

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



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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)
11 Jan.	2,233.46	3,513.22	2,273.00	3,361.33
12 Jan.	2,234.87	3,513.40	2,271.67	3,355.33
13 Jan.	2,257.64	3,560.28	2,280.00	3,411.33
14 Jan.	2,271.89	3,574.93	2,289.33	3,417.67
15 Jan.	2,272.67	3,571.00	2,298.33	3,414.33
Average	2,254.11	3,546.57	2,282.47	3,392.00

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

Monday 11 Jan. 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar-10	2263	2277	7	2280	2258	4,069
May-10	2270	2284	8	2288	2270	574
Jul-10	2250	2258	5	2261	2249	1,207
Sep-10	2209	2224	5	2226	2209	675
Dec-10	2175	2190	6	2190	2175	41
Mar-11	2163	2170	3	2163	2163	214
May-11		2157	4			0
Jul-11		2157	12			0
Sep-11		2158	13			0
Dec-11		2158	13			0
Totals		2203				6,780

Tuesday 12 Jan. 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2280	2278	1	2286	2267	3,439
May-10	2283	2282	-2	2293	2275	1,328
Jul-10	2265	2255	-3	2265	2249S	901
Sep-10	2232	2224	0	2234	2218	730
Dec-10	2195	2195	5	2205	2191	155
Mar-11		2177	7			0
May-11		2162	5			0
Jul-11		2162	5			0
Sep-11		2162	4			0
Dec-11		2162	4			0
Totals		2206				6,553

Wednesday 13 Jan. 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2263	2288	10	2294	2257	4,534
May-10	2268	2289	7	2295	2261S	2,597
Jul-10	2243	2263	8	2271S	2235S	801
Sep-10	2224	2233	9	2245	2221S	252
Dec-10	2198	2205	10	2215	2192	192
Mar-11	2182	2187	10	2185	2182	52
May-11		2172	10			0
Jul-11		2172	10			0
Sep-11		2172	10			0
Dec-11		2172	10			0
Totals		2215				8,428

Thursday 14 Jan. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2293	2297	9	2302	2284	5,951
May-10	2292	2297	8	2300	2283	2,530
Jul-10	2270	2274	11	2275	2260S	464
Sep-10	2244	2248	15	2248	2235S	190
Dec-10	2210	2217	12	2222	2207S	132
Mar-11	2199	2201	14	2200	2199	18
May-11		2186	14			0
Jul-11		2186	14			0
Sep-11		2186	14			0
Dec-11		2186	14			0
Totals		2228				9,285

Friday 15 Jan. 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-10	2301	2305	8	2312	2285	4,390
May-10	2299	2306	9	2312	2288	1,695
Jul-10	2275	2284	10	2290	2262S	1,075
Sep-10	2254	2255	7	2265	2239S	529
Dec-10	2218	2226	9	2237	2218	70
Mar-11	2212	2211	10	2215	2212	224
May-11	2200	2196	10	2200	2200	2
Jul-11		2196	10			0
Sep-11		2196	10			0
Dec-11		2196	10			0
Totals		2237				7,985

Average for the week		2218				7806
Total for the week						39,031

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

Monday 11 Jan. 2010

Month	Open	Price	Change	High	Low	Volume
Mar-10	3307	3343	47	3347	3307	7,944
May-10	3340	3367	49	3370	3338	2,880
Jul-10	3353	3373	54	3376	3345	863
Sep-10	3350	3376	61	3378	3348	144
Dec-10	3346	3358	57	3354	3346	223
Mar-11	3332	3347	51	3332	3332	44
May-11	0	3347	46	0	0	14
Jul-11	0	3352	46	0	0	5
Sep-11	0	3357	46	0	0	5
Dec-11	0	3357	46	0	0	0
Totals		3358				12,122

Tuesday 12 Jan. 2010

Month	Open	Price	Change	High	Low	Volume
Mar-10	3333	3342	-1	3352	3282	9,194
May-10	3357	3369	2	3375	3315	3,216
Jul-10	3370	3377	4	3380	3329	450
Sep-10	3373	3382	6	3385	3335	358
Dec-10	3359	3365	7	3369	3322	196
Mar-11	3339	3355	8	3339	3335	52
May-11	3339	3355	8	3339	3338	25
Jul-11	3344	3360	8	3344	3343	14
Sep-11	3349	3357	0	3349	3348	25
Dec-11	0	3357	0	0	0	0
Totals		3362				13,530

Wednesday 13 Jan. 2010

Month	Open	Price	Change	High	Low	Volume
Mar-10	3326	3389	47	3400	3307	7,699
May-10	3358	3415	46	3423	3358	2,463
Jul-10	3377	3425	48	3430	3377	388
Sep-10	3384	3429	47	3432	3384	216
Dec-10	3375	3415	50	3422	3375	212
Mar-11	3400	3407	52	3400	3400	10
May-11	3401	3407	52	3401	3401	27
Jul-11	3405	3412	52	3405	3405	16
Sep-11	0	3415	58	0	0	0
Dec-11	0	3415	58	0	0	0
Totals		3413				11,031

Thursday 14 Jan. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3363	3392	3	3418	3363	6,264
May-10	3418	3418	3	3440	3400	2,497
Jul-10	3444	3428	3	3445	3425	350
Sep-10	3445	3430	1	3445	3432	126
Dec-10	3426	3421	6	3437	3424	140
Mar-11	0	3416	9	0	0	21
May-11	0	3416	9	0	0	21
Jul-11	0	3426	14	0	0	10
Sep-11	0	3423	8	0	0	10
Dec-11	0	3423	8	0	0	0
Totals		3419				9,439

Friday 15 Jan. 2009

Month	Open	Price	Change	High	Low	Volume
Mar-10	3400	3400	8	3429	3380	6,481
May-10	3427	3425	7	3454	3406	2,108
Jul-10	3439	3431	3	3457	3414	788
Sep-10	3432	3434	4	3460	3421	247
Dec-10	3416	3425	4	3454	3406	172
Mar-11	3428	3421	5	3448	3407	34
May-11	3452	3421	5	3456	3452	27
Jul-11	0	3431	5	0	0	0
Sep-11	0	3431	8	0	0	0
Dec-11	0	3431	8	0	0	0
Totals		3425				9,857

Average for the week		3395				11,196
Total for the week						67,175

News

Health & Nutritional Benefits

Natraceutical: Cocoa fibre shows potential for blood pressure cuts

By Stephen Daniells, 11-Jan-2010

A fibre from cocoa husks may reduce blood pressure and boost heart health, suggests new research with rats from Natraceutical.

Supplements of the soluble fibre-rich cocoa husk extract reduced systolic blood pressure in spontaneously hypertensive rats by 10 to 15 mmHg, according to findings published in the Journal of Agricultural and Food Chemistry.

The soluble cocoa fibre product (SCFP) is reportedly rich in soluble fibre, antioxidants and polyphenols. Using a patented enzymatic process the product is obtained from cocoa husks. "This new source of soluble fibre was shown to have potential application as a functional food ingredient," said the researchers.

Researchers from Universidad Complutense in Madrid, Natraceutical Group, and the Instituto de Fermentaciones Industriales (CSIC) fed rats genetically predetermined to develop high blood pressure (hypertension) a daily supplement of the soluble fibre-rich cocoa husk extract for 17 weeks. Improvements in the animals' blood pressure were reversed, however, when the SCFP was withdrawn after 20 weeks, said the researchers. "We have shown that the antioxidant properties of SCFP and the polyphenol content of this fibre could be in part responsible for its antihypertensive effect," wrote the researchers, led by Marta Miguel from the CSIC. "The fibre may also benefit hypertension through the control of body weight, and it may also control increased angiotensin II in the hypertensive condition by inhibiting [angiotensin converting enzyme (ACE)]," they added.

ACE inhibitors work by inhibiting the conversion of angiotensin I to the potent vasoconstrictor, angiotensin II, thereby improving blood flow and blood pressure.

High blood pressure (hypertension), defined as having a systolic and diastolic blood pressure (BP) greater than 140 and 90 mmHg, is a major risk factor for cardiovascular disease (CVD) - a disease that causes almost 50 per cent of deaths in Europe, and reported to cost the EU economy an estimated €169bn (\$202bn) per year.

Study details

Miguel and her co-workers divided 20 male spontaneously hypertensive rats into two groups. The animals were randomly assigned to receive either tap water (control) or a solution of SCFP (0.75 grams per day) for 17 weeks. The animals received only tap water for four weeks after this.

Improvements in systolic and diastolic blood pressure were observed in the group receiving the cocoa extract, but not in the control group. Withdrawal of the cocoa extract led to blood pressure increases, said the researchers.

Levels of malondialdehyde (MDA - a reactive carbonyl compound and a well-established marker of oxidative stress) were lower in the SCFP group, while ACE activity was also "slightly decreased", said the researchers. "We have demonstrated the antihypertensive and antioxidant properties of SCFP," wrote the researchers. "The control of body weight and the control of increased angiotensin II may be involved in the antihypertensive effect of this product."

The need for clinical trials

The researchers noted that the exact mechanisms involved in the antihypertensive effect of SCFP have not been fully elucidated, and that more studies are recommended. "Therefore, further clinical trials should also be carried out before suggesting SCFP as a functional ingredient to prevent and/or attenuate the development of hypertension," they concluded.

Cocoa powder benefits

Natraceutical, recently acquired by French botanicals giant Naturex, has been investing in the science behind its cocoa-derived products. An earlier study from the company and using its CocoanOX powder found that rodents fed 300 milligrams of cocoa powder per kilogram of body weight experienced a reduction in blood pressure similar to a 50 mg/kg dose of Captopril, a well-known pharmaceutical anti-hypertensive (Journal of Agricultural and Food Chemistry, Vol. 57, pp. 6156-6162).

Source: Journal of Agricultural and Food Chemistry

Published online ahead of print, doi: 10.1021/jf902080b

“Changes in Arterial Blood Pressure of a Soluble Cocoa Fiber Product in Spontaneously Hypertensive Rats”

Authors: D. Sanchez, M. Quinones, L. Moulay, B. Muguerza, M. Miguel, and A. Aleixandre

Production & Quality

DJ Brazil Cocoa Arrivals Up To 27,686 Bags In Week Ended Jan 10.

SAO PAULO, Jan 13, 2010 (Dow Jones Commodities News via Comtex) --

The volume of cocoa arrivals from Bahia and other Brazilian states rose to 27,686 of 60-kilogram bags in the week ended Jan. 10 from 27,032 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 23,234 bags.

The total from other states was 4,452 bags. Brazil didn't import bags of cocoa from other countries in the week. Thomas Hartmann, a cocoa-market analyst at the association, said arrivals from all regions were on the low side but an improvement is expected from mid-February onward.

Hartmann said Bahia's arrivals clearly signal the tailing-off of the main crop. He added that northern Para state's prolonged dry season in late 2009 also contributed to the poor performance.

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. Farm-gate prices averaged in a range of 92 to 93 reals (\$52.80-\$53.70) per 15-kilogram bag at Tuesday's close. The current dollar equivalent was in the range of \$3,515 to \$3,550 per metric ton.

Sporadic, light showers should continue falling over Bahia's cocoa region throughout the period. The temperatures are expected to average between 20 and 38 degrees Celsius.

DJ Ivory Coast Cocoa Arrivals To Jan 10 Seen Up 8% On Yr.

ABIDJAN, Jan 13, 2010 (Dow Jones Commodities News via Comtex) --

Arrivals of cocoa beans from Ivory Coast's farms at the ports in Oct. 1 to Jan. 10, the first 14 weeks of the 2009-10 season, are estimated at 633,000 metric tons, up 8% on the 586,817 tons that arrived in the same period last season,

according to industry estimates obtained Wednesday. Arrivals in week 14 were about 38,000 tons, up on the 28,691 tons calculated for the same week last season. A year ago the season started slowly due to strikes and a change of management in the cocoa sector, but the season had a longer tail.

UPDATE 1-Ivorian cocoa arrivals seen up, but may dwindle

ABIDJAN, Jan 11 (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast rose to around 630,000 tonnes by Jan 10, but exporters said on Monday they feared lower deliveries in the coming weeks as the main crop tailed off.

Concern that Ivory Coast's crop will fall dramatically after the year-end holiday period have kept cocoa futures hovering around 30-year highs in London and New York. "The averages are falling. We're receiving approximately 16,000 tonnes per 10 days," the director of an export company in the port of San Pedro said, referring to the cocoa deliveries to that port. "This indicates we are losing momentum. This week did not start well."

Cocoa arrivals at ports in Ivory Coast, the world's largest producer, reached around 630,000 tonnes by Jan 10, exporters estimated on Monday, compared with 586,818 tonnes in the same period of the previous season.

Exporters estimated around 35,000 tonnes of beans were delivered to the West African state's two ports between Jan 1 and Jan 10.

There were no comparative figures for the exact same period a year ago, but exporters said around 70,100 tonnes were delivered between Jan. 1 and Jan. 11 of 2009. "There were about 35,000 tonnes recorded at the two ports this last week. The drop is relatively large if you compare with previous weeks," the director of a European export company in Abidjan said. "The maximum number of beans were delivered before festivities and what we're seeing now are the remnants."

NO HARMATTAN SO FAR

Farmers reported patchy rains and hot weather across Ivory Coast's principal cocoa growing regions last week, with mixed results for the main cocoa crop, depending on the region. But the harmattan, a dry wind that normally sweeps down from the Sahara between December and March, was nowhere to be seen.

This wind can blow pods from trees as well as damage them with dust.

The concern among market players for the 2009/10 cocoa season in Ivory Coast is that output could be, at best, level with that of the poor 2008/09 season, which yielded barely over 1.2 million tonnes.

In the western growing regions of Soubre and Meagui, in coastal regions of San Pedro and Sassandra, farmers reported one good downpour mixed with long sunny spells that would encourage the development of flowers and small pods that could be harvested from February. "We had a good rain last night. We are very happy because many flowers and small pods will grow well and lead to a bumper harvest in starting in February," said Roger Tano, who farms near Soubre, in the heart of the cocoa belt. "If we have a rainy week until late January, he there will be plenty of cocoa until March," Tano said.

But in the centre-western region of Daloa, in the western region of Gagnoa and in the eastern region of Abengourou, farmers said no rain fell and warned that a prolonged lack of moisture could reduce bean quality. "There has been no rain and it was hot. It's starting to get alarming," said farmer Marcel Aka, who operates on the outskirts of Daloa, the centre west region producing a quarter of Ivory Coast's national output. "If the lack of rain continues, we will have smaller beans that we can't export."

Ghana announces new producer price for cocoa.

Jan 08, 2010 (Xinhua via COMTEX News Network) --

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.

DJ Ivorian 09/10 Cocoa Export Declarations Down 11% On Yr.

ABIDJAN, Jan 08, 2010 (Dow Jones Commodities News via Comtex) --

From the October 1 start of the 2009-10 season to January 6, Ivory Coast's shippers and cocoa processors declared 334,568 metric tons of cocoa for export, down 42,297 tons, or 11%, on the 376,865 tons declared in the same period last season, official data seen by Dow Jones Newswires showed on Friday. Declarations included

247,123 tons of "raw" beans, down by 4% on last season's 257,582 tons. The bean equivalent of cocoa products was 87,445 tons, down by 27% on last season's 119,283 tons.

DJ Ivory Coast Biweekly Cocoa Export Declaration Down 44% On Year.

ABIDJAN, Ivory Coast, Jan 08, 2010 (Dow Jones Commodities News via Comtex) --

Declarations of cocoa for export in the 14 days to Jan. 6 totaled 21,136 metric tons, down 16,460 tons or 44% on the 37,596 tons declared in the same period last year, official data obtained by Dow Jones Newswires showed Friday.

Declarations comprised 15,648 tons of beans and semifinished cocoa products with an equivalent of 5,488 tons of beans. In the same period last season bean declarations totaled 29,417 tons, while products declared for exports had a bean equivalent of 8,179 tons.

DJ Nigeria's Cocoa Development Body 'In State of Collapse'-Farmers.

IBADAN, Nigeria, Jan 14, 2010 (Dow Jones Commodities News via Comtex) --

Farmers in Nigeria's southwestern Oyo state said Thursday that the National Cocoa Development Committee, or NCDC, set up to radically increase the country's cocoa production "is in a state of collapse."

The NCDC, formed in 1999 by the federal government and industry representatives, agreed to raise Nigeria's annual cocoa production to 600,000 metric tons by 2006 and beyond, above the current production of 250,000 tons. It was mandated to sell chemicals and inputs such as fertilizer to farmers in the country's 14 cocoa-producing states at a subsidy, rehabilitate old cocoa farms and plant new ones, among other programs. "The NCDC is no longer selling subsidized chemicals, hybrid cocoa seedlings and farm equipment to farmers or organizing training programs and replanting old farms," Phillip Oyadipe, chairman of the Cocoa Farmers Association of Nigeria's Oyo state chapter, told Dow Jones Newswires.

Oyo is one of the five key cocoa-producing states in the southwest, which account for 70% of Nigeria's annual cocoa production a year. Oyadipe said the committee has held one meeting since 2008 and hasn't ordered cocoa chemicals in the past three years while its other activities such as rehabilitation of cocoa farms have stopped.

Oyadipe added that the NCDC at inception rehabilitated moribund cocoa farms and planted new ones in Nigeria's 14 cocoa-producing states but such activities have stopped. "The NCDC was active from 2000-2006 but it is no longer carrying on its activities. It is now in a state of collapse," Oyadipe told Dow Jones at a meeting of cocoa farmers from 19 Local governments in Oyo state, in Ibadan, the state capital.

A member of the NCDC said the committee hasn't been active in the last three years, citing paucity of funds and a new government cocoa program. He said the government had developed a 10-year plan from 2009 to 2018 for cocoa development in which the private sector is expected to play a major role. Oyadipe said Nigeria's cocoa production could have fallen drastically but for governments of cocoa-producing states that are supporting their farmers in the efforts to boost cocoa production.

Oyadipe said the Oyo state government, for example, distributed 2.5 million hybrid and high-yielding cocoa seedlings free to farmers in the state from the last quarter of 2009 to this year for planting and provided cocoa inputs at subsidized prices.

DJ Southwest Nigeria Farmers Push For Higher On-farm Cocoa Price.

IBADAN, Nigeria, Jan 14, 2010 (Dow Jones Commodities News via Comtex) --

Farmers in Akinyele Local Government area of Oyo state in southwest Nigeria have demanded an on-farm price of 500,000 naira (\$3,311) for a metric ton of their cocoa or they would keep cocoa back from the market, Adepoju Abraham, a farmer in the area said Thursday. He said buyers coming to the Local government area--a major cocoa producer in Oyo state--to purchase beans have been informed of the new on-farm price, an increase from the old price of NGN480,000.

Abraham said farmers raised the price because of the rising cost of cocoa production in the southwest region. The region accounts for 70% of Nigeria's annual cocoa production of 250,000 tons.

Another farmer from Akinyele Local government area who attended a meeting of the Cocoa Farmers Association of Nigeria, or CFAN in Ibadan, the Oyo state capital, said the cost of chemicals, farm equipment

such as sprayers and machetes have increased in the past year. Farmers, for example, he said now buy a good machete at NGN800, up from the old price of NGN600. He said farmers also now pay higher transportation costs because of the shortage of gasoline that started nationwide in mid-November. The shortage is yet to be solved by the government.

Akinyele and Ido Local government areas are the two biggest cocoa producing areas in Oyo state, which produces around 30,000 tons of cocoa a year.

The Market

DJ SW Cameroon Cocoa Prices Soar On Strong Demand-Farmers, Traders.

YAOUNDE, Cameroon, Jan 13, 2010 (Dow Jones Commodities News via Comtex) --

Prices paid for a kilogram of cocoa beans this week in Cameroon's leading cocoa region of the South-West are up more than 10% at 1,400-1,450 CFA francs (GBP3.03-\$3.14), from XAF1,250-1,300/kg last week, farmers and traders there said.

The price hikes have been triggered by demand from mainly middlemen traders, who flooded the markets demanding cocoa after big buyers and exporters quit the farmgates, the farmers and traders told Dow Jones Newswires. They also said the rush for cocoa is sparked by fear that harvests in southwestern Cameroon could witness a drop, thus farmers may not meet targets for the season.

South-West Cameroon accounts for at least half of the country's annual cocoa output of 210,506 metric tons in 2008-09 (August-July). "There is less cocoa in the markets now, and after the chief cocoa buyers left the markets prices dropped for nearly two weeks, but right now several traders, mainly middlemen traders, have swamped the markets asking for cocoa," said farmer Peter Ndep, who grows and sells in the region. "I bought six tons of cocoa beans in Manyu Monday at XAF1,400/kg and just sold the cocoa in Kumba today (Wednesday) at XAF1,450/kg," said middleman trader Ebenezer Agbor, who had just left Kumba. Located some 450 kilometers southwest of the capital Yaounde, Kumba is the main cocoa-growing and marketing town in the South-West Region.

DJ ICE Cocoa Review: Glides To Three-Week High In Bullish Trend.

NEW YORK, Jan 13, 2010 (Dow Jones Commodities News via Comtex) --

Speculative fund buying boosted ICE Futures U.S. cocoa to three-week highs Wednesday as traders made bullish bets based on technical chart signals. March cocoa settled up \$47 at \$3,389 a metric ton, off the \$3,400 high, and the

May contract settled \$46 higher at \$3,415.

Fresh fund buying interest is coming into the cocoa futures market as the market has held above a bullish technical trend line since May 2009, said

Spencer Patton, chief investment officer at Steel Vine Investments in Chicago. "You've seen a really solid technical picture here that could set (March cocoa) up to test the \$3,500 price level," Patton said.

Traders use technical charts that track market movement to mathematically plot price direction. Speculative funds have no use for the underlying commodity as opposed to the producers, merchants, processors and end users that hedge in the market. The contract has good support at \$3,000, said Jack Scoville, vice president at Price Futures Group in Chicago. Traders are looking ahead to European consumption data scheduled to be released Thursday that will show how much cocoa was ground in the fourth quarter of 2009. "That will be the next catalyst," Patton said.

The North American cocoa grind will be released one week later. Grind data tend to be seasonally stronger in the last quarter of the year due to higher holiday consumption of chocolate, cocoa's main end product, said Scoville.

Cocoa prices are trading near 30-year highs last hit in mid-December, making manufacturers reluctant to buy beans. In some cases, chocolate content in packaged confections has been reduced to cut costs after years of rising cocoa prices.

Prices recently climbed amid foggy outlooks for the ongoing Ivory Coast main cocoa harvest. Ahead of the harvest, weaker production was expected and no leftover stocks were available to provide a buffer. The West African country produces approximately 40% of the world's cocoa supplies annually. Supply news out of Ivory Coast continues to be mixed, with cocoa arrivals to ports up 8% on the season from a year ago, though December bean exports were down 15% on the year. "If it is a short crop, the exporters may be trying to keep things balanced," Scoville said.

ICE cocoa open interest increased by 210 positions Wednesday to total 132,926, the exchange reported. Volume was estimated at 9,910 contracts, according to exchange data. In options, approximately 531 calls and 297 puts traded.

Close Change Range (To the point of settlement)

Mar \$3,389 +\$47 \$3,307-\$3,400

May \$3,415 +\$46 \$3,358-\$3,423

DJ MARKET TALK: ICE Cocoa Hits Fresh High As Bull Trend Builds.

Jan 13, 2010 (Dow Jones Commodities News via Comtex) --

1026 EDT (Dow Jones) - ICE cocoa futures are trading off of fresh three-week high as the market builds on a bullish technical trend, an analyst says. March cocoa is up \$43 at \$3,385 a ton, off of the \$3,400 high, and the May contract

is \$431 higher at \$3,410. Supply news out of Ivory Coast continues mixed with the most recent arrivals data up 8% for the season, though bean exports were down 15% on the year in December. "If it is a short crop, the exporters may be trying to keep things balanced," says Jack Scoville, vice president at Price Futures Group in Chicago. Nonetheless, cocoa continues higher and could push toward \$3,500 basis March, Scoville says. Upcoming fourth-quarter grind data may be seasonally higher, Scoville says. Liffe March cocoa is up GBP11 at GBP2,289 a ton. (HEH).

DJ ICE Cocoa Review: Slips In Range; Jobs Data Signal Less Demand.

NEW YORK, Jan 08, 2010 (Dow Jones Commodities News via Comtex) --

Bearish U.S. jobs data indicative of weaker consumer demand tipped ICE Futures U.S. cocoa lower Friday within the market's recent consolidative range. March cocoa settled down \$13 at \$3,296 a metric ton, a nearly 0.4% loss for the session, and the May contract settled \$16 lower at \$3,318.

Cocoa futures have been locked in a sideways range for the last three weeks amid uncertainties about available supplies and turn-of-the-year market activity. The market fell back from 30-year highs hit Dec. 16 at \$3,510 basis

March, as traders got out of positions ahead of the end of 2009. Now speculators are rebalancing their portfolios as cocoa prices drift in range with little clarification about incoming Ivory Coast bean supplies. The West African country exports nearly 40% of the world's cocoa production. Prices ticked lower Friday as weaker-than-expected December U.S. payrolls data indicated conditions less conducive to economic improvement that leads to stronger consumption of chocolate, the main product from cocoa, said James Cordier, founder of OptionSellers.com in Tampa.

As supply information remains foggy after two seasons of shortfalls, futures prices continue to respect a \$110 range, which is relatively narrow and not enough to note a strong trend. "The picture has definitely clouded as far as supplies and the availability of cocoa recently," Cordier said.

Analysts said strong supplies from top producer Ivory Coast will dwindle if the crop has a shorter tail end than last year, which would dry up the flow of beans sooner than expected. Ivory Coast's 2009-10 season cocoa exports were

down 11% on the year from Oct. 1 through Jan. 6, official data show. However, cocoa bean arrivals to Ivory Coast ports from Oct. 1-Jan. 3 rose 8% over the previous year, industry estimates revealed. The Ivory Coast main crop typically runs from October through March. The smaller mid-crop runs from roughly April through September.

Amid lack of news, March futures are likely to trade within the recent range of \$3,225-\$3,333, though prices could rise if expectations for an economic recovery continue, Cordier said. ICE cocoa open interest increased by 255 positions Thursday to total 132,762, the exchange reported. Volume was estimated 5,627 lots. In options, approximately 8 calls and 33 puts traded, according to exchange data.

Close	Change	Range (To the point of settlement)
Mar	\$3,296	-\$13 \$3,281-\$3,326
May	\$3,318	-\$16 \$3,307-\$3,348

DJ Cocoa Prices Rise In Nigeria's Cross River State.

IBADAN, Nigeria, Jan 15, 2010 (Dow Jones Commodities News via Comtex) --

Graded cocoa prices in Nigeria's southeastern state of Cross River have risen to 485,000-490,000 naira (\$3,211-\$3,245) a metric ton, a cocoa body official and buyers said Friday. Graded cocoa certified fit for export by government produce inspectors sold in the state at NGN480,000/ton last week.

A buyer in Calabar, the Cross River state capital, attributed the increase to rising prices on the international market and "big" demand for cocoa by local exporters. "Prices in the domestic market usually rise in line with world market prices; exporters have been active too and are buying a lot of cocoa, " he said. The buyer said the harvest of the main crop was still going on but that production should fall by the end of this month and then end in February. The 2009-10 (September-October) harvest began in the state in September and usually ends in January or February.

With output of around 50,000-60,000 tons a year, Cross River is the largest cocoa-producing state in southeastern Nigeria and the second-largest in the country after the state of Ondo in the Southwest.

Sayina Riman, national publicity secretary for the Cocoa Association of Nigeria, or CAN, said exporters were buying cocoa at the new price of NGN485,000-NGN490,000/ton because many of them have overseas orders to fill.

He said Cross River hasn't received any rainfall so far in January but that this hasn't yet affected the development of the cocoa midcrop. It is now the dry season in the state, but there are usually a few showers between January and March that help with the development of the midcrop, which is harvested between March and July or August. "Though there is no rainfall yet, farmers are producing good quality cocoas because there is ample sunshine to dry their beans properly, " said another buyer in Ikom, the largest cocoa-producing area of Cross River.

DJ ICE Cocoa Review: Marginally Higher After Profits Taken.

KANSAS CITY, Jan 15, 2010 (Dow Jones Commodities News via Comtex) --

U.S. cocoa futures closed with modest gains Friday, after prices rose to four-week highs at one point but were met by traders seeking to take profits. Nearby March cocoa on ICE Futures U.S. added \$8 to settle at \$3,400 a metric ton.

A stronger dollar against sterling limited the rally attempt. Trading was mostly technical, brokers say, and selling interest ensued after March futures topped out at \$3,429 a ton, knocking prices below unchanged for a time. "Everybody's on the sidelines here just waiting for some news, " said Jimmy Tintle, a broker/analyst at TransWorld Futures in Tampa. Friday's trade seemed to halt, at least temporarily, the recent climb in the market. In the week ended Friday, however, March cocoa added \$104 a ton as funds bought.

Demand news also improved this week with the fourth-quarter 2009 European cocoa grind up 1.9% from the third quarter and 0.6% higher than the comparable year-ago period. Grindings took a hit in the past year as the economic

recession bottomed out and producers used less cocoa in the chocolate products. Nevertheless, cocoa futures may see sideways price action for another month or at least until significant fundamental news hits the market, sTintle said. U.S. fourth-quarter cocoa grindings are due out on Thursday. London cocoa futures on Liffe also gained modestly after seeing prices fluctuate on both sides of unchanged in reaction to the mixed dealings in New York.

Open interest rose 1,306 to total 135,898 contracts, ICE data showed. Futures volume was pegged at 8,187 lots, with 130 calls and 15 put options traded.

ICE	Change	Range
March	3,400 up 8	3,380 - 3,429
May	3,425 up 7	3,406 - 3,454

* ICE settlements in dollars per metric ton.

DJ Southwest Nigeria Graded Cocoa Price Up At NGN510,000/Ton-Buyers.

IBADAN, Nigeria, Jan 15, 2010 (Dow Jones Commodities News via Comtex) --

The price of graded cocoa in southwestern Nigeria rose to 510,000 naira (\$3,377) a metric ton this week, buyers said Friday. Graded cocoa--cocoa which has been certified fit for export by government inspectors--sold at NGN500,000 last week.

A buyer in Akure, capital of Ondo State, the biggest cocoa producer in Nigeria, said the rising price in the domestic market was down to international prices going up and high demand for cocoa from local exporters. "Though there is substantial cocoa in the local market, exporters need a lot of cocoa to fulfill overseas orders, and (the) main crop harvest...would end next month," he said. "The current price is the highest that cocoa has been sold in Nigeria. It is unprecedented but could go higher in the next few weeks," said another buyer in Ile-Ife, an important cocoa-growing and marketing center in Osun State. The southwest cocoa belt account for 70% of Nigeria's annual cocoa production.

Processing & Manufacturing

SWITZ: Callebaut sees flat 2010 chocolate market.

Just-food, (JLRM), 13 January 2010,

Swiss chocolate group Barry Callebaut booked an increase in first-quarter sales today (13 January) - but said it expects the global chocolate market to remain flat in 2010. Recording a 6.3% rise in revenue in local currencies for the three months to the end of November, the firm said it expects the industry to return to growth from 2011. Barry Callebaut said, however, that it was confident it would outperform the sector this year.

Nevertheless, Barry Callebaut's sales were severely impacted by adverse currency effects. In Swiss francs, the company's reporting currency, revenue came in at CHF1.45bn (US\$1.43m), a rise of 1.5%. Sales volume grew 7.2% to 362,973 tonnes. All regions and - on a like-for-like-basis - all product groups, contributed to the growth, the company said.

The most significant volume increases were noted in Asia, where volumes were up 17.7%, in the Americas, where volumes rose 15.6% and Barry Callebaut's global sourcing and cocoa division, which saw volumes climb 14%. "We are very pleased about our significant sales volume growth in the first three months of our current fiscal year, said Barry Callebaut CEO Juergen Steinemann. After a volume contraction of the global chocolate market by more than 2% in the past fiscal year in the wake of the worldwide economic crisis, we believe the decline has bottomed out and expect the global chocolate market to remain flat in volume terms in 2010.

In Europe, sales revenue increased 0.7% in local currencies, but due to negative currency translation effects, the region saw sales fall by 2.9% in Swiss francs to CHF917.4m.

In the Americas, the weak US-dollar negatively affected sales revenue. While sales revenue was up 14.3% in local currencies, the increase in Swiss francs was only 4%. Sales came in at CHF248.5m.

Revenue growth in the firm's Asian market, which was 18.7% in local currencies, was also dampened by currency effects. In Swiss francs, the growth rate was 14.1% and sales revenue amounted to CHF52.7m.

DJ ICE Cocoa Review: Rides Soft Dollar Support To Three-Week High.

NEW YORK, Jan 11, 2010 (Dow Jones Commodities News via Comtex) --

The sagging dollar triggered buying that boosted ICE Futures U.S. cocoa by nearly 1.5% Monday amid persisting uncertainty about bean supplies. March cocoa settled up \$47 at \$3,343 a metric ton, off of the \$3,345 three-week high, and the May contract settled \$49 higher at \$3,367.

Cocoa prices have underlying support from International Cocoa Organization projections that supply fell short of demand in the two most recent marketing years. Uncertainty about the incoming harvest from top producer Ivory Coast is holding futures at relatively high levels as the softer greenback incites buying, said Tom Mikulski, senior market strategist at Lind-Waldock in Chicago.

The weaker dollar boosted many commodities prices early Monday and cocoa pushed through the recent high of \$3,333. Traders buy commodities futures when the weak dollar makes them less costly. The greenback was

under pressure as lingering malaise from weak U.S. December employment data Friday indicated a less bullish economic outlook than previously anticipated. Economic data from China on Monday added to dollar selling as outlooks for the dollar showed lower yields compared to other currencies. "The path of least resistance is lower for the dollar, which should support commodities," Mikulski said.

Cocoa has a shot at retesting the 30-year high of \$3,510 basis March if it can push above the \$3,400 area, he said. In the meantime, sideways consolidation is in the cards for the cocoa market, Mikulski said.

On the physical side of the market, Ivory Coast cocoa bean arrivals to ports in early January were up by 8% from the previous year, data shows, though exports are down nearly 11%. The West African country produces nearly 40% of the world's cocoa supply annually. Mikulski said exports data is overriding arrivals as traders eye the cocoa available to the market. Liffe March cocoa settled up GBP7 at GBP2,277 a ton and the May contract settled up GBP8 at GBP2,284.

ICE cocoa open interest decreased by 84 positions Friday to total 132,678, the exchange reported. Volume was estimated 11,045 contracts, according to exchange data. In options, approximately 138 calls and 62 puts traded.

Close	Change	Range (To the point of settlement)
Mar	\$3,343 +\$47	\$3,307-\$3,345
May	\$3,367 +\$49	\$3,338-\$3,369

NY sugar soars, coffee climbs, cocoa drifts lower

By Nigel Hunt and Marcy Nicholson

LONDON/NEW YORK, Jan 12 (Reuters) - Fourth-quarter 2009 cocoa grinding volumes in Europe and North America, key measures of demand, are expected to show that post-recession restocking has yet to gather pace, but that picture could be rosier later this year.

Cocoa grinds fell sharply in the first half of 2009 as the global economic downturn prompted processors to run down inventories. European grinds fell more than 10 percent in both the first and second quarters versus comparable 2008 levels.

Grindings started to recover in the third quarter, with the European grind only 1.5 percent below year-earlier levels and the start of a restocking cycle is now keenly awaited. "Although we've seen some very strong economic data out of the U.S. and Europe, there hasn't been a huge amount of evidence that we have seen that restocking cycle from processors really cranking up," said Barclays Capital analyst Nick Snowden. "Our central view is we see the big gains in Q1 and Q2 (grindings) and we wouldn't expect this (fourth quarter data) to really surprise on the upside," he added.

Europe's fourth-quarter grind is due to be issued on Thursday while the North American grind is expected to be released a week later.

North American grinds have followed a similar pattern to Europe, losing nearly 13 percent in the first quarter and almost 7 percent in the second quarter before showing only a marginal decline in the third quarter of 2009. U.S. cocoa dealers expect the North American fourth-quarter grind to be flat to slightly lower, compared with a year ago.

NEW BUDGETS TO ACCELERATE RESTOCKING

"We think industries are trying to restock both futures and physicals but have done so very reluctantly due to the high prices and budget restriction in '09," Peter Johnson, president of Transmar Commodity Group in Morristown, New Jersey, said in an email to Reuters. "With new budgets in 2010 we feel the process will accelerate," he said.

In 2009, the National Confectioners Association changed the report to include data from the United States, Canada and Mexico, rather than the U.S. only. The report, which no longer includes liquor and butter melted, recalculates 2008 figures to reflect the historical data.

Marcelo Dorea, partner of hedge fund Round Earth Capital in New York, projected European fourth-quarter cocoa grindings will be flat, compared with a year ago. He estimated North American data will be flat to 2

percent lower, in part due to relatively lower discretionary consumer spending driven by shrinking net disposable income and unemployment, he said.

Other reasons included the lower cocoa content as a result of smaller bar sizes, and the consumer shift to low-price confectionery items rather than pure chocolate and natural cocoa, Dorea said. Soaring cocoa prices have led some confectioners to downside bars and use cheaper alternative ingredients.

Cocoa prices on ICE rose to a 30-year high in mid-December, boosted by tight supplies with key producers in West Africa struggling to keep pace with long-term growth in demand following a prolonged period of low investment. "There have been reports of slightly diluted levels of cocoa used (in products) so that would potentially have some effect but it is very difficult to have a firm hold on that because the data is not out there," said Barclays Capital's Snowdon.

An expansion in grinding capacity in producing countries such as Ghana could also curb the amount of cocoa shipped to Europe for processing. "I think some of the African grindings have been better but I think Europe and America are still going to be struggling a little bit," said Macquarie Bank analyst Kona Haque

FACTBOX-British confectioner Cadbury.

Jan 14 (Reuters) - U.S. chocolate maker Hershey Co is working on a bid for Cadbury Plc that would top Kraft's hostile \$17 billion takeover offer, a source familiar with the matter said on Wednesday.

Following are key facts about Cadbury.

- Cadbury is the world's second-largest confectionery company after Mars-Wrigley, making brands such as Dairy Milk chocolate, Trident gum and Halls cough drops.
- Cadbury has the No. 1 or No. 2 positions in more than 20 of the world's 50 biggest confectionery markets.
- Cadbury operates in more than 60 countries and employs more than 46,000 people.
- Full-year revenue in 2008 came to 5.4 billion pounds (\$8.80 billion) with underlying operating profit of 638 million pounds.

HISTORY:

- Started life in 1824 with John Cadbury opening a shop in Birmingham selling tea and cocoa.
- Merged with Schweppes in 1969 to create Cadbury Schweppes.
- Became the world's biggest confectionery group in 2003 after buying the U.S. Adams chewing gum business for \$4.2 billion.
- Sold continental European business to Lion and Blackstone for 1.85 billion euros (\$2.69 billion) in February 2006.
- Demerged Cadbury Schweppes Plc in May 2008 following shareholder pressure, creating the London-listed confectionery group Cadbury Plc and U.S. soft drinks group Dr Pepper Snapple Group.
- In March 2009, sold Australian beverage business Schweppes Australia to Asahi
- Breweries for A\$1.185 billion (\$769.5 million), completing its exit from soft drinks.
- In Jan. 2010 Kraft Foods Inc sweetened its 10.2 billion pound offer for Cadbury with cash, as the U.S. food company's hostile takeover attempt entered its final month.
- Hershey authorized drawing up a bid for Cadbury and a formal offer could be made within two weeks, the Financial Times said on Thursday, citing a person familiar with the matter. Hershey has until Jan. 23 to make a bid under UK

DJ German 4Q Cocoa Grind Up 9.4% On Year At 95,834.2 Tons.

FRANKFURT, Jan 14, 2010 (Dow Jones Commodities News via Comtex) --

German cocoa bean grindings in the fourth quarter rose 9.4% to 95,834.2 metric tons, compared with 87,576.3 tons in the same period of the previous year, the Association of the German Confectionery Industry said Thursday.

For the full year, German cocoa bean grindings fell 4.7% to 349,981.3 tons, the association added.

Association Web site: www.bdsi.de

DJ Europe 4Q Cocoa Grindings 351,316 Tons, Up 0.6% On Year -Group.

LONDON, Jan 14, 2010 (Dow Jones Commodities News via Comtex) --

European cocoa bean grindings in the fourth quarter totaled 351,316 metric tons, up 0.6% compared with the same period a year ago and 1.9% higher than the third quarter, the European Cocoa Association said Thursday. Full-year grindings were 1,303,088 tons, down 5.7% on the previous year, the association said.

The ECA accounts for around two-thirds of European cocoa grindings. ECA grinding members are ADM Cocoa, a unit of Archer Daniels Midland Co. (ADM); Barry Callebaut AG (BARN.EB); Delfi Cocoa Europe, a division of Petra Foods Ltd. (P34.SG); ECOM/Dutch Cocoa; and Gerkens Cacao, a unit of Cargill Inc.

Bean processors are Cadbury Schweppes PLC (CSG), Carletti, Cioccolato Peyrano, Euromar, Ferrero SPA, Fuchs & Hoffmann, Hachez, Herza, Icam, Kessko, Kraft Foods Inc. (KFT), Lindt (Italy), Ludwig, Majani, Natra, Nederland, Nestle SA (NESN.VX), Schokinag, Schwartauer Werke, Stabilimento Testa, Storck, Weinrich and Toms.

A breakdown of European grind figures issued by the ECA is given below in tons:

Year	1Q	2Q	3Q	4Q	Total
2009	315,177	291,763	344,832	351,316	1,303,088
2008	354,571	328,920	348,501	349,351	1,381,343
2007	338,495	323,353	351,040	348,901	1,361,789
2006	324,173	312,817	324,903	338,922	1,300,815
2005	295,061	295,926	311,627	317,000	1,219,614
2004	292,367	272,570	287,040	301,214	1,153,191
2003	276,070	270,197	279,675	302,988	1,128,930
2002	264,755	257,570	271,041	282,501	1,075,867
2001	307,764	284,048	287,709	286,947	1,166,468
2000	292,628	275,663	297,164	307,473	1,172,928
1999	261,792	262,073	259,907	285,952	1,069,724

Company Web site: <http://www.eurococoa.com>

CAMPCO to increase chocolate production.

Hindu (India), (JLVW), 11 January 2010

MANGALORE: The Central Arecanut and Cocoa Marketing and Processing Cooperative Ltd. (CAMPCO) has expanded the production capacity of its chocolate factory at Puttur in Dakshina Kannada from 12,000 tonnes to 17,000 tonnes a year, its president S.R. Rangamurthy has said.

Mr. Rangamurthy told The Hindu on Saturday that the cocoa products included finished and semi-finished products such as 'clairs (chocolates), cocoa butter, cocoa mass, choco paste, cocoa liquor and cocoa powder.

The expansion had been done at a cost of Rs. 7.5 crore, he said. Chief Minister B.S. Yeddyurappa will commission the new machinery at the factory on January 17.

Mr. Rangamurthy said the production capacity of the factory had been increased from 9,000 tonnes to 12,000 tonnes a year four years ago. At present, the chocolate factory produces 4,500 tonnes of 'clairs a year. With the installation of new equipment, it would go up by another 2,500 tonnes a year, he added. He said the cooperative was planning to import cocoa mass to meet its annual requirement, as it was in short supply in the domestic market.

The cooperative was procuring wet cocoa beans from farmers at Rs. 42 a kg now. This year, the market price of wet cocoa beans had increased to a record Rs. 48 a kg, he said. The CAMPCO, which is a multi-State cooperative society of Karnataka and Kerala farmers, is the only company in the State having a chocolate factory. The factory was set up in 1986.

Business and Economy

Commodities make bright start to 2010.

Daily News Egypt, (KBWT), 10 January 2010.

LONDON: Commodities enjoyed a bright start to 2010, with oil bouncing above \$83 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. "It is our view that markets have underestimated the strength of the economic growth rebound in the first quarter and that it is still a little early to exit the recovery trade."

Markets tailed off somewhat on Friday as traders digested news that the United States a major consumer of raw materials shed more jobs than expected in December.

Most commodities rallied in 2009 on keen demand and signs of global economic recovery, with oil soaring about 80 percent and gold hitting record peaks.

Cocoa

Prices rose towards their recent 30-year high on production concerns in leading producer Ivory Coast. Cocoa is rising in value "amid concerns that Ivory Coast production may starttailing off, " said Macquarie Securities analyst Kona Haque. In London on Dec. 17, cocoa struck GBP2,337 a ton a level last seen in October 1977. By Friday on LIFFE, the price of cocoa for delivery in March rose to GBP2,282 a ton from GBP2,216 on Thursday of the previous week. On the NYBOT, the March cocoa contract rose to \$3,312 a ton from \$3,262.

Coffee

Coffee prices soared as investment funds returned to the market. "Funds made their mark across much of the commodities complex ... when trading for the year got underway, " said Sueden analyst Ralph Hawes. By Friday on LIFFE, Robusta for delivery in March rallied to \$1,397 a ton from \$1,323 on Thursday of the previous week. On the NYBOT, Arabica for March rose to 144.75 US cents a pound from 137.95 cents.

Govt's Attention to Oil Affects Cocoa Production.

Vanguard (Nigeria), (ARKA), 15 January 2010,
Moses Nosike.

Ajinde Jonathan, President, Ondo State Council of Chambers of Commerce, Industry, Mines and Agriculture (OSCCCIMA), in this interview explains the challenges facing cocoa production in Nigeria since government has concentrated attention to oil.

In the 70s, Cocoa was one of Nigeria's main foreign exchange earners, where output was peaked at about 400,000 tones, today what's happening in the Cocoa industry in Nigeria?

Cocoa became a native of Nigeria in the 19th century and West African countries were producing about 70% of the world total production with Cote'd'voire 38%, Ghana 21%, Nigeria 5% and Cameroon 5%. In the 70s, cocoa was one of Nigeria's main foreign exchange earners, when it used to account for 45% foreign exchange. At that time, total production was about 400,000 tones but today the situation has changed when Nigeria ventured into exploration and exploitation of crude oil. Nigeria no longer bothers about whatever happens at the agricultural sector especially cocoa sector production. Even when over 300,000 hectares of Nigerian land is under cocoa production, the average yield per hectare is 0.5 MT mostly from aging farms which has led to the poor living conditions of the operators, that is, farmers.

Cocoa growing in Nigeria comprises of small farm owners of which most plantations are family farms of 2 - 10 hectares. These small-scale farmers lack the knowledge and skill that can lead to increased productivity and quality of output. In fact, there is no government policy on cocoa for now. The attempt made by the immediate past government of President Olusegun Obasanjo to create awareness of the wealth creation potentials of cocoa, promote increase in production, attract youths into cocoa cultivation and help raise fund for the development of the industry in 2005 tagged: "Cocoa Rebirth" had not been given the desired attention and support by the same government that introduced it.

The programme has therefore become comatose. The low government interest in cocoa production occasioned by the oil boom led us to the militancy of the Niger Delta region which Nigeria is now grappling with, has become a national problem and an international embarrassment. Again, the government of Nigeria and three other West African Countries that produce about 70% of world cocoa production but depend on United Kingdom and New York to determine the price is to blame.

They only produce and export 98% of the cocoa beans to the consuming developed processor nations, who in turn process the cocoa beans into beverages, chocolates, ice cream and cosmetics and import these finished

products back to the country. Nigeria has therefore become a net importer of cocoa products due to the absence of necessary incentives which may also increase the cost of production in the country.

So, what is happening in the cocoa industry in Nigeria today is that some rural, uneducated, untrained and ignorant farmers find themselves in the agricultural zone of 10% north of the Equator and contributing immensely to the

GDP of Nigeria through foreign exchange earnings on cocoa exports but getting poorer by the day due to government insensitivity

Do you think the challenges of cocoa industry in Nigeria has anything to do with government policy?

Yes. Like I have said earlier, there is no national policy on cocoa as at now to serve as a guide to the operator in the cocoa industry. This policy when in operation should be backed with well-articulated legislation for it at the production, processing and consumption level.

Government so deregulated cocoa market and left it in the hands of the licensed buying agents/exporters to the extent that these LBA determines the price of cocoa at any given time, even to the producers i.e the farmers who have financial commitment to them. Nigeria began the export of cocoa beans during the colonial rule from 1910 - 2009 to Europe and United States, during this century of export of cocoa beans, Nigeria has not developed a policy to market its product but depended largely on the traditional market of Europe and America not even bothering on Emerging Markets like Asia and Africa.

The National Cocoa Developing Committee (NCDC) is now moribund and the Cocoa Association of Nigeria (CAN) is silent on this government attitude. Government agencies have proved to be grossly ineffective, local consumption campaign is at the lowest ebb despite its health advantages. Government has closed her eyes on incentives, training, motivation, support, quality control and industry development.

Can the low processing of cocoa business be attributed to global economic melt down?

I don't believe that, because cocoa and its products are useful and important in various fields of human endeavours, it is the government insensitivity to a serious cash crop product that earn substantial amount of foreign exchange that is killing the processing of cocoa business in Nigeria and not any form of melt down because cocoa beans is hot cake in the market (both local and international).

What can be done to revitalize cocoa industry in Nigeria?

The Federal Government of Nigeria should enact a legislation on national policy on cocoa. The playing ground for all the operators should be made level, one operator should not have undue advantage over others in form of enabling financial environment to enhance both cocoa production and processing of the beans.

Government should increase output by availing the farmers and processors generous incentives. Government should direct the Commercial banks to finance Agricultural Credit Scheme such as for cocoa. Government should educate farmers through seminars, workshops, talks and visitations to farmers and farm lands about the latest farming technique and latest copper sulphate free chemicals and other insecticides that affect cocoa production.

The Federal Government of Nigeria as a matter of policy and the spirit of brotherly cooperation work in concert with the other West African producers with the view to setting up a West Africa Commission on cocoa, so that the price and other associated issues be determined at that sub-regional level.

Others

Ghana : Cadbury Cocoa Partnership supports COCOBOD extension programme in 100 communities.

TendersInfo, (KCHW), 13 January 2010

To support the programme, the Cadbury Cocoa Partnership will be funding extension officers in 100 communities where the Cadbury Cocoa Partnership is active with plans to expand further. Extension officers will be working closely with these communities and with partners CARE, VSO and World Vision to help them find ways to improve production on their cocoa farms. James Boateng, MD,

Cadbury Ghana, says: The ambition of the Cadbury Cocoa Partnership is to create thriving rural communities and the extension officers will deliver much needed support to cocoa farmers. We call on others to support this programme and work with COCOBOD to improve extension services in Ghana. Tony Fofie, COCOBOD, says: Cadbury is a vital trade partner and we are delighted that Cadbury is supplementing the extension programme by recruiting extension officers.

Additional extension officers will help widen the programme to more communities and bring increased benefits to farmers. Farmer extension services such as training and improving access to fertilisers and seedlings are critical to helping cocoa growing communities improve yields and livelihoods.

China: China builds chocolate great wall.

Thai News Service, (GDFC), 16 January 2010.

Section: General News - Thousands of dark chocolate building bricks, glued in place with white chocolate mortar, make for China's first 10-metre-long chocolate Great Wall. China's Great Wall is infamous for its sturdy, long structure. Now it also comes high in calories.

A 10-meter-long edible replica has been built entirely from solid chocolate bricks and white chocolate mortar in a move to entice China's more than 1 billion population to eat more of the sweet stuff. Staff at the World Chocolate Wonderland put the finishing touches to the chocolate monument in a temperature-controlled showroom in Beijing on Thursday.

Chocolatier Wang Qilu said the scaled-down chocolate version of the thousand-year-old structure was a feat of engineering in itself as he carefully constructed a deliberately crumbling section on one end, a sight familiar on the real wall.

Up to 80 tons of chocolate were used in making the displays, which include line upon line of 560 terracotta warriors standing to attention on a layer of chocolate flakes.

The show is hoped to give chocolate a boost in the Chinese market. The World Chocolate Wonderland, which opens to the public at the end of January, will feature cocoa-copies of Chinese artifacts alongside booths and displays from domestic and foreign chocolate brands including Lindt, Ferraro and Kinder. - Thai-ASEAN News Network

DJ Ivory Coast Repairs 900KM Of Rural Roads In Cocoa Zone.

ABOISSO, Jan 14, 2010 (Dow Jones Commodities News Select via Comtex) --

Nine hundred kilometers of bush roads in Ivory Coast's cocoa belt have been repaired in the first month of a project to protect cocoa production in the world's biggest producer, according to the Cocoa-Coffee Management Board, or

CGFCC. "The farmers suffer from the poor state of the bush roads, which has a negative consequence on the farmgate cocoa price, and it's also a handicap for our economy," Gilbert N'guessan Anoh, head of the CGFCC, told Dow Jones Newswires Wednesday.

More than a 100 road graders, bulldozers and assorted vehicles were bought in October and then distributed throughout the cocoa zone. Tanoh Kouao, a cocoa farmer in the eastern Aboisso region, has seen the road from his remote home to the local village repaired in the last few weeks. "It's a big relief to see these machines. You can't imagine what it's like here when it rains a lot, the cocoa rots in the bush because we can't get it out," he said.

Cocoa deteriorates in quality rapidly if not properly stored and few farmers have adequate storage sites. Another cocoa farmer, Mamadou Traore, welcomed the work, but said he feared the machines could be hijacked by local interest groups. "In Ivory Coast we often start such things, but after a while a few people use such resources for their own benefit, when they belong to the farmers, " he said.

Ivory Coast produces around 1.3 million tons of cocoa beans annually, but production has been declining because of a lack of investment in ageing farms. The CGFCC say each year they'll spend 7.4 billion CFA francs, or \$16.3 million, to repair 12,000 km of roads.

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: coffee and sugar climb

NEW YORK (January 09, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Friday. March arabica coffee contract rose 2.90 cents to \$1.4480 per lb at 11:12 am EST (1612 GMT). Session range from \$1.4195 to \$1.4530. Arabica coffee climbed toward the upper end of its recent range on support from the weak dollar, said brokers. March raw sugar contract gained 0.17 cent to 28.17 cents per lb at 11:13 am.

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.

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.

London sugar more than doubles in 2009

LONDON (January 01, 2010): White sugar futures touched a record peak on the last day of 2009 and raw sugar nudged near 29-year highs due to tight supplies. London cocoa ended the year up by over a quarter and robustas were down 14 percent. Sugar futures more than doubled in 2009 due to strong import demand from India, the world's top consumer, after a poor domestic harvest, and due to heavy and persistent rainfall during harvesting in top producer Brazil, which hit yields.

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.