COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 206 **20th – 24th November 2006**

Cocoa Producers' Alliance

ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US$/tonne)	London futures (£/tonne)	New York futures (US$/tonne)
20th November	1050.11	1559.62	849.33	1507.67
21st November	1047.94	1555.75	846.67	1503.33
22nd November	1057.95	1575.49	851.00	1520.67
23rd November	-	-	853.00	-
24th November	-	-	847.67	-
Average	**1,052.00**	**1,563.62**	**849.53**	**1,510.56**

Up-coming Events

- Extra-ordinary Council of Ministers Meeting, 7th December 2006, London, UK..

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Have you* had *your cocoa today?

COCOA PRODUCERS' ALLIANCE, NATIONAL ASSEMBLY COMPLEX TAFAWA BALEWA SQUARE, P.O. BOX 1718, LAGOS, NIGERIA. TEL: +234(0)1-263-5574 FAX: +234(0)1-263-5684
Email: econs@copal-cpa.org Website: www.copal-cpa.org

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

Monday 20th November 2006

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2006	824	811	-12	828	810	4,764
Mar 2007	847	838	-9	850	836	4,122
May 2007	861	849	-9	862	847	1,271
Jul 2007	867	861	-8	867	860	561
Sep 2007	879	872	-8	879	871	260
Dec. 2007	888	885	-7	888	884	67
Mar-08	900	897	-7	900	898	174
May-08	906	906	-7	906	906	7
Jul-08		916	-6			0
Sep-08		925	-6			0
Totals		**876**				**11,226**

Tuesday 21st November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	810	809	-2	816	807	7,277
Mar 2007	838	835	-3	842	835	6,238
May 2007	849	847	-2	852	847	1,010
Jul 2007	859	858	-3	864	858	1,072
Sep 2007	875	870	-2	875	870	112
Dec. 2007	885	883	-2	887S	883	82
Mar-08	896	895	-2	900S	895	371
May-08	910	905	-1	914	909S	13
Jul-08		916	0			0
Sep-08		925	0			0
Totals		**874**				**16,175**

Wednesday 22nd November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	809	814	5	815	808	3,129
Mar 2007	835	840	5	842	835	4,806
May 2007	848	851	4	853	847	1,518
Jul 2007	859	862	4	864	858	1,786
Sep 2007	875	874	4	875	869	778
Dec. 2007	887	886	3	888S	881	547
Mar-08	899	898	3	899	894S	335
May-08	907	908	3	907	907	1
Jul-08	921	919	3	921	917S	46
Sep-08	931	928	3	931	931	65
Totals		**878**				**13,011**

Thursday 23rd November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	815	817	3	824	814	2,069
Mar 2007	840	842	2	847	839S	2,355
May 2007	852	853	2	858	852	316
Jul 2007	868	864	2	869	864	74
Sep 2007	880	876	2	880	880	47
Dec. 2007	889	888	2	894	889S	64
Mar-08		900	2			0
May-08		910	2			0
Jul-08		922	3			0
Sep-08		931	3			0
Totals		**880**				**4,925**

Friday 24th November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	815	810	-7	820	809	1,974
Mar 2007	840	836	-6	845	835	2,571
May 2007	851	848	-5	855S	846	551
Jul 2007	863	859	-5	867S	859	473
Sep 2007	874	870	-6	879	870	587
Dec. 2007	886	883	-5	890	882S	523
Mar-08	899	895	-5	902S	894	203
May-08	907	906	-4	907	907	7
Jul-08		918	-4			0
Sep-08		927	-4			0
Totals		**875**				**6,889**

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

Monday 20th November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1480 0	1437	-33	1480	1419	20
Mar 2007	1498 1502	1487	-13	1505	1478	6605
May 2007	1520^{B} 1525^{A}	1511	-12	1520	1505	331
Jul 2007	1540^{B} 1548^{A}	1531	-13	1540	1528	1589
Sep 2007	1560^{B} 1570^{A}	1553	-12	1562	1546	191
Dec 2007	0 0	1578	-12	1580	1573	71
Mar 2008	1615^{B} 1623^{A}	1606	-12	1599	1599	10
May 2008	0 0	1627	-12	0	0	0
Jul 2008	0 0	1648	-12	0	0	0
Sep. 2008	0 0	1666	-12	0	0	0
Totals		**1564**				**8,817**

Tuesday 21st November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1480 0	1410	-27	1480	1410	16
Mar 2007	1486 1488	1480	-7	1492	1477	5859
May 2007	1508^{B} 1513^{A}	1505	-6	1515	1505	293
Jul 2007	1525^{B} 1531^{A}	1526	-5	1531	1525	231
Sep 2007	1550^{B} 1555^{A}	1548	-5	1558	1558	1132
Dec 2007	1580 1582	1574	-4	1582	1578	185
Mar 2008	1610 1613	1603	-3	1613	1609	125
May 2008	0 0	1624	-3	0	0	0
Jul 2008	0 0	1645	-3	0	0	0
Sep. 2008	0 0	1663	-3	0	0	124
Totals		**1558**				**7,965**

Wednesday 22nd November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1400 0	1425	15	1415	1400	8
Mar 2007	1490 1493	1495	15	1502	1485	5429
May 2007	1518 0	1519	14	1525	1511	1045
Jul 2007	1535 0	1540	14	1543	1535	312
Sep 2007	1550^{B} 1560^{A}	1561	13	1557	1555	492
Dec 2007	1590 1592	1586	12	1592	1590	57
Mar 2008	1619 0	1617	14	1621	1619	154
May 2008	0 0	1638	14	1630	1630	5
Jul 2008	0 0	1658	13	1650	1650	5
Sep. 2008	0 0	1676	13	0	0	0
Totals		**1572**				**7,507**

Thursday 23rd November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006						
Mar 2007						
May 2007						
Jul 2007						
Sep 2007						
Dec 2007						
Mar 2008						
May 2008						
Jul 2008						
Sep. 2008						
Totals						

Friday 24th November 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006						
Mar 2007						
May 2007						
Jul 2007						
Sep 2007						
Dec 2007						
Mar 2008						
May 2008						
Jul 2008						
Sep. 2008						
Totals						

Spot Prices (US $ per tonne)

	20th November	21st November	22nd November	23rd November	24th November
Main Crop Ghana, Grade 1	1859	1852	1867	-	-
Main Crop Ivory Coast, Grade 1	1752	1745	1760	-	-
Main Crop Nigerian, 1	1725	1718	1733	-	-
Superior Arriba	2042	2035	2050	-	-
Sanchez f.a.q.	1725	1718	1733	-	-
Malaysian 110	1470	1463	1478	-	-
Sulawesi f.a.q.	1514	1507	1522	-	-
Ecuador Cocoa Liquor	2746	2733	2761	-	-
Pure Prime Press African Type Cocoa Butter	3866	3848	3887	-	-
10/12% Natural Cocoa Press Cake	768	765	772	-	-

Source: Cocoa Merchants' Association--

News

Malaysia emerges as largest cocoa grinder in Asia
Monday November 20, 2006
By Hanim Adnan
KUALA LUMPUR: Malaysia has emerged as the largest cocoa grinder in Asia and the fourth largest grinder in the world with total grinding capacity targeted to hit 270,000 tonnes this year. Plantation Industries and Commodities minister Datuk Peter Chin Fah Kui said the cocoa grinding capacity last year rose to 258,647 tonnes, contributing about 7.6% of total world grindings. "By 2010, Malaysia is well positioned to be one of the world's leading cocoa processors when its total grinding capacity reaches 360,000 tonnes," he said at the opening of the 4th Malaysian Cocoa Trade and Technical Awareness Programme (MCTTAP) organised by the Malaysian Cocoa Board (MCB) on Monday. He said the increase in capacity would be achieved through on-going expansion in the grinding facilities of the existing grinders and efficiency in processing.

Chin also said Malaysian cocoa beans and products in terms of export earnings have increased significantly over the past five years. He said cocoa beans and products export earnings was expected to exceed RM2bil from RM1.9bil last year. Cocoa butter remained the highest contributor for total export earnings accounting for 60.8% last year, followed by cocoa powder 18.4%, chocolate 10.3%, cocoa paste non defatted 4.5%, cocoa paste wholly and partly defatted 3.4% and, cocoa beans 2.6%. Chin said the United States was the major trading partner for Malaysian cocoa and cocoa products last year followed by Asia and Europe.

However, he pointed out that China was fast emerging as a significant market for local cocoa products. "The increasing demand for Malaysia's semi-finished cocoa products in the republic will provide good potential to further increase our market share," added Chin. He said the on-going 4th MCTTAP, which attracts the participation of 36 China-based cocoa industry players, was timely as players could address issues affecting the cocoa trade especially in standard requirement and networking in the cocoa grinding sector. Last year, Malaysia exported 1,137 tonnes of cocoa paste non defatted, 1,940 tonnes of wholly and partly defatted cocoa paste, 5,887 tonnes of unsweetened cocoa power and 589 tonnes of sweetened cocoa powder and 2,996 tonnes of cocoa butter to China.

Cocoa giving bullish signals from technical and fundamental perspectives
Renu De
Nov. 20, 2006
Grains moved up very nicely recently. I reported the same several times in India Daily what I call potential and kinetic energy was building in grains as they were building bases. While grains are consolidating for the last month, some other commodities are showing signs of bullish fundamentals and patterns. I saw the same in crude oil and metals a few years back before they started their massive bull market.

Chinese cocoa consumption is on the rise. In China and India modern delicacies are chocolate. The demand of cocoa is high all over the world. The cocoa went on Bull Run three years and half or so back. The cocoa production went up. The market went down sharply and again the potential energy has gathered to start a new bull cycle in cocoa. The production level of cocoa has leveled off. The demand has far exceeded the supply.

Confusion in the Cocoa Market
Washington, Nov 20 (Prensa Latina) US cocoa futures concluded Monday with losses and operators said it seems as if the market were closed, when great producers like Cote D´Ivorie, which is the biggest, almost completed its crop. The referential cocoa contract for March 2007 (CCH7) in the New York Mercantile Exchange dropped 13 dollars, and closed in 1,487 dollars a ton, after being priced between 1,505 and 1,478 dollars.

The situation of the cocoa market took some operators to anguish, seeing contradictions between the news coming from Cote d´Ivoire and the operations in New York. The cocoa cargos arriving from ports in Cote d´Ivorie were estimated at 166,871 tons between October 1 and November 12, compared to the 257,585 tons received in the same period of 2005. However, 58,607 tons arrived between November 6 and 12, more than the 33,965 in the same period in the same period of 2005. In London, cocoa closed down because of speculative sales, ending December contracts with a setback of 12 British pounds, for a total of 811 pounds and a volume of 4,764 lots. March futures (LCCH7) ended with a loss of 9 British pounds, to 838 pounds and a volume of 4,122 lots.

Malaysia hopes to become world leading cocoa processor
November 20, 2006
Source: Xinhua
Malaysia will become a world leading cocoa processor by 2010, a senior official said Monday. By 2010, Malaysia's total grinding capacity is projected to reach 360,000 tons, Plantation Industries and Commodities Minister Peter Chin Fah Kui said at the Malaysian Cocoa Trade and Technical Awareness Program.

The increase in capacity will be achieved through expansion of grinding facilities of the existing grinders as well as efficiency in processing, Chan said. The grinding capacity reached 258,647 tons last year which contributed 7.6 percent of the total world grindings, making Malaysia the 4th largest cocoa processor in the world and the largest in Asia, Chan said. This year, the country's total grinding capacity is expected to reach 270,000 tons and export earnings are projected to exceed 2 billion ringgit (540.54 million U.S. dollars), he said. The minister also urged local cocoa manufacturers to work closely with the Malaysian Cocoa Board on quality control and ensure their manufacturing practice lives up to international standards on food safety.

Ghana: Cocoa Spraying Exercise Under Threat
Ghanaian Chronicle (Accra)
November 21, 2006
Stephen A. Quaye-Koforidua
THE CHRONICLE can authoritatively report that there are several criminal activities being perpetrated by sections of cocoa spraying gangs in the Eastern Region, thereby sabotaging the national spraying exercise. These criminal acts include the diversion of gallons of fuel and cartons of chemicals for the spraying exercise, which they sell later to the local fuel filling station attendants.

Investigation revealed that others divide the required cartons of chemicals, dilute half of the chemicals with water for the spraying exercise and sell the other half. At a village near Kibi, a man has been arrested for stealing some of the chemicals and fuel and has since been jailed by the courts while another man at Dwenase near Osino is still on the run for having stolen a gallon of fuel, sold it at ¢175,000 to a local fuel attendant.

The Chronicle visited towns and villages, mostly cocoa growing areas to chat with some farmers about the activities of these dubious gangs. Duiring this interaction it came out that most of these cocoa farmers were very worried about the malpractices going on in the spraying exercise and believed that cocoa production would be severely affected if the activities of the spraying gangs were not checked. They complained about how the spraying gangs carried out the exercise haphazardly, diluting the chemicals thereby making the whole exercise ineffective for the farms affected with diseases.

At Adjapongmaa and Buate, high cocoa growing areas in the East Akyem District, it was revealed that despite efforts by the District Chief Executive (DCE), Mr. Emmanuel Victor Asihene, to clamp down on these saboteurs, the criminal acts were still going on Speaking to The Chronicle, Mr. Samuel Deku, 55 and Dademantse Cudjoe Numo, 60 farmers at Adjapongmaa and Buate respectively, said they were selected by their various towns to serve as supervisors of the programme and were receiving ¢150.000 as allowance. They said they gave their rooms free of charge for the safe storage of the fuel and the chemicals. However, the gang leader, Mr. Fredrick Abrokwah, changed the place of storage without their knowledge. It was later found out that four cartoons, four litre-bottles of cocoa spraying chemicals had been stolen by unknown persons. Till now, no one has owned up nor has anyone been arrested for the theft of the chemicals.

Ghana's Cocoa Still Premium Quality
(11/21/2006)
The Chief Executive of the Ghana Cocoa Board (COCOBOD), Mr Isaac Osei, has assured consumers of Ghana's cocoa, particularly the international cocoa market, that Ghana's cocoa is still of premium quality and that his organisation will spare no effort to maintain it. He said the COCOBOD, with support from the government, had the capacity to check any acts or commission by any player along the production chain to compromise the quality of the produce. "The premium quality of Ghana's cocoa has not changed. It still ranks top on the international market and we'll stop at nothing to maintain the standard," Mr Osei said at the weekend during a meeting with the Executive Director of the International Cocoa Organisation (ICCO), Dr Jan Vingerhoets.

Mr Osei's remarks come in the wake of recent reports that Japan had rejected about 2,000 metric tonnes of cocoa from Ghana because the produce was found to have contained high chemical residue. He explained that the reported consignment from Ghana arrived in Japan just at the time the Asian country had raised its grading

standards and had set new residual limits, adding that it was not only Ghana's cocoa which was affected. He said while most international cocoa buyers, including those in Europe, determined the quality of the commodity by testing the beans, the Japanese were conducting their tests on the shells. He called for a uniform standard of testing the commodity in order to eliminate disparities in the grading system. "We don't eat the shells. It is the beans which are consumed at the end of the day so you cannot use the quality of the shell to grade the commodity. We feel there is the need to harmonise the system to reflect the reality," Mr Osei said, in apparent support for bean testing. That notwithstanding, COCOBOD was committed to reducing the level of chemical residue in its cocoa and had scaled up its education of the various parties in the production chain, especially the farmers, to adhere strictly to the limits of chemical application, the COCOBOD chief said. "To further guarantee the premium quality of the produce from Ghana, COCOBOD is working with research institutions to develop a domestic capacity for the use of alternative pesticides which are currently universally accepted," he said.

Mr Osei reiterated that Ghana did not intend to liberalise the external marketing of cocoa, saying the country's focus now was on maintaining produce quality and also enhancing the welfare of the farmer. The issue of liberalising the sale of cocoa on the international market has been one controversial policy of multilateral lending institutions, such as the World Bank, which have over the years put pressure on producing countries to implement it. But both past and current governments have exercised caution against it, saying it is not in the interest of the country. The country has, however, liberalised the internal marketing system under which COCOBOD advances money to some 20 licensed buying companies (LBCs), including the state-owned Produce Buying Company (PBC), to buy the produce from the farmers. Currently, the Cocoa Marketing Board (CMB) is the sole body responsible for marketing Ghana's cocoa abroad. "The system, as it is now, is fine. We don't intend to change it," Mr Osei held.

Mr Osei also touched on the global campaign to rid the industry of child labour and said although the phenomenon was not pronounced in Ghana, COCOBOD had rolled out a programme with the farmers to eliminate any such practices. "We cannot deny the existence of family hands, rather than trafficked children, on the farms, which are of small holding nature. But whatever it is, we are going all out to eliminate any form of unacceptable labour in the industry," he said. He cited the implementation of the school Capitation Grant and feeding system as some of such incentives which would help draw the affected children to the classroom.

In his remarks, Mr Vingerhoets said he shared Ghana's sentiments relating to the grading of cocoa and that Mr Osei's call for a harmonised standard was in the right direction. The ICCO Chief commended COCOBOD for turning itself around to become an efficient body, from a "not-too-well-organised institution" in the past, and urged management to adopt the right policies to sustain the gains. The meeting heard that as part of a restructuring exercise to enhance COCOBOD's efficiency, its staff strength had been pruned to "less than 6,000", down from more than 100,000 in the recent past. Mr Vingerhoets also announced that discussions were almost concluded for Ghana to host the next ICCO International conference in October 2007.

China set to be biggest Malaysian cocoa buyer
By Ooi Tee Ching
bt@nstp.com.my
November 21 2006
CHINA is expected to be the biggest buyer of Malaysian cocoa products by 2010, its ambassador to Malaysia Cheng Yonghua said yesterday. He made the forecast based on the increasing demand for cocoa in China, especially given the increasing number of chocolate-making factories in the country.

The current per capita consumption of chocolate in China is only 26g, far below the world's average of 500g. In the European Union, where chocolate is a popular snack food, about 12kg of chocolate is consumed by a person yearly. This year, China is expected to buy RM80 million, about 10 per cent more from 2005's RM74.9 million. Besides China, Malaysia's cocoa products are exported to about 70 countries. Cheng was speaking to reporters yesterday at the fourth Malaysian Cocoa Trade and Technical Awareness programme held in Kuala Lumpur. Also present was Plantation Industries and Commodities Minister Datuk Peter Chin Fak Kui.

Speaking on export outlook for the commodity, Chin said while prices of cocoa butter had be stable, there has been a slight dip in cocoa powder prices compared to last year. "On a conservative note, we forecast a 10 per cent export growth from last year's RM1.96 billion," he said. Chin also reminded cocoa manufacturers to work closely with his agency, the Malaysian Cocoa Board, as it is more stringent on food safety aspects

Cocoa accounts for 98 pct of Sao Tome and Principe's exports
Sao Tome and Principe,
22 Nov – Sao Tome and Principe netted US$1.39 million from the sale of cocoa, which accounted for 98.4 percent of the archipelago's exports in the first half of 2006, according to official figures. According to the National Statistics Institute (INE), cocoa exports saw a year on year increase of 10.9 percent between January and June of 2006. INE added that growth in value of cocoa exports (98.4 percent in the first half of 2006, against 93.6 percent in the same period of 2005) was due to the improved international price of the product.

In terms of quantity, there was a fall of 3.2 percent in the period with cocoa exports falling by 993.6 tons in 2005 to 961.9 in 2006. Cocoa exports were followed by coconut and coconut oil, which accounted for 0.8 percent of exports from January to June 2006. In the same period Sao Tome posted a trade deficit of US$34.36 million, which was a 62.4 percent increase on the same year ago period. Sao Tome and Principe's trade figures showed that from January to June of this year, exports and imports grew 16.8 percent and 59.5 percent, respectively.

On the archipelago, which relies on foreign aid to cover over 50 percent of its budgetary expenses, the economy is based mainly on the export of agricultural products and cocoa accounts for 27 percent of the country's gross domestic product (GDP). Cocoa, which in 2005 accounted for US$3.02 million in revenue, reached US$5.6 million in 2003, which was the highest figure of the last eight years, while the lowest was of US$2.9 million in 1999. Cocoa was introduced by Portuguese colonists to Sao Tome in the 19th century and its production levels have been falling over the last few decades due to lack of land on which to grow it, lack of financing and a lack of rigour in the treatment of the plantations. (macauhub)

Cargill eyes up potential of Vietnamese cocoa
By HONG VAN
(SGT-HCMC) The U.S.-based Cargill, one of the world's leading cocoa buyers and processors, is investing in a cocoa acquisition network to buy the commodity direct from farmers and provide them with cocoa-tree growing technologies and knowledge via its subsidiary, Cargill Co. Ltd. in Vietnam. Nguyen Vinh Thanh, the company's cocoa purchasing manager, said that although Vietnam's cocoa yields were still small they foresaw huge potential. Therefore, Cargill Vietnam has submitted a plan to and now received approval from the Ministry of Planning and Investment to purchase cocoa beans from Vietnam. He said, "We have developed a system whereby we will collect cocoa beans from the farmers and will invest in a farming encouragement program so that we will also transfer our technological know-how onto them".

Cargill Vietnam has set up two cocoa purchasing centers in Dak Lak Province and in the southern province of Ben Tre, both of which have relatively large cocoa tree acreages. The company has also been busy identifying the best land and farmers so that it can guarantee reliable sources of the cocoa raw material. However, he added that besides representing a reliable and honest 'buyer' partner, Cargill Vietnam would also be able to provide up-to-date information about the world's cocoa market and information on tree growing technologies to Vietnamese farmers. He said, "America's Cargill have invited many leading global experts on growing cocoa to assist the agricultural authorities and farmers via seminars, training programs and business cooperate schemes so the most suitable varieties are selected to match the local climatic and agricultural conditions in the different regions."

Cargill Vietnam recently exported an experimental sample shipment of 12 tons of the commodity to the Netherlands for detailed analysis and Thanh was extremely optimistic about Vietnam's future cocoa export yields. He said that the country had the potential to be able to export thousands of tons within only a few years, which would make Vietnam one of the world's biggest cocoa suppliers within five to ten years' time.
Success Alliance, a U.S. non-governmental institute that helps supports Vietnam's farmers to grow cocoa trees, also said that Vietnam's cocoa production was now only 9,700 hectares of cocoa trees with an annual yield of about 460 to 500 tons. However, it expects that this will increase to 31,000 hectares with an output of 16,000 tons cocoa beans, of which some 14,000 tons would be exported. Meanwhile, the Ministry of Agriculture and Rural Development has set a target of only 20,000 hectares with a yield of just 10,000 tons by 2010.

Cocoa Harvest Progress
Wednesday, November 22, 2006
by Donna Heidkamp of RJO Futures
The cocoa harvest is in full swing in the Ivory Coast and some are concerned that the crop is smaller than previously expected. Typically, the crop is predicted smaller ahead of the harvest time and actually increases as harvest progresses. This year may be atypical as the Ivory Coast exporters lowered their crop estimate last night from 1 million tonnes to 850,000 tonnes due to weather concerns. The southeastern part of the Ivory Coast is

concerned that too much rain is causing rot problems and the opposite side of the Ivory Coast is concerned that lack of moisture is impeding the springs crop growth. Amongst other things, the Ivory Coast harvest appears to be significantly behind schedule from a year ago. Last year at this time, 348,000 tonnes have arrived at ports versus only 200,000 tonnes so far this year. The important thing to remember is that last year's crop was significantly ahead of schedule and therefore makes this year's crop look further behind than it really is.

Although the Ivory Coast is the largest producer of cocoa in the world, both Ghana and Indonesia may be looking at smaller crops as well this year. Indonesia is already expected to have lowered their crop estimate by 75,000 tonnes to 425,000 tonnes total as a result of El Nino weather conditions. Ghana is expected to yield 600,000 tonnes this year versus 750,000 tonnes last year. Although Ghana is expected to have a lower total production number, the country has been working hard to streamline their warehouse facilities to accomodate the supply and demand of cocoa. This may contain upside price momentum to a degree since the cocoa will be more readily available for shipping.

According to Hightower, the Press made comments that industry buyers are purchasing cocoa on price dips. Hightower believes that this is a bullish indicator longer term. Technically, the long term trend is still sideways to lower and the near term trend is pointing lower. The market would need to close above 1515 to find a reversal of the nearterm trend. At this point, with the trend clearly lower still and fundamentals turning friendly, I would look for a trend change or a test of major support at 1435 to go long the market. If you have the opportunity to buy at 1435, risk the trade to at least 1325 which is $1100.

Weak prices to hurt I Coast cocoa exports
24-NOV-06
Abidjan – (AFP) - Cocoa producers in Ivory Coast, the world's top exporter of the bean, have announced a difficult market for the 2006/07 year, which would translate into a fall in official exports due to weak purchase prices. Michel Yeoun, vice-president of the national association of cocoa producers Anaproci, said the new season "started with difficulty because of lack of financial resources and a very low purchase for the bean". "To manage to export a million tonnes during this season would be a miracle," said Yeoun, whose association was behind the October producers' strike over cocoa prices. "It is one of worst seasons," said André Dri, buyer in Niable east of Ivory Coast near the boarder with Ghana.

The peak harvesting season from October to the end of December, provided more than 80 percent of production and was in recent years hovering around a million tonnes. The previous 2005/06 production realised a national output of 1,4 million tonnes, of which 1,33 million tonnes were exported, against 1,3 million tonnes during the 2004/05 period. Ivory Coast cocoa producers went on strike last month protesting low purchase prices of the bean, but called it off with their key demands not met.

Cocoa accounts for 40 percent of export revenues for the West African country, or about 20 percent of gross domestic product (GDP). The International Monetary Fund puts the GDP at 8 000bn CFA francs ($15.3bn). The commodity directly or indirectly provided a living for about six million of 16 million people. Ivory Coast produces 40 percent of the world cocoa exports, but experts said between 200 000 and 300 000 tonnes were smuggled out of the country every year, especially in recent years, to neighbouring countries, including Ghana, the second leading producer after Ivory Coast.

TIT BITS

*(**Source**: Business Recorder – www.brecorder.com)*

Heavy rains hit south-east Ivory Coast cocoa output
ABOISSO (November 21, 2006): Prolonged heavy rains in Ivory Coast's south-eastern cocoa-growing region have dampened hopes for a good main crop there, causing many developing pods on trees to rot, farmers and buyers said at the weekend.

US MIDDAY: cocoa down
NEW YORK (November 22, 2006): US cocoa futures closed lower on Tuesday due to speculative selling ahead of the US Thanksgiving holiday that will shorten the trade week to three days, industry sources said. The benchmark March cocoa contract on the New York Board of Trade closed down $7 at $1,480 a tonne, after trading between $1,477 and $1,492.

New York cocoa down
NEW YORK (November 22, 2006): US cocoa futures closed down on Monday and dealers said the market appeared to be settling into a new support of well below $1,500 a tonne as the main crop in Ivory Coast is almost fully harvested. The benchmark March cocoa contract on the New York Board of Trade closed down $13 at $1,487 a tonne, after trading between $1,505 and $1,478.

New York cocoa ends down
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Cameroon cocoa harvest picks up
YAOUNDE (November 24, 2006): cocoa purchases are picking up in Cameroon's main growing areas as the main crop season gets into full swing after the end of the rains, but harvesting and delivery delays have hurt quality, operators said on Thursday.