

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 369

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Cocoa Producers' Alliance



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Do your health a favour, drink Cocoa everyday
'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)
4 Jan.	2,187.50	3,427.74	2,228.67	3,269.33
5 Jan.	2,223.25	3,485.05	2,276.00	3,330.67
6 Jan.	2,208.72	3,453.66	2,260.00	3,292.00
7 Jan.	2,224.26	3,472.77	2,280.67	3,317.33
8 Jan.	2,224.40	3,470.84	2,266.33	3,321.33
Average	2,213.63	3,462.01	2,262.33	3,306.13

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

Monday 4 Jan. 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar-10	2237	2222	-28	2246	2205	4,554
May-10	2267	2242	-29	2267	2226	1,775
Jul-10	2236	2222	-24	2245	2208S	523
Sep-10	2169	2186	-14	2202	2168	264
Dec-10	2142	2159	-6	2169	2138	288
Mar-11	2096	2123	4	2129	2095S	32
May-11		2103	4			0
Jul-11		2070	-6			0
Sep-11		2070	-6			0
Dec-11		2070	-6			0
Totals		2147				7,436

Tuesday 5 Jan. 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2234	2275	53	2284	2225	7,434
May-10	2254	2288	46	2297	2244S	2,227
Jul-10	2235	2265	43	2274	2222S	807
Sep-10	2200	2233	47	2237	2184S	41
Dec-10	2160	2203	44	2200	2159S	73
Mar-11	2130	2169	46	2138	2129	90
May-11		2149	46			0
Jul-11		2116	46			0
Sep-11		2116	46			0
Dec-11		2116	46			0
Totals		2193				10,672

Wednesday 6 Jan. 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2257	2261	-14	2265	2250	3,907
May-10	2276	2272	-16	2278	2262	1,622
Jul-10	2251	2247	-18	2251	2242S	997
Sep-10	2215	2215	-18	2216S	2211S	558
Dec-10	2183	2179	-24	2183	2174	501
Mar-11		2145	-24			0
May-11		2125	-24			0
Jul-11		2125	9			0
Sep-11		2139	23			0
Dec-11		2139	23			0
Totals		2185				7,585

Thursday 7 Jan. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2257	2284	23	2290	2249	5,247
May-10	2267	2290	18	2298	2260	2,837
Jul-10	2235	2268	21	2274S	2235	933
Sep-10	2215	2234	19	2229	2215	91
Dec-10	2183	2197	18	2194	2183S	25
Mar-11		2162	17			0
May-11		2142	17			0
Jul-11		2140	15			0
Sep-11		2140	1			0
Dec-11		2140	1			0
Totals		2200				9,133

Friday 8 Jan. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2273	2270	-14	2285	2263	5,499
May-10	2280	2276	-14	2292	2271	2,367
Jul-10	2251	2253	-15	2268S	2250	1,489
Sep-10	2218	2219	-15	2230	2218S	553
Dec-10	2185	2184	-13	2195	2182	167
Mar-11	2165	2167	5	2175S	2165	26
May-11		2153	11			0
Jul-11		2145	5			0
Sep-11		2145	5			0
Dec-11		2145	5			0
Totals		2196				10,101

Average for the week		2184				8985
Total for the week						44,927

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

Monday 4 Jan. 2010

Month	Open	Price	Change	High	Low	Volume
Mar-10	3288	3256	-33	3311	3245	6,478
May-10	3324	3278	-32	3329	3270	1,406
Jul-10	3310	3278	-29	3329	3273	170
Sep-10	3305	3271	-33	3313	3272	402
Dec-10	3290	3260	-33	3290	3290	302
Mar-11	3265	3251	-29	3290	3265	29
May-11	3295	3259	-21	3295	3295	1
Jul-11	0	3271	-21	0	0	0
Sep-11	0	3281	-23	0	0	0
Dec-11	0	3281	0	0	0	0
Totals		3269				8,788

Tuesday 5 Jan. 2010

Month	Open	Price	Change	High	Low	Volume
Mar-10	3250	3321	65	3333	3246	7,016
May-10	3276	3341	63	3350	3268	1,013
Jul-10	3280	3338	60	3345	3280	141
Sep-10	3280	3332	61	3337	3279	121
Dec-10	3254	3321	61	3327	3254	16
Mar-11	0	3311	60	0	0	3
May-11	0	3319	60	0	0	0
Jul-11	0	3331	60	0	0	0
Sep-11	0	3342	61	0	0	0
Dec-11	0	3342	61	0	0	0
Totals		3330				8,310

Wednesday 6 Jan. 2010

Month	Open	Price	Change	High	Low	Volume
Mar-10	3300	3292	-29	3306	3272	6,930
May-10	3312	3313	-28	3317	3294	1,389
Jul-10	3324	3308	-30	3324	3289	1,320
Sep-10	3303	3300	-32	3308	3295	310
Dec-10	3291	3289	-32	3291	3282	316
Mar-11	3285	3285	-26	3285	3285	63
May-11	0	3294	-25	0	0	0
Jul-11	0	3299	-32	0	0	0
Sep-11	0	3304	-38	0	0	0
Dec-11	0	3304	-38	0	0	0
Totals		3299				10,328

Thursday 7 Jan. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3284	3309	17	3313	3257	7,505
May-10	3307	3334	21	3335	3279	2,906
Jul-10	3279	3331	23	3332	3279	738
Sep-10	3275	3326	26	3328	3275	125
Dec-10	3290	3310	21	3314	3290	35
Mar-11	0	3306	21	0	0	12
May-11	0	3313	19	0	0	0
Jul-11	0	3318	19	0	0	0
Sep-11	0	3323	19	0	0	0
Dec-11	0	3323	19	0	0	0
Totals		3319				11,321

Friday 8 Jan. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3284	3296	-13	3326	3281	
May-10	3307	3318	-16	3348	3307	
Jul-10	3342	3319	-12	3342	3316	
Sep-10	0	3315	-11	0	0	
Dec-10	0	3301	-9	0	0	
Mar-11	3289	3296	-10	3289	3289	
May-11	0	3301	-12	0	0	
Jul-11	0	3306	-12	0	0	
Sep-11	0	3311	-12	0	0	
Dec-11	0	3311	-12	0	0	
Totals		3307				-

Average for the week		3305				7,749
Total for the week						46,496

News

Health and Nutrition

Production & Quality

Ghana cocoa purchases up, price hike seen

Wed Jan 6, 2010



ACCRA (Reuters) - Cocoa purchases declared by buyers to Ghana's industry regulator Cocobod totalled 378,738 tonnes by December 24, up 0.5 percent on the previous season, according to Cocobod data seen by Reuters on Wednesday.

The 2009/10 season in the world's second biggest cocoa grower began on October 16.

Though the December 24 figure representing the first 10 weeks of the season was up, industry sources said they expected purchases since then to be much lower, as farmers have held onto beans in expectation of higher producer prices as set by the government.

"Weekly returns have been sluggish over the past weeks ... indications are that the farmers are withholding the beans in expectation of new producer prices," one source said.

Ghana pays 2,208 cedis to farmers for a tonne of cocoa, a price set before the start of the season, but some within the industry say the country has been losing its cocoa to smuggling, mainly via traders from neighbouring Ivory Coast offering higher prices.

Finance Minister Kwabena Duffuor told Reuters on Tuesday a committee tasked with fixing producer prices met last week.

"We ... made some recommendations to the president who is the final authority," Duffuor said, without elaborating on the recommendation.

Cocoa haulage process lauded by industry players

Modern Ghana Wed, 06 Jan 2010

STAKEHOLDERS of Ghana's cocoa industry have expressed satisfaction about the drastic improvement of the processes involved in hauling cocoa from cocoa farming villages to the Takoradi commodity village, where the container shipment of the cash crop is done before export.

The commodity village facility, which has been put together by Global Haulage (GH) in partnership with the Cocoa Marketing Company CMC, the Ghana cocobod and its relevant partners ensure due process in reconditioning, standardization; speed in turn around of cocoa hauling drivers and quality control of the commodity before shipment.

The Commodity village, which is currently under expansion, takes care of 90% of container shipment of the commodity with the remaining 10% done at the Takoradi main Port.

Unicontrol commodity, a private shipping company which has also been working hand in hand with the government of Ghana, through the Ghana COCOBOD does the mega bulk shipment of the remaining cocoa that passes through the Takoradi Port for export.

Mr. Samuel Oduro Asare, the Area Coordinator of Cocoa Marketing Company (CMC) of Ghana, who made this known in Takoradi conducted journalists around the commodity village facility, and explained the process involved in getting the country's cocoa exported through the commodity village to the Takoradi Port to foreign markets without the hustle and bustle that hitherto characterized the process involved in hauling and exporting the commodity when there was no commodity village in the Sekondi Takoradi Metropolis.

The Quality Control Company (QCC), Unicontrol Commodity (UCC), Global Haulage (GH), according to Mr. Oduro Asare, are among the sturdy partners and strategic players in the industry, that are ensuring the smooth running of the haulage process and standardization of processing cocoa before export.

“That is the more reason why Ghana's cocoa enjoys the premium at the world market, because we ensure that due processes are followed, and standardization strictly observed,” Mr. Oduro pointed out.

According to him, the chaotic situation which used to be the case in the past, when drivers of long vehicles who are engaged in carrying cocoa beans from the villages to the Takoradi Port for shipment were stranded and could spend months and weeks in the Metropolis, ostensibly to offload the cocoa with their vehicles packed haphazardly, creating inconvenience to motorists has been addressed by the establishment of the commodity village. He said the facility has the capacity of container shipment of about 3000 tones of cocoa daily, therefore, reducing the pressure of delaying drivers at the commodity village.

Currently, Mr. Asare Oduro said drivers spend a maximum of 24 hours to offload their cocoa beans at the village because of the necessary facilities made available by kind courtesy of Global Village, the strategic partner, which has put together the facility to support the activities of the Ghana COCOBOD.

Though the commodity village has reduced the pressure on drivers and all stakeholders in the cocoa industry, freeing the Takoradi Port from precarious congestion, the CMC coordinator said there is still an ongoing expansion work to accommodate more warehouses that would take care of the cocoa beans being brought from far and near; “We are still increasing the facilities to accommodate more warehouses, two more facilities have been made available to reduce the turn around time of drivers,” Mr. Asare Oduro disclosed.

Mr. Oduro, who is excited about the positive development, however, expressed regret that there were still minor theft cases at the village, with a fresh case involving a driver's mate who had allegedly attempted stealing 25 bags of cocoa and was caught red handed pending before court.

In terms of internal theft cases, Mr. Asare Oduro said the stakeholders have nipped in the bud the situation, stemming the tide of stealing with an improved security put in place to check the persistence of the situation in the industry. This is because the stakeholders believe the main problem threatening the security situation in the sector was the external theft cases though the Ghana COCOBOD was working hard to address the problem.

The commodity village which is situated at Apowa near Takoradi has modern facilities such as weighing bridges, Reach Stackers, Fire hydrants, Canteen for workers, a vast car park, washrooms, marshalling areas for receiving containers, gas proof sheets to cover fumigation process, sand snakes to track dust, barb wires quelled around the walls of the facility for security purposes among others.

The establishment of the facility by Global Haulage in partnership with the Ghana Cocobod according to some of the drivers interviewed by The Chronicle has come at the right time to address the plight of all stakeholders in the cocoa industry, especially the Drivers who spend nights hovering around the Sekondi Takoradi Metropolis struggling to find better places to park and wait for their turn to offload their cocoa beans at the Takoradi Port for shipment.

They either had sleeping or eating places, perhaps the more reason why they are commending the authorities in the cocoa industry for taking the bold initiative to address the problem. The drivers who are now heaving a sigh of relief could not control their activities in the past and were constantly at logger heads with city authorities.

According to Master Yusif Amoda, a middle aged driver of Global Haulage who spoke on behalf of the drivers, said due to the precarious situation in the past, they could pack anywhere and anyhow in the city therefore incurring the wrath of the authorities. But the commodity village constructed in the views of the drivers has come at the right time to save the situation and has indeed improved the sector which all stakeholders he believes have acknowledged.

High cocoa prices set stage for local planters to make a comeback

Malaysia Star - Jan 8, 2010

KUALA LUMPUR: The buoyant world cocoa prices, currently trading at RM10,000 per tonne, could renew the interest of local planters to embark on upstream cocoa operations, said Malaysian Cocoa Board (MCB) director-general Datuk Dr Azhar Ismail. He said it was important to restore the shrinking cocoa hectareage that was lost to oil palm plantations and increase the number of cocoa estates as Malaysia had grown to be Asia's largest cocoa grinding hub. "There is currently a huge imbalance between local cocoa beans production and grinding activities," Azhar said after the opening of the three-day Malaysian Cocoa Fair by Deputy Plantation Industries and Commodities Minister Datuk Hamzah Zainuddin yesterday. He said the local cocoa beans annual production of about 30,000 tonnes could only meet about 8.6% of the 11 major cocoa grinders' consumption, while the balance had to be imported from Indonesia, Ghana and Ivory Coast.

The Government has set a target for cocoa hectareage and tonnage to reach 40,000ha and 60,000 tonnes respectively by 2020. For 2009, MCB expects cocoa hectareage to reach 25,000ha and cocoa beans production at 32,000 tonnes.

Earlier, Hamzah said many failed to realise that cocoa and cocoa products export had turned into a significant contributor to the country's earnings, amounting to an estimated RM3.3bil in 2009 from RM2.8bil forecast earlier.

Malaysia's cocoa and cocoa products export in 2010 was expected to hit the RM3bil mark, he added.

According to Hamzah, Malaysia is also encouraging the development of small and medium enterprises (SMEs) in hand-made chocolate, cookies and confectionery business. "We planned to increase these cocoa-based SMEs to 78 by year-end from 66 currently," he added.

Hamzah said it was important for SMEs to produce high quality and more value-added cocoa products, targeting newly-emerging countries like China, India and in the African continent. "There is a big potential to increase China's cocoa consumption per capita, which is about 38 grammes, and India's 24 grammes which are below the world average at 600 grammes per capita," he said.

Malaysia Cocoa Fair is organised by Bluedale Conference & Exhibition (M) Sdn Bhd.

Ghana to raise cocoa producer prices: finmin

Fri Jan 8, 2010

ACCRA (Reuters) - Ghana will raise the price paid to its farmers for cocoa to 2,400 cedis per tonne as of Friday, up from the current 2,208 cedis, the West African country's finance minister Kwabena Duffour told a press conference on Thursday.

Cocoa industry officials in Ghana, the world's second-biggest grower, had expressed concern about the volume of beans being smuggled to neighbouring Ivory Coast, where sellers can receive more money than the official Ghanaian price. "The government has increased the producer price of cocoa from 2,208 cedis per tonne 2,400 per tonne, which is 72.16 percent of the net (export) price," Duffour told journalists in the capital Accra.

Industry regulator Cocobod's chief executive said the move would encourage farmers to sell beans within Ghana, rather than hoard them in expectation of higher prices, as some had been doing in the runup to Thursday's announcement, or sell them to smugglers. "We are going to get a lot (of cocoa) in view of the increase," Tony Fofie said.

Purchases declared to Cocobod stood at 378,738 tonnes by December 24, more than half its minimum projected target of 700,000 tonnes for the 2009/10 season, which began in October.

Benchmark cocoa futures for delivery in March traded around \$3,300 per tonne in New York on Thursday, up more than \$500 on prices in early January last year.

Ghana Announces New Producer Price for Cocoa

2010-01-09 01:10:45 Xinhua

Web Editor: Bao Congying

The Government of Ghana has announced an upward revision of the Producer Price of Cocoa, increasing it from 1577.14 U.S dollars per ton to 1714.29 U.S dollars per ton for the 2009/2010 season. The Government of Ghana has announced an upward revision of the Producer Price of Cocoa, increasing it from 1577.14 U.S dollars per ton to 1714.29 U.S dollars per ton for the 2009/2010 season.

Kwabena Duffuor, the minister of Finance and Economic Planning, who announced the new price at a press conference in Accra on Friday, said it is on the recommendation of the Producer Price Review Committee which met in Accra.

The meeting was attended by stakeholders in the cocoa industry including farmers and representatives of Licensed Buying Companies.

Duffuor said the increase represented 72.16 percent of Free On Board (FOB) price of the commodity which translated to 107.14 U.S dollars per bag of 64 kilogrammes gross weight as against 98.57 U. S dollars per bag announced in October last year. He also announced that the Buyers' Margin had been increased from 178.57 U.S dollars per ton to 200 U.S dollars per ton. The minister said the rate for haulers which was 75 U.S dollars per ton at the beginning of the season had also been raised to 95 U.S dollars per ton. All these increases take effect from Friday, January 8, 2010" he said.

Duffuor said the government had reduced the interest rate for the use of COCOBOD Seed Fund from 20.5 percent to 18 percent with effect from January 1 this year. This is to ensure that Licensed Buying Companies (LCB) continue to play their very important intermediary role as the primary interface between government and the farmer," he said. He said as announced in the 2010 budget, a Social Security Fund (SSF) for cocoa farmers had been established with effect from the 2009/2010 cocoa season. He therefore, directed the management of Ghana Cocoa Board (COCOBOD) to prepare modalities for the implementation of the SSF for cocoa farmers.

The Market

Stronger pound costs cocoa a place in softs rally

Agrimoney.com - Jan 4, 2010

A slide in the dollar helped sugar and coffee off to a firm start to the year, while tripping up sterling-denominated cocoa despite what appeared bullish delivery data from the Ivory Coast.

White sugar for March rose 2.3% to \$726.30 a tonne in London, a record high for the spot contract. In New York, raw sugar hit a fresh 29-year top of 27.83 cents a pound.

Arabica coffee beans for March jumped 4.0% to 141.40 cents a pound in New York. The increases reflected in the main a reversal in the dollar, which eased in profit-taking ahead of US unemployment data due on Friday. "The market is looking for any excuse to send prices higher," a London trader said. "No one wants to be caught short."

Key data

Currency analysts are taking particular interest in jobless data as an indicator of the penetration of the US economic revival, and so the course of the dollar, but are uncertain as to whether November's lower-than-expected figure of 11,000 jobs lost can be repeated.

Estimates for the December figure range from 8,000 jobs lost to 50,000.

The euro strengthened to \$1.4455 at one point, with sterling rising to a two-week high of \$1.6242, helped by some firm manufacturing and mortgage statistics.

Cocoa deliveries

The pound's strength did few favours for cocoa, which closed down 1.2% at £2,222 a tonne in London despite data showing another drop in bean arrivals from plantations in the Ivory Coast, the world's biggest producer.

Cocoa beans delivered to Ivory Coast ports slid to 32,552 tonnes in the week to December 27 from 86,591 tonnes in the same week in 2008.

The decline would appear to support the assertion by bullish investors that cocoa cannot continue the strong start to its harvest which, at 565,122 tonnes since October, is still running nearly 50,000 tonnes ahead year on year. "The much higher-than-expected cocoa shipments at ports on the Ivory Coast have not had any negative implications for prices so far, as it is assumed that crop yields in the world's largest producing country will soon fall again," Commerzbank analysts said.

However, prices should drop by 10-15% over the year "as the supply situation eases", the German bank forecast.

Business and Economy

Sweet Recovery: Chocolate sales strong, despite recession

Posted: Jan 07, 2010

CHICAGO (WKOW) -- When you're feeling down because of the economy, it seems more of us turn to sweets to feel better. Specifically, we turn to chocolate. The London-based market research firm Mintel with offices in nearby Chicago reports that chocolate sales around the world are up.

Here in the US, Americans bought 2.6% more chocolate last year than in 2008. In China, chocolate sales are up 18%. In the UK, sales of chocolate bars, bags and boxes are up 5.9% this year. "It's clear that despite economic trouble this year, the world's chocolate lovers didn't deviate from their favorite treat. 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," wrote Marcia Mogelonsky, a Mintel analyst, in her statement to reporters.

Americans buy about \$55 a year worth of chocolate per person.

That's nothing compared to the Swiss, who spend \$206 a year, according to Mintel's figures.

Cocoa Exports To Surpass RM3 Billion In 2010

KUALA LUMPUR, Jan 8 (Bernama) -- Exports of cocoa beans and cocoa-based products is expected to surpass RM3 billion this year as the global economy shows positive signs of recovery.

Last year, cocoa exports were estimated at RM2.8 billion compared with RM3.35 billion recorded in 2008. The final export figure is expected to be released by end-March.

Plantation Industries and Commodities Deputy Minister Datuk Hamzah Zainudin said Malaysia was confident of exporting more cocoa products this year due to rising global demand for the commodity. "Statistics show that the per capita consumption of cocoa in European countries such as Belgium and Switzerland exceeded five kilogrammes while in Malaysia, per capita consumption was a meagre 0.5 kilogrammes," he told reporters after opening the Malaysia Cocoa Fair 2010 here Friday.

Hamzah said there was vast potential for the local cocoa industry to develop further as Malaysia was currently the world's fifth largest cocoa producer and Asia's top cocoa grinder.

Malaysian cocoa fat, cocoa powder, cocoa paste and chocolates are exported to 80 countries including the United States and Europe.

Hamzah said the government encouraged large-scale cocoa cultivation in order to increase the country's output. "Incentives given to cocoa producers under the Ninth Malaysia Plan will continue into the Tenth Malaysia Plan as it is our target to increase cocoa cultivation to 45,000 hectares by 2020," he said.

Cocoa producers receive RM6,500 worth of fertilisers, cocoa beans and equipment per hectare for five years yet land under cocoa cultivation dwindled to 25,000 hectares from 40,000 hectares, five years ago, as many switched to oil palm cultivation. "The cocoa industry offers more lucrative returns than oil palm as the commodity fetched an average of RM10,000 per tonne," Hamzah said.

Nestlé deal stirs chocolate melting pot

Times Online - David Wighton - Jan 4, 2010

Nestlé's \$28.1 billion windfall from the sale of Alcon to Novartis seems destined for the pockets of its own investors and not the bank accounts of Cadbury's shareholders. The sale of Nestlé's 52 per cent stake in a crucial month for the UK chocolate-maker may look suspicious, but the timing is almost certainly coincidental.

Novartis, and not Nestlé, determined the timing of the Alcon deal. And unlike Cadbury's other two likely suitors, Hershey and Ferrero, Nestlé has never even publicly identified itself as a possible contender in the takeover battle.

Bankers have also dismissed the suggestion that AAA-rated Nestlé would have to raid the sweetie jar to fund a bid for the chocolate and gum maker. The real barriers to a bid are not financial, but anti-trust, though Nestlé would be interested in Cadbury's gum business if a successful bidder put it up for sale. But Nestlé's disposal yesterday certainly raised the temperature ahead of a key three-week period that could determine the fate of one of Britain's most famous companies.

Next week, Cadbury gets its last chance to tell shareholders why they should reject Kraft Foods' current bid, which, with Cadbury's shares trading at a premium of 9 per cent to the offer price, should not be too much of a challenge for Roger Carr, the chairman.

Kraft meanwhile must make its final bid by Tuesday, January 19. The US food group could test the waters with an initial improved bid before the deadline. But if Kraft stays true to form, it will wait until the US markets open on the day of the deadline and make what it hopes will be a knockout bid.

Then Kraft's real rivals, Hershey and Ferrero, have till January 23 to assess Kraft's offer and decide whether to bid themselves. This cannot be ruled out. Ferrero is reported to have held talks with private equity firms, including KKR.

Cadbury would prefer a deal with Hershey/Ferrero and if a rival bid emerges, its days as an independent company would surely be over. But if Kraft has the field to itself, it could easily try to win the prize on the cheap and fail. The stakes could not be higher on all sides.

Promotion & Consumption

Nestle looking to emerging markets for confectionery buys

By Jane Byrne , 08-Jan-2010

ConfectioneryNews

Nestlé claims its confectionery business is large enough to enable it to compete in the global sector even if Kraft Foods takeover bid for Cadbury is successful, and that its sights would be set on seeking smaller acquisitions in emerging markets.

Subsequent to pulling out of the bidding for the British confectioner, the global player stated yesterday in a conference call that it is also interested in smaller purchases to expand its chocolate business.

ConfectioneryNews.com previously reported Kepler Capital Markets analyst Jon Cox's prediction that Nestlé was potentially interested in Swiss manufacturer Lindt & Sprungli as a takeover target, with Cox maintaining that Lindt was in a weak state due to the negative impact of rising cocoa prices.

Cox claimed at the time that Lindt was an 'obvious' takeover target for the global food group: "While many companies are probably interested in Lindt, I think Nestlé would be a closer cultural fit compared to a US company.

Nestlé lacks a global premium chocolate brand and I think it is now or never," Cox told this publication.

Nestle this week agreed to buy Kraft's North American frozen pizza business for \$3.7bn, saying it had long been interested in moving into that segment, with Kraft claiming that it intends to use the net proceeds from the sale to sweeten its offer to Cadbury shareholders.

Yesterday, Cadbury's share price briefly fell below the level of Kraft's bid for the first time, falling to 770p. The bid is currently valued at 771p.

Following Nestlé's withdrawal from the bidding, it is still possible that Hershey or Ferrero could put forward an offer, both having expressed their interest in Cadbury in November, but, according to media reports, sources close to the situation claim it is looking unlikely either confectionery company could secure the necessary funds to make a rival bid.

Others

Packaging using oxygen absorber benefits chocolate, study

By Jane Byrne , 07-Jan-2010

ConfectioneryNews

Chocolate packaged with an oxygen absorber in a barrier packaging material will maintain its aroma, taste and nutritional quality substantially longer than other packaging methods, according to a new study.

A study published in the journal, Innovative Food Science & Emerging Technologies, investigated the effect of active and modified atmosphere packaging (MAP) as well as packaging material oxygen permeability on quality retention of dark chocolate with hazelnuts.

According to the authors, nuts with chocolate coatings show higher oxidation than those stored uncoated under the same storage conditions, with a referenced study suggesting that the chocolate coating blocks the passage of air and moisture to the nuts' tissue, resulting in a decrease in relative humidity and therefore increased oxidation rates.

The researchers said that their study was motivated by the fact that there were no previous findings published on the use of active and MAP for the preservation of chocolate, and they evaluated the use of an oxygen absorber as well as MAP and a vacuum packaging material barrier to oxygen on shelf life extension of dark chocolate with whole hazelnuts.

Study details

According to the researchers, dark chocolate was packaged in a polyethylene terephthalate//low density polyethylene (PET//LDPE), as well as a polyethylene terephthalate coated with SiOx//low density polyethylene (PET-SiOx//LDPE).

They said that samples were packaged either under vacuum or N2 or with an oxygen absorber and stored in the dark at 20°C for a period of 12 months.

Commercial control samples for comparison purposes consisted of chocolate packaged in aluminium foil in air while 'model' control samples used for sensory evaluation consisted of chocolate packaged in glass jars and stored at -18 °C, added the authors.

After 12 months in the case of the least protected samples (commercially packaged in air) the authors found an increase in the total saturated fatty acids (SFA) at 53.68 per cent, and a parallel decrease in the monounsaturated fatty acids (MUFA) (42.44 per cent) and polyunsaturated fatty acids (PUFA) (3.88 per cent).

While in the case of the most protected samples (PET-SiOx//LDPE with the oxygen absorber) they found the SFA, MUFA and PUFA were 43.49, 50.68 and 5.83 per cent, respectively.

The researchers noted an increase in concentration of aldehydes, ketones, alcohols and alkanes with a parallel decrease in pyrazines where observed especially in case of least protected products after 6 and 12 months of storage.

According to the team, after 12 months of storage, the least odour changes were in products packaged with the oxygen absorber irrespective of packaging material permeability with the lowest scores being recorded for dark chocolate commercially packaged at 20°C.

The authors reported that in samples with the oxygen absorber significant changes in taste were observed after four months of storage at 20°C while in all other samples significant changes were observed starting from the second month of storage. But they found colour changes were the least in samples packaged under vacuum.

And the researchers concluded that in samples packaged with an oxygen absorber, irrespective of packaging material, the shelf life was at least 12 months.

Source: Innovative Food Science & Emerging Technologies Volume 11, Issue 1, January 2010

Title: Effect of active and modified atmosphere packaging on quality retention of dark chocolate with hazelnuts. Authors: S.F. Mexis, AV Badeka, K.A. Riganakos and M.G. Kontominas

TIT BITS

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

Commodities make bright start to 2010

LONDON (January 10, 2010): Commodities enjoyed a bright start to 2010, with oil bouncing above 83 dollars and sugar striking a 29-year high as traders eyed recovery hopes despite poor US jobs data. "We have been highlighting for some time that there is still considerable upside risk to commodity prices in early 2010," said Barclays Capital analyst Kevin Norrish in a research note to clients.

New York cocoa lower

NEW YORK (January 10, 2010): US cocoa futures slumbered to a lower settlement on Friday, in narrow and rangebound dealings as many market participants sat on the sidelines on production uncertainty in top producer Ivory Coast, traders said. The benchmark March cocoa contract dropped \$13 to finish at \$3,296 per tonne.

US MIDDAY: sugar off peak; coffee, cocoa creeps up

NEW YORK (January 08, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. March arabica coffee gained 0.05 cent to \$1.4165 per lb at 11:22 am EST (1622 GMT). Session range from \$1.3985 to \$1.4240. March raw sugar up 0.06 cent to 28.47 cents per lb at 11:22 am.

Liffe sugar, coffee and cocoa higher

LONDON (January 08, 2010): March white sugar ended \$0.90 higher at \$732.30 a tonne on Thursday having earlier touched a record peak for the front month of \$748.00. Market heavily overbought after a prolonged run-up and stronger dollar helped to spark pullback. March robusta coffee settled \$7 higher at \$1,388 per tonne.

US MIDDAY: sugar, coffee make gains, cocoa slips

NEW YORK (January 07, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Wednesday. March Arabica coffee contract rose 0.30 cent to \$1.4130 per lb at 11:31 am EST (1631 GMT). Session range from \$1.4005 to \$1.4265. Arabica coffee crept higher in sideways dealings, said brokers.

London sugar sets record peak, cocoa slips

LONDON (January 07, 2010): March white sugar ended \$8.40 higher at \$731.40 a tonne on Wednesday having earlier touched a record peak for the front month of \$736.70. Market supported by the prospect of strong demand from India and Egypt and a rally in the crude oil market.

Indonesia's December cocoa bean exports fall

JAKARTA (January 07, 2010): cocoa bean exports from Indonesia's main growing island of Sulawesi dropped 8 percent in December to 29,558 from 32,299.50 tonnes a year before, trade data showed on Wednesday. December exports were also lower than the 33,329 tonnes shipped out in November.

US MIDDAY: sugar at 29-year high

NEW YORK (January 05, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets. March arabica contract jumped 5.25 cents or 3.9 percent to \$1.4120 per lb at 11:09 am EST (1609 GMT). Session range from \$1.36 to \$1.4140. Arabica coffee turned soared on the heels of the strong commodity complex and on buying interest due to the weak dollar, said brokers.

London sugar sets record peak, coffee rises

LONDON (January 05, 2010): March white sugar ended \$11.50 higher at \$721.70 a tonne on Monday having earlier touched a record peak for the front month of \$726.30. Market supported by nearby supply tightness and a weaker dollar. March robusta coffee settled \$32 higher at \$1,364 per tonne, supported by a sharp advance in ICE arabicas. The discount of robustas to arabicas, however, continues to widen with the fundamentals less constructive for the Liffe market.

Indonesia to ship 18,000 tonnes of cocoa beans to US

JAKARTA (January 05, 2010): Indonesia, the world's number three cocoa grower, will ship out around 18,000 tonnes of beans to the United States next week, the last big shipment of beans from the 2009 crop, traders said. "It is around this time that we normally make the last big shipment to the United States. The next big one would normally be in July," said a port official in Makassar, home to the biggest port on Sulawesi island.

Ivory Coast's cocoa regions dry

ABIDJAN (January 05, 2010): No rainfall fell in Ivory Coast's main cocoa growing regions for the second straight week, giving farmers cause for concern about the resilience of some young pods as the harmattan approaches. The harmattan, a dry wind that normally sweeps down from the Sahara between December and March, can blow pods from trees as well as damage them with dust.

Commodity markets stage rally in 2009

LONDON (January 03, 2010): Commodity prices rallied in 2009 on keen demand and signs of global economic recovery, with oil soaring and gold striking record levels, while copper and sugar surged. Many raw materials also rose this week in thin trade ahead of the New Year holiday weekend, with investors winding down for celebrations to usher in 2010.

US cocoa closes 2009 at highest year-end since 1978

NEW YORK (January 03, 2010): US cocoa futures soared 23 percent in 2009 to finish at the highest year-end level in 31 years, as supply concerns lured investors to buy the key chocolate ingredient. The front-month March cocoa contract trading on ICE Futures US closed up \$42 at \$3,289 per tonne on Thursday.

US MIDDAY: coffee and cocoa firm

NEW YORK (January 01, 2010): Arabica coffee and US cocoa futures moved higher early Thursday, the last trading day of 2009, buoyed by the weak US dollar and firm commodity complex, traders said. The markets will be closed Friday for the New Year's Day holiday and will reopen for regular trade Monday.