollar weakness**

NEW YORK (May 13, 2006): US cocoa futures finished on positive ground in range-bound trading Thursday, finding some support from currency-related buying amid an eroding dollar, market sources said.