

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 367

21st – 24th December 2009

Cocoa Producers' Alliance



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'It's nature's miracle food'

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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)
21 Dec.	2,182.68	3,424.37	2,218.67	3,284.67
22 Dec.	2,190.00	3,424.11	2,240.00	3,278.00
23 Dec.	2,187.80	3,414.55	2,235.67	3,266.33
24 Dec.	2,189.53	3,434.61	2,246.00	3,291.00
25 Dec.	-	-	-	-
Average	2,187.50	3,424.41	2,235.09	3,280.00

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

Monday 21 Dec. 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar-10	2224	2213	-4	2255	2212	6,331
May-10	2241	2232	-5	2271	2231	895
Jul-10	2228	2211	-4	2244	2210	152
Sep-10	2208	2183	-4	2213	2185	294
Dec-10	2165	2146	-1	2169	2158	64
Mar-11	2150	2118	12	2152	2150	16
May-11		2111	12			0
Jul-11		2111	12			0
Sep-11		2111	12			0
Dec-11		2111	12			0
Totals		2155				7,752

Tuesday 22 Dec. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2227	2239	26	2241	2214	3,945
May-10	2247	2254	22	2254	2232	1,326
Jul-10	2220	2227	16	2230	2214S	893
Sep-10	2197	2198	15	2201	2187S	151
Dec-10	2156	2168	22	2171	2155	326
Mar-11	2127	2125	7	2128	2124	215
May-11		2119	8			0
Jul-11		2118	7			0
Sep-11		2118	7			0
Dec-11		2118	7			0
Totals		2168				6,856

Wednesday 23 Dec. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2239	2231	-8	2242	2228	2,032
May-10	2252	2248	-6	2258	2246	398
Jul-10	2224	2228	1	2239	2223S	285
Sep-10	2200	2199	1	2207	2199	41
Dec-10	2168	2171	3	2173	2167	32
Mar-11	2133	2128	3	2133	2128	23
May-11		2122	3			0
Jul-11		2121	3			0
Sep-11		2121	3			0
Dec-11		2121	3			0
Totals		2169				2,811

Thursday 24 Dec. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2233	2242	11	2245S	2233	752
May-10	2257	2261	13	2261	2253	500
Jul-10	2235	2235	7	2236S	2228	90
Sep-10	2205	2207	8	2211	2205	84
Dec-10	2179	2182	11	2182	2176	350
Mar-11	2128	2139	11	2135	2128	80
May-11		2128	6			0
Jul-11		2127	6			0
Sep-11		2127	6			0
Dec-11		2127	6			0
Totals		2178				1,856

Average for the week		1734				3855
Total for the week						19,275

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

Monday 21 Dec. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3278	3251	0	3310	3248	7,721
May-10	3299	3271	0	3326	3269	739
Jul-10	3307	3270	1	3320	3274	135
Sep-10	3312	3275	2	3320	3276	15
Dec-10	3292	3258	1	3292	3270	3
Mar-11	3266	3256	0	3266	3259	102
May-11	0	3265	1	0	0	0
Jul-11	0	3275	2	0	0	0
Sep-11	0	3280	-3	0	0	0
Totals		3267				8,715

Tuesday 22 Dec. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3275	3265	14	3298	3237	6,484
May-10	3296	3283	12	3314	3261	621
Jul-10	3276	3282	12	3305	3276	144
Sep-10	3295	3287	12	3315	3290	67
Dec-10	3274	3271	13	3299	3270	67
Mar-11	3280	3268	12	3280	3266	21
May-11	0	3279	14	0	0	1
Jul-11	0	3288	13	0	0	1
Sep-11	0	3293	13	0	0	1
Totals		3280				7,407

Wednesday 23 Dec. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3275	3251	-14	3290	3246	3,220
May-10	3279	3270	-13	3289	3269	483
Jul-10	3275	3270	-12	3288	3272	40
Sep-10	3283	3276	-11	3283	3280	7
Dec-10	3268	3259	-12	3268	3263	36
Mar-11	3255	3249	-19	3255	3255	66
May-11	0	3260	-19	0	0	0
Jul-11	0	3273	-15	0	0	0
Sep-11	0	3279	-14	0	0	0
Totals		3265				3,852

Thursday 24 Dec. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3271	3271	20	3282	3268	1,378
May-10	3290	3292	22	3301	3281	308
Jul-10	3295	3290	20	3295	3290	38
Sep-10	3305	3296	20	3305	3297	31
Dec-10	3283	3277	18	3285	3277	65
Mar-11	3265	3259	10	3265	3260	53
May-11	0	3268	8	0	0	0
Jul-11	0	3280	7	0	0	0
Sep-11	0	3302	23	0	0	1
Totals		3282				1,874

Average for the week		2619				5,462
Total for the week						27,310

News

Health and Nutrition

Health tips for chocoholics: Make the most of your obsession by choosing the right kind and amount

Behavioral Health Central (blog) - Dec 21, 2009

Some ancient civilizations viewed it as a gift from the gods, a mood-enhancing cure-all. Others valued it so much they used it as a form of currency.

Today, maybe you think you're addicted to it.

But is chocolate actually addictive? And if you are especially fond of it, what can you do to keep it from becoming a hindrance to your health?

Researchers generally believe that chocolate "addiction" is not a true addiction, according to psychcentral.com. But chocolate does contain ingredients that can cause abnormal behaviors and psychological sensations similar to those of other addictive substances, it adds. In fact, researchers in Finland found that self-proclaimed chocolate "addicts" salivated more in the presence of chocolate, showed a more negative mood and higher anxiety and otherwise exhibited traits of regular addiction.

But chances are good that any overwhelming desire you experience for chocolate is just a craving -- and cravings can be managed, says Sheri Caldwell, a dietitian at St. Joseph's Hy-Vee. And unlike people trying to beat drug or alcohol addictions, people battling an "addiction" to chocolate shouldn't necessarily give it up entirely, she notes.

"If we feel totally deprived of something, we tend to crave it more," Ms. Caldwell says. "As soon as someone tells us we can't have it, it's human nature" to want it.

She adds that as with most foods, it's not so much chocolate itself that's the problem, it's consuming too much of it. On the food pyramid, chocolate falls into the fats, oils and sweets category, and the government recommendation is that this category account for no more than 200 of a person's daily calories -- about the equivalent of a chocolate bar, Ms. Caldwell says.

For people with a propensity to indulge in more chocolate than this, she suggests tactics such as waiting out a craving -- which will most likely pass, given enough time -- by finding a way to distract yourself from it or putting some distance between you and the chocolate you desire, if necessary.

The good news, Ms. Caldwell adds, is that chocolate isn't all bad. In fact, in its purest form, the seeds of the cacao plant -- from which chocolate is made -- are one of the most concentrated sources of antioxidants; thus, the higher the cacao content in chocolate, the more health value it has. According to ghirardelli.com, cacao content ranges from almost none in white chocolate to 100 percent in unsweetened (baking) chocolate. In between are milk chocolate, which contains at least 10 percent cacao; sweet chocolate, which contains 15 percent to 30 percent cacao; and semi-sweet, dark, extra dark or extra bittersweet chocolate, which contain between 35 and 99 percent cacao.

"The darker, the better," Ms. Caldwell says. " ... I think the key is just to keep the portions moderate and to know that when you add fat and sugar (to cacao) and eat a lot of it, you're losing the health benefit."

A daily dose of dark chocolate may help you tame tensions of the day: a Living Well video

By Plain Dealer guest columnist

December 24, 2009,

Researchers who tested volunteers who rated themselves as highly stressed found a piece of dark chocolate was good for reducing the tensions of the day.

In today's Living Well column, registered dietitian Julia Zumpano of the Cleveland Clinic discusses the study. In it, researchers found that after two weeks, there was a reduction in stress hormones and some correction of stress-related biochemical imbalances.

Zumpano says that the chocolate needs to be at least 70 percent dark chocolate content. That means it will have a high content of the pungent cocoa that provide you with flavonoids, beneficial antioxidants.

Flavonoids also can help lower blood pressure and aid in blood flow, Zumpano says.

Production & Quality

Zambian government asks Nigerian company to establish plantation

NEXT - Dec 21, 2009

The Zambian government has invited a Nigerian company, Multi-Trex Investment, to help establish a cocoa plantation in the country, just as the company also said that it has acquired a processing plant with the capacity to process 10,000 metric tons of beans annually.

The managing director of the company, Yusuf Isiaka, said this at a press conference in commemoration of its 10 years of operations held at its headquarters located at Km 29, Lagos-Ibadan Expressway, Warewa, Ogun State.

Mr. Isiaka said the arrangement is at an advanced stage to establish the plantation in Zambia. "We have designed a solid business integration strategy which takes a holistic view of the business."

He said that the company has expanded its operations from trading in cocoa beans to include processing cocoa beans into semi-finished products such as cocoa liquor, cocoa butter and cocoa cake.

"For Multi-Trex, the dreams keep coming and the drive for steady growth is unending. Multi-Trex is committed to increasing local consumption of other cocoa-based products and indeed break into new markets in other parts of the world," Mr. Isiaka added.

He said the company will continue to contribute its quota to the industrial development and economic progress of the country, adding that, "we have in our employment over 200 staff with demonstrated local and international expertise".

He stressed, "we have created jobs and have also impacted our environment positively. We shall not waver in our determination to make our product a global brand."

Indonesia's cocoa export predicted flat: association

www.chinaview.cn 2009-12-24 13:36:01 Print

JAKARTA, Dec. 24 (Xinhua) -- The exports of cocoa from Indonesia is predicted to keep steady this year and next year, compared to that of at last year which stood at 350,000 tons, Indonesian Cocoa Association said Thursday.

Chairman of Indonesian Cocoa Association Halim Razak said that Indonesia has attempted to boost the quality of the commodity to raise its added value. By conducting fermentation program, the chairman said that it could give added value as much as 150 to 200 U.S. dollars per ton. He said that currently, the Indonesia's cocoa quality is still lower than the products from Ghana.

Indonesia's cocoa plantations covered the areas of 1.5 million hectares, and next year the area would be expanded by over 10,000 to 20,000 hectares in western parts of the country, he said. Indonesia exports its cocoa to the United States, Brazil, China, Singapore and Malaysia. Indonesia is the world's third-largest cocoa producer after Ivory Coast and Ghana.

DJ Ivorian Biweekly Cocoa Export Declaration Down 12% On Yr

ABIDJAN, Ivory Coast, Dec 24, 2009 (Dow Jones Commodities News via Comtex) -- Declarations of cocoa for export in the 14 days to Dec. 23 totaled 94,452 tons, down by 12,607 tons, or 12%, from the 107,059 tons declared in the same period last year, official data obtained by Dow Jones Newswires showed on Thursday.

Declarations comprised 76,073 tons of beans and semifinished cocoa products with an equivalent of 18,379 tons of beans.

In the same period last season bean declarations totaled 88,263 tons, while products declared for exports had a bean equivalent of 18,796 tons.

The Market

Cocoa speculators choc-a-bloc

Dec 26, 2009 10:05 PM | By Jim Jones

Times LIVE -

On December 16 cocoa futures hit an all-time high of 3510 in New York — almost 70% up in a year.

And though they have subsequently slipped on dollar strength and as traders have closed out year-end positions, the supply fears that have sent cocoa prices into orbit are still in place.

King Midas learned the hard way: you can't eat gold. Pity he didn't know about chocolate.

Depending on where the information comes from, eating chocolate has all sorts of advantages. It's supposedly an aphrodisiac; it cuts heart disease; it enhances brain power; and it can even help prevent tooth decay. Believe that?

Unlike gold, which people desire, soft commodities provide the food for the world's hungry and not-so- hungry mouths. So, while many speculators have been mesmerised by gold's apparently inexorable advance this year, with some careful timing they might have done better trading in other commodities — cocoa in the lead.

As prices have been soaring, either your chocolate bars' prices have been increasing or their sizes have been reduced. In England, Cadbury and Nestlé have pushed up prices by almost a third in the past few months. Kellogg's Coco Pops could be next – rice prices are also soaring. So are sugar prices .

Over the past 12 months, cocoa futures and spot prices have risen by between 40% and 60%, regularly breaching 30-year dollar highs this month.

According to the International Cocoa Organization (ICCO), in mid- December the daily spot price was well over 3600/ton, a good 60% up on 12 months ago.

And traders quoted in The Public Ledger, a leading source of commodities markets information for 250 years (yes, you read it correctly, 250 years), are blaming the rise on “speculators”. Are these the same shadowy people who have been driving other commodity prices higher? Have they been scurrying into soft commodities — products that don't have a long shelf life — as a haven from the declining dollar? Or is there something more fundamental?

According to the ICCO, the world produced 3.456 million tons of cocoa beans in the year to end-September 2009 — the cocoa trade works on a year that ends on September 30 — of which 35% came from Ivory Coast and an equal percentage from other West African countries, with Ghana running a near second.

Global production fell 73000 tons short of consumption in 2009, the third straight year of deficit. And by the cocoa year's end, warehouse stocks were equivalent to only five months of annual output.

Put another way, there is no crisis in the world's cocoa market — not the sort of crisis, traders say, that would lead to the past year's soaring prices — but analysts are forecasting yet another deficit for the year that will end next September.

Sunday November 29, a short four weeks ago, should have been crucial for the cocoa market. It was supposed to have been election day in Ivory Coast, the small West African country that once produced more than two-fifths of the world's cocoa beans. That missed election had been expected to introduce a government that would put an end to the years of ethnic and religious differences that followed a bloody civil war and that have persisted despite the presence of UN peacekeepers.

During the years of uncertainty, the million-odd small-scale farmers who produce Ivory Coast's cocoa crop let their plantations run down. Old trees have not been replaced. Disease is not being effectively managed.

Who can blame the Ivorian farmers? For the time being, output has been holding up, sort of. But if it is to be sustained or even increased, restoration of political stability is crucial.

Now, it seems, the presidential election might be held only in March, adding to farmers' and buyers' uncertainty.

To make matters worse, while poor maintenance of plantations and infrastructure continues to affect cocoa production and deliveries in Ivory Coast, predictions are that peaceful Ghana's crop will also fall this "cocoa year".

This is what has helped hold cocoa March futures on New York's Intercontinental Exchange at their current levels, just shy of 3300/ ton. And this has happened while demand for cocoa butter, the principal ingredient of chocolate, responded to higher prices and fell by as much as two thirds in countries such as China in this year's first nine months.

The cost to chocaholics is increasing — either prices are rising or chocolate bars ARE shrinking.

Perhaps chocolate makers reckon we will simply get used to the new price:satisfaction ratio as we have in the past and accept it into the future.

On the other hand, we might switch to nougat or wine gums.

Processing & Manufacturing

Chocolate Wars Heat Up As Cadbury Faces Takeover Bid From Hershey

True/Slant - Dec 21, 2009

If you're a chocolate lover, read this as Kraft's bid for Cadbury has got Britons' knickers in a twist. It's as though someone from their side of the pond had decided to re-make KFC or New York bagels or whatever beloved, all-American food icon works best for you. Chocolate, for many Britons, is one of the major food groups.

Sure, you can take refuge here in pricey choices like Godiva, but Americans still eat only half the amount of chocolate — about 12 pounds a year — as Britons. If you've ever lived in Britain, or traveled there and eaten some of its candy bars, you understand. What Hershey calls chocolate is an abomination. So says the mayor of London, Boris Johnson (and I agree):

But for many Brits, the business impact is beside the point. The prospect of Americans taking over production of their beloved Dairy Milk and Flake bars has sent the country into an emotional tailspin.

"When it comes to protecting our chocolate — the taste of British childhood — then we turn and fight," wrote Mayor Boris Johnson of London in The Telegraph this month.

"We face an appalling choice of succumbing either to Kraft, makers of the plastic flaps of orange cheese, or to Hershey, whose Hershey bars have been likened in flavor — by independent experts — to a mixture of soap powder and baby vomit."

Whenever I go home to Canada, I stock up on the candy bars of my youth, made with a British version of chocolate, both tangier and smoother than anything I've ever eaten made by a mass-market American manufacturer. I just don't eat American chocolate.

Instead, the treasures I stockpile there and keep safely hidden at the back of the fridge are Big Turk, Crunchie, Aero Bars, Crispy Crunch. I can barely explain the allure of the first two brands as their contents, sponge toffee and Turkish delight, are also little-known to most Americans as well. On my worst days, a bite of Big Turk, with its chewy, sweet, translucent reddish center, can soothe just about anything.

Try them once, and you'll understand too.

Hot cocoa prices means less chocolate in treats

David Brough

LONDON

Wed Dec 23, 2009

LONDON (Reuters) - Soaring cocoa prices, at 30-year peaks, could drive confectioners toward milk chocolate from healthier dark chocolate, and to downsize bars and use cheaper alternative ingredients.

Lifestyle

European cocoa traders and consultants said the almost doubling of cocoa prices in the past two years will inevitably force a re-think of sales and marketing strategies of confectioners and increase the appeal of industry consolidation.

Tight supplies and low investment by West African producers drove cocoa futures prices on the ICE market in New York to a 30-year high of \$3,510 per tonne on December 16.

Chris Brockman, market research manager at consultants Leatherhead Food Research, said that during an economic downturn, confectioners would do their best not to hike chocolate prices in response to the cocoa market rally.

"We'll see a move to less cocoa content," he said.

A recent shift in tastes toward dark chocolate, which has high cocoa content and is perceived to have health benefits, was likely to swing back toward milk chocolate.

"Dark chocolate has suffered substantially. It was a leading segment of the market," said Ricardo Santos, a senior cocoa trader with the agri-commodity brokerage of BNP Paribas Fortis.

Confectioners could leave prices unchanged but make smaller chocolate bars and use cheaper alternative ingredients, such as cranberries and blueberries.

"The incorporation particularly of 'super-fruits' that have proven health benefits, has been prevalent," said Brockman.

This year, privately owned Mars cut the size of its Galaxy bars by 17 percent to 125g, after the shelf price rose 26 percent to 1.26 pounds (\$2.02), according to Leatherhead Food Research.

Confectioners have revived brands, such as Cadbury's Wispa, allowing them to slash advertising budgets compared with a new brand launch, and helped them tackle commodity price inflation.

COMPETITION

In Germany, a fierce retail price war means German chocolate makers have not been able to pass on the surge in cocoa prices, said Torben Erbrath, head of the chocolate division of German confectionery industry association BDSI.

Strict German labeling requirements deter the replacement of cocoa with other vegetable oils.

"Other vegetable oil content is only possible up to a five percent cocoa butter equivalent content but this must be labeled and no one does this in Germany," Erbrath said.

In France, chocolate and other confectionery have trailed growth in overall grocery sales this year and the trend could continue in 2010 as shoppers are expected to stay thrifty, market research firm Information Resources Inc. said.

Whereas food spending fell in 2008, this year has seen a divergence between basic and non-essential products, said Jean-Pierre Gaucher, deputy managing director of IRI France.

"Indulgence categories have not really recovered," he said.

More thrifty shopping habits have benefited supermarket own-brands, which are gaining market share in confectionery, helping consumers who hanker for chocolate in the downturn.

"As a comfort food, chocolate has done well," Brockman said.

Business and Economy

Chocolate purchases on the rise

Reuters UK (blog) - Dec 23, 2009

While Cadbury's fate remains foggy, one piece of chocolate news is clear: people continue to satisfy their cravings.

According to Mintel, chocolate sales have risen around the world despite the recession.

China saw chocolate confectionery sales jump 18 percent this year, while in the Ukraine sales rose 12 percent. Each of those countries has seen steady increases since 2005 and Mintel expects growth to continue through 2013.

In Cadbury's home of Britain, sales of chocolate increased 5.9 percent in 2009. In America, the home of potential buyers Kraft and Hershey, people bought 2.6 percent more chocolate this year than last.

"Chocolate is a small, affordable indulgence for shoppers who are cutting back on spending elsewhere. Even in countries not known for chocolate consumption, sales are on the rise," said Marcia Mogelonsky, global food and drink analyst at Mintel.

U.S. consumers spend \$55 each a year to satisfy their cravings. Across the pond, those in Britain spend \$106 each. The big spenders? Mintel said the Swiss buy the equivalent of \$206 worth of chocolate per person annually.

What can chocoholics look forward to? More milk chocolate and smaller bars are some of the potential outcomes as companies try to mitigate the impact of soaring cocoa prices.

Barry Callebaut completes acquisition of Spanish chocolate maker Chocovic

CNNMoney.com (press release) - Dec 23, 2009

Barry Callebaut AG / Barry Callebaut completes acquisition of Spanish chocolate maker Chocovic processed and transmitted by Hugin AS. The issuer is solely responsible for the content of this announcement.

Closing of transaction

Zurich/Switzerland, December 23, 2009 - Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, said today it closed the acquisition of Spanish chocolate maker Chocovic from the Nederland Group after receiving the respective approval from the Spanish competition authorities.

The two parties have agreed not to disclose any financial details of the transaction.

Multi-Trex boss canvasses regulatory body for cocoa industry .

Friday, 25 December 2009 00:00

Toluwabori Ojo

Nigerian Compass Newspaper -

In order to raise the standard of processing and marketing of cocoa and curb excesses in the industry, the Managing Director and Chief Operating Officer of Multi-Trex Investment Plc, Mr. Yusuf Isiaka, has called for a regulatory body that will monitor the activities of the industry.

Isiaka told the Nigerian Compass, Isiaka said that the liberalisation of cocoa practices and the dissolution of the Cocoa Marketing Board has been the bane of the industry.

He said: “The bane of cocoa in Nigeria is the liberalisation brought into cocoa practices in January 1987, and the dissolution of the Cocoa Marketing Board. Before then, Nigerian cocoa was selling at a premium above the terminal market. Ever since the liberalisation, Nigerian cocoa has been sold at a heavy discount, yet, Ghana’s cocoa still sells at a premium.”

He opined that there was need for a regulatory body that will restore the control lost in the industry. He pointed out that there was nowhere in the world where absolute freedom is substituted for control; they simply find a middle point.

Continuing: “I don’t know of a democracy where everyone is doing what he likes. I don’t know of a free market economy that everybody does what he likes. What we need is guarded control.

“There must be a regulatory apex organ where you can lodge your complaints and a body that can monitor the standard of cocoa. Somebody must be there to say this cocoa has not met XYZ standard and so it is impounded and so be it.

“For instance, in this sector where I operate, there is nothing like know your customers. Nobody knows anybody. If anybody collects money from you as a buyer of cocoa and he does not give back the produce or the money, nothing happens to him. You will be surprised that the next thing he does is to change his name and he moves on. But we are saying that there must be a watchdog of the industry.

“The actual players in the industry must be known. We need to know who are the players in the cocoa sector. We need to know how many of them are processors and there should be a sector of the regulatory body that has the responsibility to check the processors if they are conforming.

“Imagine there is no National Agency for Food and Drug Administration and Control (NAFDAC) in this country. Imagine there is no Independence Corrupt Practices and Other Related Offences Commission (ICPC), National Drug Law Enforcement Agency (NDLEA) or Central Bank of Nigeria (CBN). These are institutions whose job is to ensure that players are known and monitored. We need a regulatory body. The example of CBN is there. Somebody must be checking; whether you now call it marketing board or what, there should be a regulatory body to ensure that things are done properly,” he stated.

He, however, urged that for the regulatory body to be effective, the regulators must be different from the players in the industry. Nevertheless, the body should be structured and built around public-private sector.

He stated that the functions of the dissolved Cocoa Board should be brought back except that it should not be allowed to be fixing prices as this will not give room to competition. He noted that competition is necessary for growth and better services.

Furthermore, Isiaka lamented the fact that Nigerian cocoa processors are often at the mercy of the foreign buyers of the produce who are playing as the down stream of the cocoa sector. He, therefore, called for a policy that will restrain the activities of the foreign buyers as cocoa is a strategic product of the country.

“It is in this country that you see foreigners playing in the cocoa sector at the end point, that is the down stream of cocoa sector – every cocoa bean produced in this country ends up in the hands of companies that are almost 100 per cent owned by foreigners. There must be policies on this. There must be policies whereby when foreigners are registering their companies, in the MoU and article, Nigerians must have about 25 to 30 per cent share of the company.

“Cocoa is a strategic product of this country. It contributed 17 per cent of non-oil export products to the nation in 2008. You can’t have a 17 per cent earning coming from a product and the country is lackadaisical about it.”

He also called on Government to lend support to the industry by providing enabling environment for operation. “At the end of the day, the enabling environment remains the responsibility of the government,” he added.

Is Nestle Edging Toward a Cadbury Bid?

Wall Street Journal (blog) Dec 22, 2009

By Michael Corkery

It isn’t unusual for a company to write to a newspaper to set the record straight if it thinks an article has made an error.

But could Nestle’s letter to the Financial Times on Monday contain a hidden message, signaling its intentions to bid for U.K. candy maker Cadbury?

Nestle U.K. boss Paul Grimwood writes that Nestle had preserved the confectionery factory it bought in York in 1988, which produces Kit Kats. Kraft Foods, on the other hand, had shut down its York plant, about four years ago.

The possible subtext: We are a responsible corporate U.K. citizen that has preserved jobs and made investments in nation’s chocolate manufacturing hub in York and Cadbury—the pride and joy of U.K. chocolate—would be safe with Nestle.

“The odds of the Swiss entering the bidding race for Cadbury have just shortened a little more,” is how the U.K. Telegraph interpreted the letter. The newspaper also reported that Nestle is being informally advised about Cadbury by two London firms, but doesn’t name them.

Cadbury has made clear its distaste of Kraft’s \$17 billion bid, leaving the door open to other bidders, such as Hershey, which is weighing a bid.

Financially, Nestle would be well poised to make a big acquisition by early next year, when it is expected to dispose of its 52% stake in eye-care company Alcon, leaving it with a pile of \$28 billion in cash. Nestle could benefit from Cadbury’s gum and Halls (cough drop) business. A deal also would give Nestle access to emerging markets through Cadbury’s international operations. [Click here to read a WSJ interview with Nestle’s CEO in November]

The biggest complication is the overlap between Nestle’s and Cadbury’s U.K. chocolate businesses. One scenario is for Nestle to team up with Hershey, with the U.S. chocolatier getting Cadbury’s chocolate brands, while Nestle would focus on the gum.

Putting tea leaves aside, there could be other deals that make more sense for Nestle, according to Michael Steib, a Morgan Stanley analyst.

In any confectionary or food service deal, Steib says, Nestle would likely target small companies to bolster its current food offerings. He says any such deal would have to fit within the limits of Nestle’s annual \$3 billion acquisition budget.

Nestle’s larger, transformative acquisitions have focused on the nutritional space (Gerber, Novartis and Medical Nutrition) and the company says it wants to keep expanding its exposure in this area. Possible targets in this area include Danone or General Mills Yoplait brand. Either acquisition would allow Nestle to achieve cost synergies, while taking advantage of the high growth global yogurt business, says Steib.

Of course, Nestle could forgo M&A altogether and use the Alcon windfall to buy back stock, which could increase earnings per share in 2010 by as much as 10%.

Labour Issues

Asunafo works to prevent child labour

GNA: 22-Dec-2009

A two-day capacity workshop for 80 community child protection committees has been held at Goaso in Asunafo North Municipality.

It was jointly organised by RUDEA, a Goaso-based non-governmental organization and the Department of Social Welfare.

The committees were drawn from 20 communities in Asunafo North Municipality and Asunafo South District and were trained in policies and legislation on child labour and trafficking and measures to be implemented to curb the menace in cocoa growing areas.

Mr. Prince Forfoe, Asunafo North Municipal Director of the Department of Social Welfare, said the worst forms of child labour included slavery, compulsory labour, bondage, prostitution and pornography.

Mr. Stanley Manu, Assistant Programmes Officer of RUDEA, said child rights clubs had been formed in about 20 communities in the cocoa growing district in the Ahafo area.

He said a national programme for the elimination of worst forms of child labour in cocoa reported in a 2007/2008 scale-up cocoa survey cocoa season that about 46 per cent of children had participated in at least one hazardous cocoa activity during the previous cocoa farming season.

"A young child needs to be nurtured to develop physically, mentally, spiritually, emotionally and intellectually", he said.

Mr. Manu called for the enforcement of existing laws to help reduce all forms of child abuse and social practices detrimental to the well-being of children.

Others

Cocoa employees march for wages in Ivory Coast

(AFP) – Dec 23, 2009

ABIDJAN — Dozens of agents from an Ivory Coast cocoa market regulator whose bosses have been jailed on suspicion of embezzlement on Wednesday demonstrated to demand payment of their wage arrears.

"Take pity on us," read banners held up by the employees before the police broke up the demonstration outside President Laurent Gbagbo's residence.

The 71 agents are demanding the payment of seven months of salary arrears, which amounts to about 355 million CFA francs (540,000 euros, 770,000 dollars), according to their spokesman Bougouhi Siabe.

Wages have gone unpaid at the guarantee fund since several of its top officials -- along with top figures at several other cocoa regulators -- were jailed in mid-2008 for alleged embezzlement, Siabe said.

The government has since set up a temporary management committee to oversee reform of the west African country's key cocoa sector, long criticised for a lack of transparency.

But Siabe said the FGCCC is no longer receiving state funding for its operating costs or the financing of cocoa cooperatives.

He said the funding cut-off had led to a drop in sales from the cooperatives from 20 percent to six percent of national output.

Ivory Coast is the world's leading exporter of cocoa, which together with coffee makes up 40 percent of its export receipts, but management of the sector has been in disarray since last year's wave of arrests.

Cocoa Beans used for Energy

Recycle - Brad Simpson - Dec 24, 2009

One of the fastest growing segments of the environmental industry is waste to energy plants. Businesses and companies are looking for innovative ways to turn waste into electricity and heat for homes. Some very unlikely sources have suddenly become valuable as firms are finding more ways to turn waste into valuable energy. Some plants are using food waste, while others are even using things like used baby nappies as a way to create energy. This could certainly be one of the most important developments in green technology over the next few years as it serves the dual function of creating cheap, clean energy, and also keeps waste from reaching landfills.

One company, Biomass UK Limited, has found another unique way to create waste from things that are normally thrown away. The company has found a way to turn cocoa pods into biomass which can then be converted into energy. The company has built three Pelletizers in Ghana which will recycle cocoa pods that are normally thrown away by farmers. Using local labor they will turn the pods into pellets that will amount to twenty five thousand tonnes of biomass per month. Each of the three sites will employ hundreds of local laborers, which will make it a valuable addition to the community, as well as a way to create cheap electricity for the locals.

Because cocoa is cultivated on such a huge scale in these areas it makes it a perfect place to try the experimental energy source. Ghana was chosen over other locations because of its relative peace.

National Farmers Association confirms Alhaji Bukari as President

December 23, 2009

Accra, Dec. 23, GNA - The National Executive Committee of the Ghana Cocoa Coffee Sheanut Farmers Association has confirmed Alhaj Alhassan Bukari, the Northern Regional Chief Farmer, as the substantive President of the Association.

Members of the Committee made up of all the Regional Chief Farmers unanimously confirmed Alhaj Bukari as the national President at a meeting in Accra on Tuesday following the vacancy created by the resignation of Nana Yiadom Boakye six months ago.

Alhaj Bukari was the Vice President of the Association and acted as the President for six months.

The Regional Chief Farmers enumerated the practical achievements of Alhaj Bukari that culminated in the improvement of good working relations with the Ghana Cocoa Board and the government.

They commended the new President for placing the Association on a high pedestal by not only hitting the one million-ton target Cocobod set for the Association that should be achieved by 2011 but also ensuring that the members have collaboration with Ghana Cocoa Board, Ministries of Finance and Economic Planning and Agriculture.

The members commended the new President for initiating projects when he was the acting President and these facilities would ensure that the Association stands financially firm to undertake its duties of assisting local farmers to develop and pledged their support for him.

Alhaj Bukari thanked the Chief Farmers for the confidence reposed in him and promised to work harder with the NEC to improve the lot of members of the Association.

Alhaji Imoro Alhassan, an executive member of the Northern Region branch of the Association, welcomed the elevation of Alhaji Bukari and called for collaboration to ensure that farm inputs are supplied on time to farmers and to encourage especially small-scale and commercial farmers to improve their output.