

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 364

30th November – 4th December 2009

Cocoa Producers' Alliance



UP-COMING EVENTS

IN THIS ISSUE

- ICCO DAILY COCOA PRICES
- LONDON (LIFFE) FUTURES MARKET UPDATE
- NEW YORK (ICE) FUTURES MARKET UPDATE
- FROM THE NEWS MEDIA
- TIT BITS

Do your health a favour, drink Cocoa everyday
'It's nature's miracle food'

In the News (from Newspapers worldwide)

<p><u>Health and Nutrition</u></p> <ul style="list-style-type: none"> Confectionery makers such as Cadbury & Nestle jump on health bandwagon Cocoa particles determine health benefits Chocolate: Truly The Food Of The Gods Chocolate heaven <p><u>Production and Quality</u></p> <ul style="list-style-type: none"> Government set to increase cocoa production Nigerian 2008/09 cocoa exports fall to 164,230 tonnes ICCO cuts estimate for '08/09 global cocoa deficit Ivory Coast Cocoa May Disappoint If Harvest Slows - Macquarie. Cameroon To Open 5,000 Hectares New Cocoa In 2010 - Officials. RAINS DRIVE DOWN CACAO PRICES IN LAMPUNG, INDONESIA. INDONESIAN CACAO SEEDLING BUSINESS IS PROMISING IN EAST LAMPUNG. DJ Brazil Cocoa Arrivals Up To 48,889 Bags In Week Ended Nov 29. DJ SW Cameroon Cocoa Prices Slip To XAF1,200-1,230/kg - Farmers. Wet cocoa bean price touches Rs. 40 a kg. <p><u>The Market</u></p> <ul style="list-style-type: none"> SOFTS-Liffe cocoa sets new high, sugar hits record peak Increase Cocoa Prices to Avert Smuggling Liffe Cocoa Hits New High, Sugar Taps Record Peak SOFTS-Strong dollar drags coffee, sugar and cocoa down NYSE Liffe Cocoa Rises To Hit A Fresh Near 25-Year High ANALYSIS-Cocoa poised for new peaks, Ivorian flow to slow ICE Cocoa Review: Ends Down As Funds Sell On Firm Dollar. ICE Cocoa Review: Climbs To One-Month High On Weak Dollar. 	<p><u>Processing & Manufacturing</u></p> <ul style="list-style-type: none"> Barry Callebaut Cameroon Buys 1,421 Tons Of Cocoa Beans For Crushing. Stanbic IBTC Completes U.S. \$15 Million Cocoa Financing for ATL. <p><u>Business & Economy</u></p> <ul style="list-style-type: none"> UK: Kraft "favourite" to buy Cadbury - analyst. Ivorian 09-10 Cocoa Export Declarations Down 20% On Yr. Ivory Coast Biweekly Cocoa Export Declaration Down 61% On Year. Bad Roads Hurt SW Cameroon Cocoa, Prices Still High - Traders, Farmers. <p><u>Labour Issues</u></p> <ul style="list-style-type: none"> Ghana urges US to expunge cocoa from goods produced from child labour <p><u>Research & Development</u></p> <p><u>Promotion & Consumption</u></p> <ul style="list-style-type: none"> Cadbury unwraps India as template for emerging market. Chocolate Milk: Nutritional Powerhouse or Treat? <p><u>Others</u></p> <p>Agriculture: Vietnam Mekong Delta Province to Implement \$498,000 Eco- Cocoa Project.</p> <p>Land Reform Must Consider IDPs.</p> <p>Vietnam: Swiss NGO starts up organic cacao project in Tien Giang nongthon.net.</p>
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ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
30 th November	2124.56	3420.93	2177.67	3272.67
1 st December	2182.76	3516.75	2207.67	3367.67
2 nd December	2162.98	3487.07	2186.67	3340.00
3 rd December	2204.64	3553.46	2235.67	3405.00
4 th December	2198.07	3535.00	2233.33	3386.00
Average	2175.00	3503.00	2208.00	3375.00

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

Monday 30th November 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2009	2159	2140	-14	2184	2136	7,572
Mar 2010	2182	2173	-3	2206	2162	12,840
May 2010	2201	2194	-2	2222	2182	4,977
Jul 2010	2181	2166	-8	2194	2155	1,120
Sep 2010	2137	2127	-6	2137S	2121S	349
Dec 2010	2105	2090	-8	2105	2082	27
Mar 2011	2074	2074	-8	2074S	2074S	1
May 2011	2054	2054	-4	2054	2054	1
Jul 2011		2066	-4			0
Sep 2011		2083	-4			0
Average/Totals		2117				26,887

Tuesday 1st December 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2009	2140	2167	27	2169	2138	3,667
Mar 2010	2178	2205	32	2206	2167	7,349
May 2010	2199	2225	31	2226S	2189	2,101
Jul 2010	2163	2193	27	2194	2158S	1,324
Sep 2010	2133	2154	27	2150	2121S	513
Dec 2010	2097	2115	25	2114	2091S	82
Mar 2011	2074	2098	24	2090	2074	74
May 2011	2058	2084	30	2081S	2058	9
Jul 2011		2090	24			0
Sep 2011		2107	24			0
Average/Totals		2144				15,119

Wednesday 2nd December 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2009	2165	2145	-22	2174	2142	1,046
Mar 2010	2205	2183	-22	2211	2179	3,302
May 2010	2218	2204	-21	2230	2201	1,087
Jul 2010	2196	2173	-20	2196	2169	590
Sep 2010	2154	2135	-19	2157	2133	476
Dec 2010	2115	2095	-20	2119	2110	45
Mar 2011	2099	2076	-22	2099S	2082	10
May 2011		2060	-24			0
Jul 2011		2066	-24			0
Sep 2011		2083	-24			0
Average/Totals		1958				6,556

Thursday 3rd December 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2009	2154	2189	44	2190	2154	2,164
Mar 2010	2192	2230	47	2232	2191	7,678
May 2010	2212	2252	48	2253	2210	1,085
Jul 2010	2189	2225	52	2226	2189	650
Sep 2010	2155	2185	50	2187	2153	992
Dec 2010	2115	2148	53	2148	2115	54
Mar 2011	2105	2128	52	2128	2105	62
May 2011		2115	55			0
Jul 2011		2121	55			0
Sep 2011		2138	55			0
Average/Totals		2173				12,685

Friday 4th December 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2009	2195	2183	-6	2204	2176S	2,035
Mar 2010	2237	2227	-3	2248	2219S	6,597
May 2010	2259	2247	-5	2267	2241S	1,411
Jul 2010	2232	2226	1	2239	2218S	1,012
Sep 2010	2190	2185	0	2197	2183S	368
Dec 2010	2158	2146	-2	2165	2143	78
Mar 2011	2137	2126	-2	2137	2123S	22
May 2011		2112	-3			0
Jul 2011		2118	-3			0
Sep 2011		2135	-3			0
Average/Totals		2171				11,523

Average for the week	2171					14554
						72,770

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

Monday 30th November 2009

Month	Open	Price	Change	High	Low	Volume
Dec 2009	3253	3214	-18	3263	3206	22
Mar 2010	3279	3259	-13	3320	3246	6,261
May 2010	3311	3276	-12	3330	3266	464
Jul 2010	3313	3283	-7	3323	3278	286
Sep 2010	3306	3272	-8	3308	3270	25
Dec 2010	3298	3265	-6	3302	3265	57
Mar 2011	3286	3254	-10	3288	3270	41
May 2011	0	3264	-10	0	0	0
Jul 2011	0	3274	-10	0	0	0
Sep 2011	0	3284	-10	0	0	0
Average/Totals		3265				7156

Tuesday 1st December 2009

Month	Open	Price	Change	High	Low	Volume
Dec 2009	3244	3315	101	3358	3244	63
Mar 2010	3270	3353	94	3365	3262	8,515
May 2010	3300	3371	95	3379	3300	1,010
Jul 2010	3302	3373	90	3379	3301	485
Sep 2010	3350	3363	91	3350	3350	29
Dec 2010	3360	3356	91	3360	3360	25
Mar 2011	0	3344	90	0	0	7
May 2011	0	3354	90	0	0	0
Jul 2011	0	3364	90	0	0	0
Sep 2011	0	3374	90	0	0	0
Average/Totals		3247				10134

Wednesday 2nd December 2009

Month	Open	Price	Change	High	Low	Volume
Dec 2009	3335	3317	2	3338	3314	98
Mar 2010	3341	3327	-26	3365	3312	4,400
May 2010	3362	3347	-24	3380	3339	1,258
Jul 2010	3379	3349	-24	3379	3341	189
Sep 2010	0	3340	-23	0	0	70
Dec 2010	0	3332	-24	0	0	11
Mar 2011	0	3323	-21	0	0	35
May 2011	0	3333	-21	0	0	0
Jul 2011	0	3343	-21	0	0	0
Sep 2011	0	3353	-21	0	0	0
Average/Totals		3336				6061

Thursday 3rd December 2009

Month	Open	Price	Change	High	Low	Volume
Dec 2009	3320	3378	61	3370	3320	27
Mar 2010	3341	3388	61	3395	3340	5,723
May 2010	3374	3408	61	3414	3371	1,034
Jul 2010	3373	3409	60	3415	3373	435
Sep 2010	3403	3401	61	3404	3403	37
Dec 2010	3360	3390	58	3380	3360	44
Mar 2011	3354	3383	60	3385	3346	80
May 2011	3385	3393	60	3385	3385	4
Jul 2009	3395	3403	60	3395	3395	3
Sep 2011	0	3413	60	0	0	0
Average/Totals		3397				7387

Friday 4th December 2009

Month	Open	Price	Change	High	Low	Volume
Dec 2009	3370	3361	-17	3394	3369	19
Mar 2010	3400	3376	-12	3424	3360	7,368
May 2010	3419	3396	-12	3440	3383	460
Jul 2010	3436	3396	-13	3441	3391	196
Sep 2010	3412	3389	-12	3432	3388	94
Dec 2010	3398	3375	-15	3420	3372	212
Mar 2011	3408	3365	-18	3408	3365	98
May 2011	0	3375	-18	0	0	0
Jul 2011	0	3385	-18	0	0	0
Sep 2011	0	3395	-18	0	0	0
Average/Totals		3381				8447

Average for the week	3381				1536
					1536

News

Health and Nutrition

Confectionery makers such as Cadbury & Nestle jump on health bandwagon

Economic Times - [Amit Sharma](#) - Dec 4, 2009



Now, even chocolates are good for health! Confectionery makers such as Cadbury and Nestle have added chocolate to the growing list of food products promising nutrition and good health that includes biscuits, energy drinks and fast food.

The latest 'fortified' chocolate in the market is Cadbury's new Ghlucoose Perk launched last week. It will take on Nestle's Milky Bar Choo, which is doing well since its launch in July 2008.

Cocoa particles determine health benefits

HERSHEY, Pa., Dec. 1 (UPI) -- Antioxidants in chocolate and cocoa are highly associated with the amount of non-fat, cocoa-derived ingredients in the product, U.S. researchers say. The study, published in the Journal of Agricultural and Food Chemistry, found products with the highest level of flavanol antioxidants were cocoa powders, followed by unsweetened baking chocolate, dark chocolate and semi-sweet chips, milk chocolate and chocolate syrup

Cocoa flavanols -- such as epicatechin and catechin -- have been associated with cardiovascular health benefits. The researchers found large differences in the amounts of catechin and attributed them to differences in manufacturing processes. They said epicatechin -- the major flavanol monomer present in the samples -- can be converted to catechin during roasting and alkali processing. A monomer is a small molecule that may become chemically bonded to other monomers to form a polymer.

"These studies reconfirm that the amount of flavanols, whether large or small, in products like dark chocolate, milk chocolate and cocoa powder are closely tied to the level of brown cocoa particles in the products." study leader David Stuart of The Hershey Center for Health and Nutrition in Hershey, Pa., said in a statement.

The research team also included scientists from Brunswick Laboratories in Taunton, Mass., and Cornell University in Ithaca, N.Y.

Chocolate: Truly The Food Of The Gods

Huffington Post (blog) - Dec 4, 2009

The great Swedish botanist, Carolus Linnaeus christened the cacao tree the food of the gods, and boy, was he right!

We'll never know what nirvana is - well, most of us won't anyway, maybe the Dalai Lama (but I hear he loves chocolate, too) - but chocolate is about as close to ambrosia as we mortals will ever experience.

For most of us, a mere taste of chocolate on our tongue can trigger a flood of fond memories: our first Hershey Kiss, licking chocolate ice cream off our wrist during the summer, dipping our fingers into rich chocolate frosting meant for a birthday cake. But hardly any of us think of chocolate as good for us. Sinful, surely. Decadent, definitely. But healthy? Never. But just this once, you'll love being wrong.

A little history: the origin of cacao is a subject mired in some controversy, but modern science has shown that it first grew in South America, specifically in the Amazon basin and in what is modern Venezuela. Historians have not established how, when or why cacao was carried out of these regions, but the plant's first migration in its world travels lands it in Mexico and Central America. And this is not some obscure historical footnote in culinary history. This is where someone looked past the delicious gooey white interior of the cacao fruits to the almond-sized seeds enclosed in each pod.

The first Mesoamerican discoverers of chocolate were pioneers in many ways. From cultivating and growing the plant in an ecologically sound way, they arrived at very sophisticated culinary possibilities. By combining chocolate with herbs, flowers, honey, chilies, and sapote pits, they created flavors and effects that made even our modern uses for chocolate pale in comparison.

As time carried on and cacao was transported and traded all over the world, each culture that got its hands on this magnificent food added its own unique twist. Some say that the Swiss have a lock on the art form known as chocolate, but there are those who swear by French confections. And then there's me, enchanted by all chocolate, but particularly Mexican, South American and Italian. They have discovered ways to keep the bitter characteristics of chocolate right alongside the sweet additions.

But does chocolate have a place in a healthy diet? Isn't it loaded with fat, sugar, dairy, additives, preservatives and caffeine? Won't the mere mention of the word 'chocolate' cause us to fall over, dead by some subversive energy lurking in this humble pod? Well, if your idea of chocolate is the cellophane wrapped junk you pick up while standing in the checkout line at the supermarket or convenience store, you just might keel over.

The chocolate I am talking about is not only the food of the gods, but can actually be good for your health. Recent studies show that dark chocolate can actually do everything from protecting our hearts to alleviating depression and symptoms of both PMS and menopause. A rich source of antioxidants and other trace minerals, chocolate is one of the richest sources of magnesium in the plant kingdom (which is why it's so great at relieving PMS). On top of that, chocolate has compounds that release serotonin in the brain - our 'feel-good' hormone - the hormone that makes us feel contented and relaxed.

But the energy of chocolate is what I love the best. Tropical in nature, chocolate brings a warm and dry energy to our bodies. With its astringent character, chocolate is the perfect catalyst for digesting fat and protein (which is why it makes the perfect mole sauce: a traditional bitter chocolate sauce served with fatty meats like pork or fowl, even with vegetarian 'fatty' foods). This warm and dry energy aids our bodies in moving stagnant energy, alleviating sluggishness, but relaxing the body at the same time.

But what about the caffeine? Trace amounts only, my friends, so unless you are supremely sensitive to the effects of this natural stimulant, you won't be kept up at night from the chocolate you had at lunch.

So how did chocolate get such a bad rap? Well, it's not the chocolate. In its pure state, chocolate is bitter. Originally consumed as a hot liquid, either thick or thin, laced through with hot spice and cinnamon, chocolate tasted nothing like the cloyingly sweet candy we call chocolate today. This version of chocolate, however, had little appeal for European taste, so sugar was added. Then butter, and frankly... it was downhill from there. As chocolate became a common food, the quality of it was compromised, artificial flavorings added to 'create' a depth of flavor and chocolate became the enemies of our health.

All that aside, there is a way to enjoy chocolate without compromising your health. First and foremost, try to remember that something this rich and delicious is calorically dense, and calorically dense foods will make us fat if we eat them in excess... period. Next, if the chocolate you are eating is loaded with refined sugar, dairy fat and other additives, it has crossed the line from good quality chocolate to junk food, deadly for our health. Oh, sure the occasional treat at a restaurant won't kill you or your dietary patterns, but just remember that 'occasional' means now and then, not 'since the last occasion.'

Choose a chocolate that is dark and bitter, either unsweetened (you can sweeten it yourself with grain sweeteners or honey) or grain sweetened. Choose a chocolate free of dairy products...there is no good news about dairy or saturated fats. And of course, choose a chocolate free of additives or preservatives.

And you can go one step further. Choose certified organic chocolate to ensure that you are treating yourself to a pesticide-free indulgence. And if you are feeling particularly conscientious, look for chocolate that also carries the label 'fair trade.' This relatively new practice was spawned by the unfortunate circumstances that the people who grew and processed chocolate were unable to grow anything else, resulting in starvation. Fair trade allows for these farming communities to become self-sustaining. Great, huh? You get to enjoy and do some good in the world.

Chocolate is so great to work with: richly flavored, sensuously textured and beautifully enhanced by strong flavors. Some wonderful chocolate partners include cinnamon and hot chili peppers. These two stimulating flavors lift the flavor of the chocolate onto the tongue with a delicious sparkle. Orange zest balances the fatty nature of chocolate with a touch of astringent, sour taste to create a yummy zing on the tongue. Some chocolatiers are hearkening back to ancient culinary triumphs and are adding lavender, jasmine and other flowers and herbs to chocolate to add a touch of perfume to the decadence. Intoxicating, truly.

Chocolate heaven

newsHealth30 Nov 09

“EVERYBODY loves eating chocolates, specially at this time of the year. Does it have any health benefits,” a mother asks. Dark chocolate, not light (which often contains milk and fat) is claimed to be beneficial for heart health.

Also a recent report in the British Medical Journal (to make it sound legitimate) now says green tea, red wine and chocolate improve cognitive performance, and the more the merrier.

Strong words from the world most doctor-read medical journal. So apart from keeping your heart healthy, it may help retain mental acuity for an extended time. Go for it! (Don't share it with the dog, their system is choccie-adverse.)

Production & Quality

Government set to increase cocoa production

Ghana Broadcasting Corporation

Source: GBC NEWS

3, December, 2009



Cocoa pods

Government is determined to increase production level of cocoa to one million tones by the year 2012. This is intended to create more avenues for employment and increase the country's socio-economic development.

The Chief Executive Officer of COCOBOD, Tony Fofie, announced this in a speech at the 50th Anniversary celebration of the General Agricultural Workers Union, GAWU, of the Trades Union Congress, TUC, at Tafo in the East Akyem District of the Eastern Region.

GAWU, which was formed on the fifth February 1959 at New Tafo with the aim of serving the interest of workers in the agricultural sector, now has about forty-seven thousand members with twenty-five thousand of them being small scale farmers.

The theme for the anniversary is "50 Years of Organizing Agricultural Workers for Development, Achievement, Challenges and Prospects". Mr. Fofie said GAWU has an immense role to play in ensuring that Government's target at cocoa production in the country is achieved. According to him, after fifty-two years of independence, Ghana still remains a primarily agricultural economy.

Mr. Fofie commended GAWU for working closely with COCOBOD in the fight against child labour in cocoa production.

The General Secretary of GAWU, Kingsley Ofei-Nkansah, outlined some of the Union's achievements since its establishment. Mr. Ofei-Nkansah called on government to ratify the International Labour Organization, Convention 158 on the termination of employment. The occasion was also used to present awards to individuals and organizations who have contributed to the growth and development of the union.

Nigerian 2008/09 cocoa exports fall to 164,230 tonnes

Reuters South Africa

Dec 4, 2009

LAGOS (Reuters) - Cocoa exports from Nigeria, the world's number four grower, fell 1.8 percent to 164,230 tonnes in the 2008/09 season compared to the previous year, data from the Federal Produce Inspection Service (FPIS) showed on Friday.

However shipments for September, the final month of Nigeria's cocoa season, nearly doubled to 7,882 tonnes from the same month of the 2007/08 season, the FPIS data showed.

The FPIS is the government agency that certifies cocoa and other farm produce fit for export Western and Asian markets, where the beans are used for making chocolate, cake, ice cream, liquor, cosmetics and beverages.

Industry officials said Nigeria's 2008/09 cocoa exports shipments could be much higher because some exporters do not fully disclose their cargoes at the main ports in Lagos and the southeastern city of Calabar, capital of the remote state of Cross River on the border with Cameroon.

ICCO cuts estimate for '08/09 global cocoa deficit

LONDON, Dec 3 (Reuters) - The International Cocoa Organization (ICCO) on Thursday trimmed its estimate for a global cocoa deficit in 2008/09 to 28,000 tonnes from a previous projection of 73,000 tonnes.

The ICCO raised its estimate for world production in 2008/09 to 3.515 million, up from a previous forecast of 3.456 million but still well down from 3.731 million in 2007/08. World grindings were put at 3.508 million, marginally up from a previous forecast of 3.494 million but still below a total of 3.755 million in 2007/08.

Ivory Coast Cocoa May Disappoint If Harvest Slows - Macquarie.

LONDON, Dec 02, 2009 (Dow Jones Commodities News via Comtex) --

Ivory Coast, the world's largest cocoa producer, could soon see a slowdown in the flow of cocoa from its main crop which is currently being harvested, Macquarie bank said Wednesday. "Our contacts...suggest that the strong harvest pace may slacken very soon, leading to an eventual output that is at best on par with last season's," said the bank, adding prices are rising on the expectation the strong pace of supply cannot last.

Macquarie forecasts 2009-10 world cocoa production at 3.55 million metric tons, up slightly from 2008-09 output of 3.5 million tons. However, even with the slight increase in production, world supplies will fall short of demand by around 23,000 tons, said the bank. This is wider than the 2008-09 deficit of 18,000 tons.

Falling world cocoa grindings--an indicator of cocoa demand--are helping ease pressure on tight supplies.

Historically high cocoa prices are driving chocolate manufacturers switch to using more cocoa powder and less of the more expensive cocoa liquor and cocoa butter, said Macquarie. "Dealers estimate unsold butter stocks at between 40,000 tons and 50,000 tons in Europe, much higher than the normal level of 10,000 tons," said the report.

Cameroon To Open 5,000 Hectares New Cocoa In 2010 - Officials.

YAOUNDE, Cameroon, Dec 02, 2009 (Dow Jones Commodities News via Comtex) --

Cameroon's state-run Cocoa Development Authority, known as Sodecao, is to invest 6 billion CFA francs (\$13.5 million) to open 5,000 hectares of new cocoa farms in 2010, its senior official said Wednesday. The move, which will assist 49 cooperatives involving over 2,000 cocoa farmers in central Cameroon, is anticipated to add around 7,000 metric tons to the country's annual harvest.

"The short-term goal of the project is to raise cocoa Cameroon's cocoa production, and on the long term, replace the old cocoa plants in the Lekie (region) with improved variety of cocoa plants," Sodecao General Manager Jerome

Mvondo told Dow Jones Newswires.

Central Cameroon officially accounted for 30-35% of Cameroon's annual cocoa production of over 210,605 metric tons in the just ended 2008-09 season. About 10% of the locality's cocoa output comes from the Lekie district.

The project, which will benefit from technical support from Cameroon's commodity watchdog the National Cocoa and Coffee Board and farmers' supervisory body the Cocoa and Coffee Interprofessional Board, will be piloted locally by the 2,000-member Mvog-Kani Promoters of Agro-pastoral Cooperative, known as Socoprave.

"This project begins January 2010 and completed latest 2011," said Socoprave's Ekani Menounga, who foresees "at least 6,000-7,000 tons of cocoa beans added to Cameroon's cocoa annual production by 2015."

RAINS DRIVE DOWN CACAO PRICES IN LAMPUNG, INDONESIA.

SUKADANA, Lampung, Nov 30 Asia Pulse - The price of Indonesian farmers' cacao in East Lampung district since early this week has dropped as the rainy season also caused the commodity's water content to rise, a farmer said.

"The frequent rains in East Lampung disturbed the drying process so it was not possible to produce perfectly dried cacao," farmer Suparno said on Friday.

He said the imperfect drying caused locals' cacao prices in a number of villages in East Lampung district to drop by about Rp2,000 (US\$0.21)-Rp3,000 per kg.

Previously, wet cacao sold for Rp18,000 per kg, but now the price was only Rp15,000 per kg. Dry cacao also dropped in price from Rp25,000 per kg to Rp22,000 per kg.

However, he said, though the price had declined, farmers were still able to enjoy a profit from their cacao harvests by selling at a price between Rp13,000 and Rp15,000 per kg.

Cacao plantation areas in East Lampung cover a total of 4,3340.75 hectares and plantations of all sorts of commercial crops 43,227 hectares.

Cacao production centers in East Lampung are among others located in the sub-districts of Marga Tiga, Melinting, Way Jepara, Purbolinggo, Sekampung and Batanghari.

INDONESIAN CACAO SEEDLING BUSINESS IS PROMISING IN EAST LAMPUNG.

SUDADANA, E Lampung, Nov 30 Asia Pulse - The prospect of cacao seedling business in East Lampung, Lampung province, is promising in view of the increasing demands for cacao seeds in the regency, an Indonesian cacao seedling farmer said.

"In the beginning I only satisfied my hobby in agriculture I have since childhood, but as time went by, the cacao seedlings I have been raising continues to develop," Waskita, a cacao seedling grower, said on Sunday. He said that the seedling business he had been carrying out was quite helpful in supporting the life of his family. "I have been doing this business for over eight years now, during which I got a lot of experience," he said. Based on data available at the Forestry and Plantation Service of South Lampung, the regency has a total of 4,340.75 hectares of cacao plantations. South Lampung's total plantations cover 43,227 hectares.

DJ Brazil Cocoa Arrivals Up To 48,889 Bags In Week Ended Nov 29.

SAO PAULO, Dec 02, 2009 (Dow Jones Commodities News via Comtex) --

The volume of cocoa arrivals from Bahia and other Brazilian states rose to 48,889 60-kilogram bags in the week ended Nov. 29 from 47,696 bags the prior week, the Commercial Association of Bahia said this week.

Cocoa arrivals at cocoa-processing companies from the main producing state of Bahia were 42,549 bags. The total from other states was 6,340 bags. Brazil didn't import bags of cocoa from other countries in the week.

The Brazilian cocoa crop runs from May through April, with a main and a midcrop harvested. The midcrop, or Temporao, runs from May through September, while the main crop runs from October through April. "Cocoa arrivals remained at relatively low levels, but are within expectations," Thomas Hartmann, a cocoa market analyst at the association, said.

Farm-gate prices averaged in a range of 88.00 to 92.00 reals (\$51.25-\$53.58) per 15-kilogram bag at Tuesday's close. The current dollar equivalent was in the range of \$3,485 to \$3,566 per metric ton. Sunny and dry weather with a few showers is expected over most of Bahia's cocoa region. The temperatures are expected to average between 22 and 32 degrees Celsius.

DJ SW Cameroon Cocoa Prices Slip To XAF1,200-1,230/kg - Farmers.

YAOUNDE, Cameroon, Dec 02, 2009 (Dow Jones Commodities News via Comtex) --

Prices paid for a kilogram of cocoa beans in Cameroon's Southwest Region, the country's main cocoa-growing area, slipped to between 1,200 CFA francs (\$2.70) and XAF1,230 this week, down from XAF1,300-1,320/kg paid last week, several farmers and traders told Dow Jones Newswires Wednesday.

"Yes, we're selling a kilogram of cocoa beans right now (Wednesday) at XAF1,230 in Kumba, while farmers in the hinterlands are selling theirs at XAF1,200/kg," said cocoa farmer Rudolph Epey. Kumba is the region's main cocoa-growing and -trading town, located 450 kilometers southwest of the capital Yaounde. The fall in local prices follows a slight drop in world cocoa prices, farmers said.

"We cannot be selling cocoa at the farmgates higher than at the Douala port, where a kilogram of cocoa sells around XAF1,250," said farmer Bernard Agbor. However, the prices in Cameroon are still almost double what they were throughout the previous two seasons.

Southwest Cameroon accounts for at least half of the country's annual cocoa output.

Wet cocoa bean price touches Rs. 40 a kg.

Hindu (India), (JLVW), 30 November 2009,
Raviprasad Kamila.

MANGALORE: The price of wet cocoa beans here has touched Rs. 40 a kg, an all-time high in recent years. Some farmers point out that the price of wet beans was steady this monsoon. They hope that this trend will continue as it ensures a promising future for growers. The dampener, however, is that the rise in price has come almost at the end of the crop season.

Growers, who cultivate cocoa as an inter-crop in arecanut and coconut plantations, are just approaching the 'off season'. The yield will be low till the end of summer. Cocoa yields are higher in monsoon, which is known as 'crop season'.

A.S. Bhat, Executive Director of Central Arecanut and Cocoa Marketing and Processing Cooperative Ltd. (CAMPCO), told The Hindu that the company had been procuring wet beans from growers for Rs. 40 a kg for the past 10 days. This was the highest price CAMPCO had paid growers. The price of wet beans was Rs. 36 a kg 10 days ago. He said that CAMPCO was procuring dry cocoa beans for Rs. 155 a kg, depending on the quality. The price of dry beans was between Rs. 142 and Rs. 145 a kg 10 days ago.

Mr. Bhat attributed the rise in price to a steady demand for the produce from domestic buyers. The companies, which imported dry cocoa beans, started procuring them locally as the price in the domestic market was on par with that of international market, he said.

As the process of drying cocoa beans needed a huge investment, a majority of the growers sold wet beans, Mr. Bhat said. He expressed the hope that the price would remain steady at Rs. 40 a kg till March.

Venkatachala Bhat, a cocoa grower at Kavu, said that Rs. 40 a kg was the highest price the growers were getting for wet beans. Vishwanath Bhat, a cocoa grower at Vadya near Kabaka, said that a private company was also paying Rs. 40 a kg of wet beans. He, however, contended that the increase in price during this time of the year would not help growers as the crop season was coming to an end.

Mr. Vishwanath Bhat said: 'Now, growing cocoa appears to be lucrative than arecanut and coconut. The price of cocoa may not fall as in the case of vanilla as consumption of vanilla is limited compared to cocoa.'

K. Ramesh of Mani said that the price of wet cocoa beans remained steady this monsoon, unlike the previous years. Till last year, the price of wet cocoa beans peaked during summer and decreased during monsoon. This year, however, the price, which peaked during summer, did not come down, he added.

The price of wet beans was between Rs. 28 a kg and Rs. 33 a kg this summer. The price was Rs. 33 a kg till September. It subsequently touched Rs. 36 a kg and remained at Rs. 40 a kg, he said.

The Market

SOFTS-Liffe cocoa sets new high, sugar hits record peak

By David Brough and Nigel Hunt

LONDON, Dec 3 (Reuters) - Cocoa futures in London rose to the highest level in nearly 25 years on Thursday, boosted by talk of reduced crop prospects in Ghana, while white sugar set a record peak before turning lower in late trade.

Arabica coffee futures on ICE rose as fund money continued to flow into commodities, fuelled partly by the recent weakness of the dollar.

Dealers said cocoa derived support from talk a closely watched U.S.-based analyst had cut his forecast for Ghana, the world's number two producer after Ivory Coast. "There was a new report out from one of the U.S.-based fundamentalists and he revised down his Ghana crop...With weaker sterling it helped London to break the recent highs," one London cocoa dealer said.

Sterling fell against the euro and the dollar on Thursday, pressured by a weaker-than-forecast UK services sector survey and as the European Central Bank detailed its first steps to withdraw monetary stimulus. [GBP/]

Cocoa has been boosted by the prospect of its fourth consecutive global deficit in 2009/10 as production in the key West Africa growing region has struggled to keep pace with long-term growth in demand for chocolate.

March cocoa futures in London LCCc2 ended up 47 pounds or more than 2 percent at 2,230 pounds a tonne, near its peak of 2,232 pounds, the highest level for the benchmark second month since February 1985.

March cocoa on ICE CCc2 settled \$61 higher at \$3,388 a tonne, within striking distance of a 30-year peak for the second month of \$3,439 a tonne set in October.

White sugar prices were boosted by expectations of Indian, Pakistani and Indonesian physical demand, before the run-up stalled in late trade.

SUPPLY CRUNCH

Expectations of a supply crunch in Asia, particularly in India and Pakistan, are driving up white sugar futures prices. For a graphic on Indian import demand and the rise in white sugar futures prices please see: March whites LSUc1 ended \$3.40 or 0.5 percent lower at \$623.20 per tonne, well below an earlier record high for the front month of \$635.20.

David Sadler, a senior sugar futures trader, said the price outlook for white sugar futures would depend on when consumers entered the market seeking fresh supplies. "A lot depends on when the perceived buying takes place," Sadler said.

Sadler expected raw sugar futures to remain in a 20-25 cents a lb range in the near term.

An anticipated supply response to high sugar prices has also been weighing on the market. "We expect sugar to remain high and volatile in the near term in response to tight fundamentals, which leave the market exceptionally vulnerable to any further supply disruptions," Goldman Sachs said in a report on Thursday. "However, over the medium term we believe the price risk is skewed to the downside given a likely supply response to current historically high prices in the next set of growing seasons," the report added.

March raws SBH0 stood 0.19 cent lower at \$22.85 cents a lb at 1736 GMT.

Arabica coffee futures on ICE extended recent fund-driven gains sparked by bullish technicals and overall strength in commodities sector. "It's speculative money moving in. The market has potential to go to \$1.47-1.48 per lb," said Rabobank trader Raghu Ramachandran.

ICE March arabica coffee futures KCH0 rose 0.80 cent or 0.6 percent to \$1.4450 per lb, while Liffe January robusta futures LRCF0 ended \$10 higher at \$1,346 a tonne.

Increase Cocoa Prices to Avert Smuggling

AllAfrica.com

Linda Akraasi Kotey And Stephen Odoi Larbi

3 December 2009

The recent smuggling of cocoa beans to neighboring countries by Ghanaian farmers has attracted debate in Ghana's Parliament. Whilst the majority side in Parliament strongly sided with government's intervention to improve on the living conditions of cocoa farmers by increasing cocoa producer price by 71.06%, those on the minority believe that the intervention was a mere rhetoric.

Hon. Ernest Akobuor Debrah, former Food and Agriculture Minister and Member of Parliament for Tano North has called on government to consider increasing cocoa producer price to reflect that of the current market price to provide relief to farmers. This, he said, if achieved will forestall the smuggling of cocoa beans to neighbouring countries for better prices and also which tend to improve on the living conditions of the people of the neighbouring countries.

The former Food and Agriculture Minister was speaking in Parliament to contribute to a statement made by Dr. Alhassan Yakubu Ahmed, Chairman of Parliamentary Select Committee on Agriculture, Food and Cocoa

Affairs, on the celebrations of the 25th National Farmers Day. "There is massive smuggling of cocoa beans along our border towns. We must look at the plight of the farmer. The government should increase cocoa prices to avert the anomaly", he noted.

Earlier on Monday, Mr. Debrah, in contributing to the debate on the budget estimate of the government of Ghana for 2010 fiscal year noted that the government was rather paying cocoa farmers 49% of the current cocoa producer price.

Almost a month ago, the ruling National Democratic Congress (NDC) has received a barrage of criticisms from the opposition New Patriotic Party (NPP) in what it described as "throwing dust into the eyes of Ghanaians", when the former announced an upward adjustment of the cocoa prices in the country to reflect that on the international market.

Members of the opposition NPP had earlier contended that the new price of GH¢2.208 per metric tonne, at the exchange rate of GH¢1.50 per US dollar, meant that the new producer price was equivalent to US\$1,472 - indicating that the figure only represented US\$28 or 1.9 percent more than equivalent US dollar value the previous year.

But government officials have insisted that the current FOB price to cocoa farmers was the best the government could afford to pay since it represents the highest price paid in the history of the country.

Mr. Allen Mike Hammah, MP for Effutu, in associating himself with the statement noted that in achieving the best for the country in food production, farmers must add value to their produce. He enumerated a number of problems which if corrected, would improve the agricultural sector of the country towards food security.

Among the problems he mentioned were; land tenure systems which he said needed to be improved, post-harvest loss, marketing and road accessibility and unavailability of farm labour. He tasked Ghanaians to use the 'Farmers Day' celebration to focus on specific farming areas to improve on the agriculture sector of the country.

Another area of importance highlighted by some MPs was the provision of an Agriculture Training Institute to give free training in modern farming skills and the introduction of grading and weight systems, in marketing the farm produce. This year's National Farmers Day will be held in Tamale

Liffe Cocoa Hits New High, Sugar Taps Record Peak

Source: Reuters

04/12/2009

Cocoa futures in London jumped to the highest level in nearly 25 years on Thursday, boosted by talk of reduced crop prospects in Ghana, while white sugar set a record peak before closing lower. Coffee, raw sugar and U.S. cocoa futures finished stronger.

Cocoa climbed along with the firm commodity complex and strong global equities, with London cocoa feeling an extra boost from the weak pound against the dollar, dealers said. The market has been boosted by the prospect of its fourth consecutive global deficit in 2009/10 as production in the key West Africa growing region has struggled to keep pace with long-term growth in demand for chocolate.

Dealers said cocoa derived support from talk a closely watched U.S.-based analyst had cut his forecast for Ghana, the world's number two producer after Ivory Coast, but volume was modest. "There was a new report out from one of the U.S.-based fundamentalists and he revised down his Ghana crop...With weaker sterling it helped London to break the recent highs," one London cocoa dealer said.

March cocoa futures in London ended up 47 pounds, or more than 2 percent, at 2,230 pounds a tonne, near its peak of 2,232 pounds, the highest level for the benchmark second month since February 1985.

March cocoa on ICE settled \$61 higher at \$3,388 a tonne, within sight of a 30-year peak for the second month of \$3,439 a tonne set in October. "Underlying fundamentals and a falling dollar appear to favor higher prices but we may need to see further consolidation into next week before a push above \$3,450," said Michael Maniatis, market strategist with LaSalle Futures Group in Chicago.

SUPPLY CRUNCH

White sugar prices were boosted by expectations of Indian, Pakistani and Indonesian physical demand, before the run-up stalled in late trade.

March whites ended \$3.40, or 0.5 percent lower at \$623.20 per tonne, well below an earlier record high for the front month of \$635.20.

David Sadler, a senior sugar futures trader, said the price outlook for white sugar futures would depend on when consumers entered the market seeking fresh supplies. "We expect sugar to remain high and volatile in the near term in response to tight fundamentals, which leaves the market exceptionally vulnerable to any further supply disruptions," Goldman Sachs said in a Thursday report. "However, over the medium term we believe the price risk is skewed to the downside given a likely supply response to current historically high prices in the next set of growing seasons," the report added.

March raws closed up 0.07 cent at \$23.11 cents a lb, a two-week top.

Arabica coffee futures on ICE rose on concerns about tight high-quality supplies and as fund money continued to flow into commodities, fueled partly by the earlier weakness of the dollar. "It's speculative money moving in. The market has potential to go to \$1.47-\$1.48 per lb," said Rabobank trader Raghu Ramachandran.

ICE March arabica coffee futures climbed 0.95 cent to settle at \$1.4465 per lb, the strongest settlement since Nov. 5. Liffe January robusta futures ended \$10 higher at \$1,346 a tonne.

SOFTS-Strong dollar drags coffee, sugar and cocoa down

Forbes

By Marcy Nicholson and David Brough

.04. 12.09

NEW YORK/LONDON, (Reuters) - A stronger dollar weighed on soft commodity futures Friday, with London cocoa paring gains after rising to a nearly 25-year high. The dollar jumped against major currencies after data showed the United States lost far fewer jobs than expected last month, bolstering hopes the economy is on a stable path to recovery. "I think it's just dollar-related selling," said Jack Scoville, analyst for brokers The Price Futures Group in Chicago, about pressure in coffee and sugar markets.

ICE March arabica futures dropped 3.30 cents or 2.3 percent to finish at \$1.4135 per lb.

The fall caused arabica futures, which closed at a four-week high Thursday, to give back this week's gains. "We think Brazil has a whole lot of coffee for sale when the market rallies, and I think that's why we're coming off like we are," said James Cordier, analyst for brokers Liberty Trading Group in Florida.

Liffe January robustas ended \$26 lower at \$1,320 a tonne.

GLOBAL DEFICIT

Cocoa futures showed more modest losses, underpinned by the market's bullish fundamentals with a fourth consecutive global deficit anticipated in 2009/10. "At the end of the day, the production isn't there and that keeps people buying it," Scoville said. "They're a little scared to sell it because things are positive enough, perhaps, with the fundamentals. At least some of the interpretations are that we could see some higher prices." On the other hand, there's a lot of cocoa around now, Scoville said.

ICE March cocoa inched down \$12 to close at \$3,376 per tonne, after a choppy session supported by investor buying and pressured by the strong dollar, traders said.

Liffe March cocoa, having touched a 25-year high basis second-month of 2,248 pounds earlier, closed down 3 pounds at 2,227 pounds. Dealers said the market's recent rise was driven partly by strong demand for call options on both Liffe and ICE, prompted by an array of bullish factors which could drive prices higher.

These included a potential rebound in demand and possible damage to crops in West Africa from the harmattan. "The rise of the market is related to the options activity. There are so many bullish factors in the market that could happen, all you need is one of them to happen and you are in the money," one dealer said.

Sugar futures were also dragged down by the stronger dollar with Liffe whites slipping back after rising to a record peak earlier in the week. March raws on ICE dropped 0.59 cent or 2.6 percent to close at 22.52 cents per lb, while Liffe March white sugar closed down \$5.10 at \$618.10 per tonne. Dealers talked of a widening whites-over-raws premium driven by expectations of Indonesian buying. Indonesia plans to import around 300,000 tonnes of white sugar for household consumption next year, from India, Thailand and China, government ministers said on Friday.

NYSE Liffe Cocoa Rises To Hit A Fresh Near 25-Year High

3 December 2009

LONDON (Dow Jones)--NYSE Liffe **cocoa** futures hit a fresh near 25-year high Thursday over supply concerns, said European brokers.

A strong start to the world's largest **cocoa** producer Ivory Coast's main **cocoa** crop harvest has led some market participants to anticipate a weak tail-end to the crop. "Prices are rising on the expectations that the current strong pace of supply cannot last," said Kona Haque, commodities analyst at Macquarie bank.

West Africa's main **cocoa** crop harvest usually begins in September-October and lasts until January-March.

Liffe's March **cocoa** futures contract traded at GBP2,231 a metric ton as at 1620 GMT, up 2% in the session and up 29% since the beginning of the year.

ANALYSIS-Cocoa poised for new peaks, Ivorian flow to slow

By Nigel Hunt

LONDON, Dec 3 (Reuters) - A strong start to the main **cocoa** crop harvest in top producer Ivory Coast has done little to dampen the fervour of **cocoa** bulls and prices look poised to soon scale long-term peaks set in late October.

Most analysts are still forecasting a global deficit in 2009/10 (October/September), which would be the fourth in a row.

Production in Ivory Coast has been crimped by a chronic lack of infrastructure and insufficient efforts to tackle pod disease, leaving the country unable to respond to long-term growth in demand for chocolate.

Many do not expect the flow into Ivorian ports this season to be maintained, and also argue that figures have been inflated by **cocoa** smuggled into the country from neighbouring Ghana.

Meanwhile, on the demand side, grindings look poised to rebound after a recession-linked fall earlier this year. "With the market so tight and so many risk factors and uncertainty still ahead of us, we feel prices will continue to strengthen in the short term," Macquarie Bank commodity strategist Kona Haque said in a report issued late on Wednesday.

March **cocoa** in London <LCCc2> climbed as high as 2,205 pounds on Thursday, within striking distance of a late October peak of 2,226 pounds, the highest since February 1985.

Prices had doubled over the last two years. "Although initial indications appear to support stronger year-on-year supply growth (in Ivory Coast), we fear that this may not last," Haque said.

"Our contacts on the ground there suggest that the strong harvest pace may slacken very soon, leading to an eventual output that is only slightly above, if not on par with, last season's," she added.

Ivorian farmers fear black pod disease, which ravaged crops earlier in the season, may still have an impact on output.

"The harvest was bad this year in the (Abengourou) region because of black pod disease," said **cocoa** farmer Joseph Amani from the eastern border region of Abengourou, adding that some of the shortfall was being plugged with smuggled Ghanaian **cocoa**.

In the villages on the Ghanaian side, farmgate prices range between 650-700 CFA francs (\$1.50-\$1.61) for a kilogram of **cocoa** beans, compared with 1,000 francs they can get across the border, said Abengourou farmer and cooperative manager Kouao N'Dri.

"When (the price) smells good in Ivory Coast, the **cocoa** comes over from their side of the border to be sold here," he added.

UNCERTAIN MID-CROP

VM Group analyst Gary Mead said the outlook for the Ivory Coast mid-crop, which runs from April to September, is also very uncertain with much depending on the Harmattan, dry desert winds that blow through West Africa in the early part of the year.

"It can have a really bad effect on the mid-crop. No one can tell much in advance," Mead said.

There are also tentative signs of a pick-up in demand.

The European third-quarter **cocoa** grind fell 1.5 percent year-on-year but that was a big improvement on year-on-year falls of 11.1 percent and 11.3 percent in the first and second quarters respectively.

Most expect a slight pick-up over the 2009/10 crop year with BNP Paribas Fortis earlier this week projecting the global grind at 3.661 million tonnes, up 5.6 percent from 3.468 million in 2008/09 but still slightly down from 3.708 million in 2007/08.

BNP Paribas Fortis projected a deficit of 56,000 tonnes in 2009/10 which followed shortfalls of 28,000 tonnes in 2008/09, 132,000 tonnes in 2007/08 and 313,000 tonnes in 2006/07.

For a graphic on global production, grindings and balance trends in the last few years click on "We're more likely to see a global deficit than a global surplus," said Sterling Smith, an analyst for Country Hedging Inc in St. Paul, Minnesota. "I think we're looking at a situation where we're going to see global demand steadily improve over the next five years."

But VM Group's Mead warned there has not yet been much evidence of a resurgence in demand, particularly in **cocoa** butter, a key indicator of chocolate consumption. "It is not fully there yet (the demand recovery)," he said.

Macquarie's Haque also said processing activity and **cocoa** sales remained lacklustre due to high prices and poor margins. "We are still waiting to see a proper uptick in grindings," she said.

ICE Cocoa Review: Ends Down As Funds Sell On Firm Dollar.

NEW YORK, Dec 02, 2009 (Dow Jones Commodities News via Comtex) --

The stronger U.S. dollar weighed on ICE Futures U.S. cocoa Wednesday as speculative fund traders sold at recent highs.

Most-active March cocoa settled down \$26 at \$3,327 a metric ton. The nearby December contract, which stops trading Dec. 16 and has few open contracts to trade, settled \$2 higher at \$3,317.

Cocoa touched Tuesday's one-month high at \$3,365 basis March in early dealings, but backed off as the U.S. dollar firmed. Speculators, who have no use for the underlying commodity, tend to sell dollar-denominated futures when the strong greenback makes them more costly in other currencies. Nymex crude oil and the Commodities Research Bureau Index were lower as cocoa settled, indicating broader-scale speculative selling.

Cocoa for delivery in March could move back towards the \$3,290-\$3,300 levels if speculative selling continues, said Jack Scoville, vice president at Price Futures Group in Chicago. Next technical support, where fund-based traders tend to buy futures, is at \$3,200 for the March contract, Scoville said. Analysts said March cocoa has resistance at \$3,400, where speculative selling is expected to damp gains.

Cocoa hit one-month highs Tuesday on the weaker U.S. dollar. Analysts noted futures could give back some of the 6.2% that futures have gained since recent lows on Nov. 12, as the incoming harvest from top world producer Ivory Coast seems robust. Cocoa hit 30-year highs Oct. 23 with support from fears that the West African country's supplies, which comprise 40% of world production, would be low.

In the week to Nov. 22, arrivals of cocoa beans to Ivory Coast ports for shipping were estimated to be up 62% for the season. That season got off to a slow start amid strikes and a change of management in the cocoa sector. Analysts note that relatively high recent cocoa prices increase the amount of cocoa that is sold by farmers, who at times hold back supplies in hopes of higher payment for their crop.

ICE cocoa warehouse stocks decreased by 13,400 145-pound bags Tuesday to total 2.919 million bags, exchange data show. ICE cocoa open interest increased by 2,682 positions Tuesday to total 126,235, the exchange reported.

Volume was estimated at 4,418 contracts, according to exchange data. In options, approximately 32 calls and 156 puts traded.

	Close	Change	Range (to point of settlement)
Dec	\$3,317	+\$2	\$3,314-\$3,338
Mar	\$3,327	-\$26	\$3,312-\$3,365

ICE Cocoa Review: Climbs To One-Month High On Weak Dollar.

NEW YORK, Dec 01, 2009 (Dow Jones Commodities News via Comtex) -- Speculative fund buying on the softer U.S. dollar lifted ICE Futures U.S. cocoa to more than one-month highs Tuesday as many commodities gained. Most-active March cocoa settled up \$94 at \$3,353 a metric ton, off the \$3,363 high, and the nearby December contract settled \$101 higher at \$3,315.

The dollar weakened despite worse-than-expected U.S. manufacturing data as investors opted out of the dollar in favor of other currencies. The bearish economic news would typically send investors to a safe-haven currency such as the dollar. A weaker U.S. dollar makes dollar-traded futures less expensive for traders who use other currencies. Speculative funds, who have no use for the underlying commodity, bought futures in crude, metals and most agricultural commodities that were stronger during cocoa's session.

Cocoa market fundamentals are taking a backseat to broader economic sentiment, particularly the dollar, analysts said. The funds that have recently traded cocoa opposite the dollar also closely follow technical charts, which indicate more gains are in store for the market, analysts said. "Fund activity has been there the last few days," said Boyd Cruel, senior softs analyst at Vision Financial Markets in Chicago. Based on technical charts, March cocoa has potential to reach \$3,360 a ton, Cruel said.

The contract could move as high as \$3,400 a ton if commodities markets continue to gain on the weaker U.S. dollar, said Tom Mikulski, senior market strategist at Lind-Waldock in Chicago. "A lot of it is going to be tied to the technicals," Mikulski said. Cocoa's fundamentals are also curbing gains as supplies continue to come in stronger, analysts said. "Ivory Coast is reporting a very robust harvest," said Mikulski.

Ivory Coast, the West African country that leads world cocoa production with approximately 40% of total supplies, began the 2010-11 harvest on Oct. 1. Ideas that the country's harvest would come in lower than the previous year without the buffer of excess supplies to aid exports pushed cocoa to 30-year highs in late October.

Arrivals of cocoa beans to Ivory Coast ports for shipping were estimated to be up 62% for the season through Nov. 22. The season started slowly the year before due to strikes and a change of management in the cocoa sector. Analysts note that relatively high prices increase the amount of cocoa that is sold by farmers, who at times hold back supplies in hopes of higher payment for their crop.

ICE cocoa open interest decreased by 148 positions Monday to total 123,553, the exchange reported.

Volume was estimated 9,342 contracts, according to exchange data. In options, approximately 170 calls and 425 puts traded.

	Close	Change	Range (To the point of settlement)
Dec	\$3,315	+\$101	\$3,315-\$3,353
Mar	\$3,353	+\$ 94	\$3,262-\$3,363

Processing & Manufacturing

Barry Callebaut Cameroon Buys 1,421 Tons Of Cocoa Beans For Crushing.

YAOUNDE, Cameroon, Nov 30, 2009 (Dow Jones Commodities News via Comtex) --

A total of 1,421 metric tons of cocoa beans were bought for grinding between August and October of the ongoing 2009-2010 season by the Cameroon affiliate of Switzerland-based Barry Callebaut AG (BARN.EB), statistics published Monday by Cameroon's commodity supervisor, the National Cocoa and Coffee Board (NCCB), show. These figures are sharply lower than the 10,505 tons bought at the same period of the of the previous season.

The solo cocoa grinder known locally as Societe Industrielle Camerounaise, or Sic Cacao SA, with a 30,000 tons-crushing capacity for cocoa beans yearly, is 70% owned by Barry Callebaut as 70% shareholder, while 30% is owned by Cameroon government.

According to the data, Sic Cacao bought 1,347 tons of cocoa beans in October this season alone, down from 5,708 tons it bought in October of the preceding season.

Stanbic IBTC Completes U.S. \$15 Million Cocoa Financing for ATL.

Dec 02, 2009 (Vanguard/All Africa Global Media via COMTEX News Network) -- Stanbic IBTC Bank, Nigeria, a member of Standard Bank Group, has completed a US\$15m Cocoa Financing for Agro Traders Limited (ATL) to fund the ATL's procurement of cocoa beans from the 2009/2010 Nigerian cocoa harvest, which it will export to Europe.

ATL, based in Akure, South Western Nigeria, is one of the largest cocoa exporters in the country, handling over 15% of the country's cocoa output annually and its customers include Cargill, Walter Matter, Armajaro, and Natra. DRUM Resources Nigeria Ltd, a subsidiary of DRUM Resources UK, will act as collateral manager to the transaction.

Says Craig Polkinghorne, Global Head and Director, Structured Trade and Commodity Finance, Standard Bank Corporate and investment Banking: "Standard Bank has been expanding its trade business across Africa and in March 2009 set up a new Structured Trade Finance Unit in its Nigerian bank, Stanbic IBTC to explore the many financing opportunities in Nigeria. This is the first

Structured Trade Finance transaction originated and closed by Stanbic IBTC." Olu Ajayi, head of structured trade finance for Stanbic IBTC comments: " This is arguably the first such transaction to be provided in Nigeria by a local bank to a local exporter with documentation undertaken by a local legal counsel - in short, 'Made in Nigeria'."

Business and Economy

UK: Kraft "favourite" to buy Cadbury - analyst.

Just-food, (JLRM), 03 December 2009

Kraft Foods remains the favourite to buy Cadbury, a leading industry analyst claimed today (1 December) even if US chocolate maker Hershey tables a bid for the Dairy Milk maker.

Andrew Wood, senior research analyst covering European food companies at Sanford Bernstein, said Kraft was still the front-runner to buy Cadbury. Wood suggested, however, that a "likely" bid from Hershey - either on its own or alongside Ferrero or Nestle - would mean an acquisition of Cadbury would not be the "steal" that Kraft had hoped.

Kraft remains the only suitor to have made a formal bid for Cadbury. Its hostile offer - tabled on 9 November - was rejected as "derisory" by the UK confectioner, which also makes Hall's candy and Trident gum. Two weeks ago, Hershey confirmed an interest in Cadbury and said it was mulling a possible bid for the business. Since then, Hershey has kept its counsel, although the Wall Street Journal last week claimed the company had asked law makers in Pennsylvania to allow the company to potentially bid for Cadbury. Hershey's announcement of an interest in Cadbury was followed by an separate statement from Ferrero confirming the Italian confectioner was in the "preliminary stages of evaluating its options" on the UK firm.

Bernstein's Wood claimed a merger between Cadbury and Hershey would be "bad news" for the UK's largest confectioner. He added that a bid involving Hershey would likely "come up short" - but force Kraft to pay "a much more reasonable price".

Wood said: "We believe that Nestlé's interest will only be on the coat-tails of a Hershey bid, to try to get its Kit Kat brand back in the US. While we think a merger of Cadbury and Hershey would be bad news for Cadbury and its shareholders - and would probably be rejected by the shareholders - we believe a Pac-Man defence to acquire Kraft's confectionery business would be great for Cadbury, but is very unlikely to succeed.

"Our view remains that Kraft remains the favourite to complete the deal, despite its mismanagement of the process to date, and we continue to retain our price target of GBP9. We believe that it will need more than Kraft's current offer, especially with the potential emergence of counter-bidders, to get Cadbury to sell given the strong expected operating performance." This article was originally published on just-food.com on 1 December 2009.

Ivorian 09-10 Cocoa Export Declarations Down 20% On Yr.

ABIDJAN, Nov 30, 2009 (Dow Jones Commodities News via Comtex) --

From the Oct. 1 start of the 2009-10 season to Nov. 25 Ivory Coast's shippers and cocoa processors declared 142,432 metric tons of cocoa for export, down 35,725 tons, or 20%, on the 178,157 tons declared in the same period last season, official data obtained by Dow Jones Newswires showed Monday.

Declarations included 94,513 tons of "raw" beans, down by 7% on last season's 101,467 tons. The bean equivalent of cocoa products was 47,919 tons, down by 38% on last season's 76,690 tons.

Ivory Coast Biweekly Cocoa Export Declaration Down 61% On Year.

ABIDJAN, Ivory Coast, Nov 30, 2009 (Dow Jones Commodities News via Comtex) -- Declarations of cocoa for export in the 14 days to Nov. 25 totalled 31,029 metric tons, down by 48,107 tons, or 61%, on the 79,136 tons declared in the same period last year, official data obtained by Dow Jones Newswires showed Monday.

Declarations comprised 23,636 tons of beans and semifinished cocoa products with an equivalent of 7,393 tons of beans. In the same period last season, bean declarations were 53,951 tons, while products declared for exports had a bean equivalent of 25,185 tons.

Bad Roads Hurt SW Cameroon Cocoa, Prices Still High - Traders, Farmers.

Nov 29, 2009 (Dow Jones Commodities News via Comtex) -- YAOUNDE, Cameroon (Dow Jones)-Cocoa trade in Cameroon's chief cocoa area of the South-West Region is slowing, severely hurt by muddy roads due to excessive rainfall during the main crop harvests, several traders and farmers told Dow Jones Newswires Sunday.

Southwest Cameroon accounts for at least half of the country's annual cocoa output of 210,506 metric tons, as shown by the 2008-09 official, up from 187,500 tons produced in the 2007-08 season (August-July).

But cocoa prices remain steep, in the region of XAF1,300-XAF1,320/kg, double the price paid during the same period last year as demand for cocoa rises on fear that cocoa output in the current season could drop.

"Cocoa still remains trapped in bog cocoa zones in the South-West Region in districts like Manyu, parts of Meme, Ndian, among others, " said Therese Fon, financial administrator for the Cameroon Marketing Company, or Camaco. Based in the southwestern Cameroon's main cocoa growing and trading town of Kumba, located 450 km southwest of Yaounde, Camaco annually markets around 35,000 metric tons of cocoa beans, part of which the company grows.

Fon, who estimates untraded cocoa beans in the region around 10,000-15,000 tons, echoed several others farmers and traders who said cocoa is very scarce at the farm gates.

Meanwhile, farmer and middleman trader Peter Ndep in Manyu said he has stocked his cocoa, waiting for "the muddy roads to get dried and usable before transporting its to Kumba or the Douala port".

Labour Issues

Ghana urges US to expunge cocoa from goods produced from child labour

Peace fm Online

Date: 02-Dec-2009

Vice-President John Dramani Mahama has requested the United States Department of Labour to remove Ghana's cocoa from its list of goods produced by child or forced labour. Ghana's cocoa is among 122 products from 58 countries listed by the US Department of Labour on its Trafficking Victims Protection Reauthorization Act of 2005 (TVPRA List).

The primary purpose of the TVPRA List is to raise public awareness about the incidence of child labour and forced labour in the production of goods in the countries listed and to promote efforts to eliminate such practices.

However, speaking at the opening session of the of the second meeting of the International Joint Working Group on Labour in Cocoa Farming in Accra on Wednesday, Vice-President Mahama said having cocoa TVPRA list could be a disincentive to efforts to eliminate the practice. "This is unacceptable and serves to undermine the efforts that we are making to address the issue of the worst forms of child labour as well as a disincentive for other countries to embark on any comprehensive effort," Vice-President Mahama said.

The International Joint Working Group has been set up to provide strategic and action oriented forum for Ghana, Cote d'Ivoire, the Global Chocolate industry and civil society organizations to jointly assess cocoa sector labour practices common to both countries as well as develop appropriate plans to guide and coordinate remediation activities.

Vice-President Mahama said government had put in place a sound and workable framework for eliminating all worst forms of child labour in the cocoa sector by adopting a multi-sectoral approach and working with and through all concerned stakeholders. He said remediation activities which started in 2008 in 11 districts and 122 communities had been scaled up to 47 districts and 525 communities this year with over 8,000 children as beneficiaries.

The country has also developed the Hazardous Child Labour Activity Framework, which defines dangerous and acceptable work activities and conditions. Besides, the community-based Child Labour Monitoring System (CCLMS), which is both a remediation and a data collection tool to generate information on activities of children directly from the communities, had commenced operations.

Vice-President Mahama called for a collaborative effort from partners, including the Global Chocolate Industry, to do more to support government and the Ghana Cocoa Board to accelerate the remediation activities. He said the citing of Ghana and Cote d'Ivoire on the list stemmed from the inability of stakeholders in the cocoa industry to agree on common indicators and benchmarks for measuring the impact of child labour. Vice-President Mahama urged the working group to help accelerate development in cocoa communities to reduce poverty and hazardous child labour in the cocoa production chain.

Mr. Jeff Morgan, Global Cocoa Industry representative on the Joint Working Group, said although cocoa from Ghana was not cited on the Executive Order, the placing on the TVRPA still raised a lot of concerns. He said although much progress had been made, there was still need for more commitment from governments and stakeholders to overcome and eliminate the practice completely.

"We are not there yet but we hope to get there," Morgan said.

Mr. Jacob Prince Hayibor, Chairman, Parliamentary Select Committee on Employment, Social Welfare and State Enterprises, asked the Joint Working Group to explore avenues for more alternative livelihood programmes to enhance the income of Ghanaian cocoa farmers.

Promotion & Consumption

Cadbury unwraps India as template for emerging market.

Sunday Times (UK), (ADTC), 01, 29 November 2009

INDIA is an unlikely battleground for a chocolate war. Even in winter, temperatures of 29C mean it melts in your hand in seconds.

Yet Cadbury is adamant that emerging markets in India and Brazil will provide the growth story that will require a bidder to pay a big takeover premium. Kraft, the US food group, has tabled a GBP10.2 billion (11.2 billion) offer and others including America's Hershey and Nestl , the world's biggest food company, are interested. Investors will look hard at why Cadbury believes it is undervalued and India may provide a clue. The company is preparing its defence document and it will make the country a cornerstone of its argument that any bidder will have to pay at least 850p to succeed.

The reason is that average annual sales growth in its emerging markets stands at 10%, double what it is in developed markets and in India it is even better. Sales are up 20% this year and have been growing at this rate for the past three years. It has 70% of the market share for chocolate, but sales in the country are still relatively small. Last year it stood at GBP200m a mere 4% of the company's overall turnover of GBP4.5 billion. Nestl , which has factories in India, is Cadbury's only credible rival, with 24.8% market share. Chocolate from Kraft, Hershey and Ferrero of Italy are imported on a tiny scale.

India aside, Kraft's emerging market business is double the size of Cadbury's. It is strong in Brazil, Russia and China. Combined with Cadbury's strong Indian and South African businesses, it will argue in its offer document, which is due out before December 7, that the pair make a "perfect strategic fit". So, even though they cannot agree on a price, they are certain that the future lies in emerging markets.

However, analysts say it is not without big challenges. In India, Cadbury still has to overcome a mindset that chocolate is only for children. An even bigger barrier to growth is poverty. More than half (51%) of the Indian population is described as "deprived", with an annual household income of GBP1,200. The issue for Cadbury is pricing. The group's Indian head, Anand Kripalu, said:

"You fix the price of the product and work your way back from that." The confectioner sells individually wrapped chocolates, sweets and bubblegum for as little as one rupee (1.3p).

"That's affordable in this country, " said Kripalu. "There is no driver like affordability in these markets and no barrier like price."

Although this encourages chocolate consumption among the poor, it is a low-margin business with high production costs. Lack of refrigeration means that Cadbury has to make chocolate that can withstand heat, which requires the more expensive cocoa butter rather than milk fats.

Kripalu said the company's higher-margin products it also targets wealthier adults with luxury chocolate bars balances the average return. He also hoped that "seeding" the younger generation will lead to them trading up to more expensive products.

The country's distribution system is also unusual. Retail environments range from "pan kiosks" stalls that sell pan, a leaf that is rolled up with different ingredients to chemists and food stores. There are 4.6m stores and stalls selling confectionery, but Cadbury's is available in only 1.2m. The majority of the 3.4m it cannot reach are in rural areas. Any route into that market will require huge investment in the distribution network and modernising retail outlets.

The practical and economic difficulties are complicated by an emotional indifference to chocolate. "India has a huge local sweet market, but chocolate until recently was an alien concept, " said Kripalu. Advertising is helping Cadbury overcome this. It has managed to position chocolate alongside the traditional "mithai" or sweet treats.

If it can crack India, Cadbury will have a formula for all of its emerging markets. Kripalu said: "We are creating a global, affordable chocolate category. If it works here, we could take it to the rest of the world." Selling one-rupee chocolates will not lift the company's bottom line significantly. For that it needs India's economic growth to continue, wages to rise and the emerging middle class to develop an addiction to chocolate one that is satisfied by bars costing 100 rupees, not tiny sweets costing less than tuppence.

Chocolate Milk: Nutritional Powerhouse or Treat?

ParentDish (blog) - Ellen Rooney Martin - Nov 30, 2009

Have your children been nagging you about chocolate milk this week? If so, it might be because the dairy industry has launched a new campaign promoting the health benefits of chocolate milk for school lunches, the latest volley in the battle over children's diets.

The "Raise Your Hand for Chocolate Milk" campaign and Raiseyourhand4milk.com are aimed squarely at school lunch as an opportunity to get the nutrition of milk with the added flavor kids love.

Some nutrition experts were not happy to hear about the marketing push. "I am completely furious about this," Meme Roth, a vocal New York City-based nutrition counselor and mother of two school-age children tells ParentDish. "We're serving kids candy for school lunch." The amount of sugar in a half-pint of chocolate milk negated any health benefits from the drinking it, she said.

Cupcakes were banned at some schools in recent years after sweet treats became a target in the wake of rising numbers of obesity and diabetes in children. Is chocolate milk in the same league as cupcakes and candy?

The National Dairy Council contends a slew of experts vouch for flavored milk.

"The American Academy of Family Physicians, American Academy of Pediatrics, American Dietetic Association, American Heart Association, National Hispanic Medical Association, National Medical Association and the School Nutrition Association, recognize the valuable role milk, including flavored milk, can play in helping children meet their daily nutrient needs," according to the group's website.

Adding chocolate to milk, doesn't take away it's essential nutrients, according to the campaign. "Low-fat chocolate milk is the most popular milk choice in schools and kids drink less milk (and get fewer nutrients) if it's taken away," according to an ad in the campaign. The information is based on a study conducted by the National Dairy Council.

Parents have a lot on their plates when it comes to feeding their children and steering them away from certain foods, according to New Jersey-based registered dietitian Felicia Stoler who is a spokesperson for the campaign told ParentDish. "We're really trying to convince consumers there are better foods, nutrient dense foods that are a better choice." Many sports and other flavored drinks offered at schools don't have the protein, vitamins and minerals of milk, she said.

Others

Agriculture: Vietnam Mekong Delta Province to Implement \$498,000 Eco- Cocoa Project.

Vietnam News Briefs, (JLWV), 01 December 2009

The People's Committee of Mekong Delta Tien Giang province has okayed a project totaling \$498,000 to develop organic and fair-trade cocoa, the Nong nghiep Vietnam newspaper reported.

Of the total, the Swiss Association for International Cooperation (Helvetas) will fund \$440,1000.

The project will be carried out in four years, from Jan 1, 2010 to Dec 31, 2012, in three communes of Cho Gao, Go Cong Tay and Tan Phu Dong. (Nong nghiep Vietnam Dec 1 p2)

Land Reform Must Consider IDPs.

Dakar, Dec 01, 2009 (UN Integrated Regional Information Networks/All Africa Global Media via COMTEX News Network) --

Land reform in Cote d'Ivoire must take into account people displaced by conflict, says a report by the International Displacement Monitoring Centre (IDMC).

With all eyes on Cote d'Ivoire's pending presidential elections as a way out of crisis, longstanding land disputes remain unaddressed and threaten stability particularly in the cocoa- and coffee-producing west. And vast population displacement has only complicated the issue, IDMC says.

As the government applies a 1998 rural land law - whose implementation IDMC says has been held up by the conflict and a lack of enforcement resources - it must not penalize people forced from their homes, says IDMC, established by the Norwegian Refugee Council.

"Certain provisions of the law that would normally be insignificant have a negative impact on...IDPs, and it is essential to adapt the law to their specific situations, to avoid discrimination," the report says.

The 2002 rebellion and subsequent fighting forced hundreds of thousands of people from their homes - some Ivoirian citizens, others immigrant farmers who fled plantations mostly in the west where they had enjoyed customary land access rights. Many IDPs trying to return in recent years have found their land occupied by others; residents of the west told IDMC land ownership fights were common.

"The 1998 law provides frameworks for resolving land disputes," Marzia Montemurro, IDMC West Africa country analyst, told IRIN. "But the conflict and ensuing population displacement have changed the dynamic and this must be taken into account."

In the absence of a system for compensating IDPs, the 1998 law - aimed at converting customary rights to formal deeds or contracts - is the only legal framework for settling disputes, IDMC says in a 30 November communique. "It is therefore essential for IDPs to be able to access its mechanisms." Communication Montemurro said any land reforms must be fully and clearly explained to everyone affected. Distorted information or misconceptions about the law often circulate, fuelling tensions among the different communities, she pointed out. Gnonsekan Martin, prefect of the western district of Bolequin, agreed. "It is essential that there be awareness campaigns and ample opportunity for communities - both indigenous and immigrant - to discuss land issues," he told IRIN. "All actors must be implicated in decisions involving land access and ownership."

IDMC estimates that hundreds of thousands of people are still displaced in Cote d'Ivoire, but says the current exact number is unknown. Montemurro said to move forward on the land issue a survey is needed to determine the number of IDPs and the patterns of displacement and return.

In several recommendations for the government, UN, other international partners, civil society and donors, IDMC addresses the issue of non-Ivoirians and land access, saying in part that the government should establish affordable long-term leases for farmers who cannot become landowners. Under the 1998 law only Ivoirian citizens can own rural land; non-citizens can have access via rental agreements or long-term leases.

In a 2009 midyear review the UN Office for the Coordination of Humanitarian Affairs in Cote d'Ivoire says many areas remain problematic for people trying to return. Access to cocoa and coffee plantations is one of the fundamental problems creating ongoing community tensions and sometimes even violence, OCHA says.

Vietnam: Swiss NGO starts up organic cacao project in Tien Giang nongthon.net.

Thai News Service, (GDPC), 02 December 2009.

The Swiss non-governmental organisation Helvetas has provided funding of US\$440,100 to help the southern province of Tien Giang put an organic cacao project into action.

The four-year project scheduled to start on January 1, 2010, aims to apply a system of advanced quality controls to help farmers establish a superior product during growing and processing which will help to standardise products and improve farmers' income.

The districts of Cho Gao, Go Cong Tay and Tan Phu Dong have been selected to take part in the project.

In 2009, with support from the National Agricultural Promotion Centre and Helvetas, Vinh Huu commune in Go Cong Tay district planted large areas with organic cacao. Farmers now have the opportunity to grow the cacao without using pesticides and use bi-product instead to increase their cacao output. - VOVNews

TIT BITS

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

US MIDDAY: sugar, coffee and cocoa up

NEW YORK (December 04, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. March arabica coffee contract gained 0.80 cent to \$1.4450 per lb at 11:09 am EST (1609 GMT). Session range from \$1.4335 to \$1.4535. Arabica coffee futures continued up on concern about tight supplies of high-quality beans while strong charts attracted buyers, said brokers.

Liffe cocoa sets new high, sugar hits record peak

LONDON (December 04, 2009): cocoa futures in London rose to the highest level in nearly 25 years on Thursday, boosted by talk of reduced crop prospects in Ghana, while white sugar set a record peak before turning lower in late trade. Arabica coffee futures on ICE rose as fund money continued to flow into commodities, fuelled partly by the recent weakness of the dollar.

US MIDDAY: coffee, sugar and cocoa down

NEW YORK (December 05, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Friday. March arabica coffee contract fell 3.35 cents to \$1.4130 per lb at 11:01 am EST (1601 GMT). Session range from \$1.4035 to \$1.4465. Arabica coffee futures fell on pressure from the strong dollar, said brokers. March raw sugar contract dropped 0.44 cent to 22.67 cents per lb at 11:02 am.

London sugar and coffee lower

LONDON (December 05, 2009): March white sugar in London ended off \$5.10 at \$618.10 a tonne, weighed by a stronger dollar. Whites premium, however, continued to widen boosted by anticipated demand from India, Pakistan and Indonesia. London January robusta coffee settled \$26 lower at \$1,320 a tonne, also depressed by the strength of the US currency.