



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 290

30<sup>th</sup> June – 4<sup>th</sup> July 2008

## ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York futures (US\$/tonne)
30 <sup>th</sup> June	1962.74	3206.38	1662.00	3150.33
1 <sup>st</sup> July	2015.35	3295.94	1703.33	3245.00
2 <sup>nd</sup> July	2006.01	3271.30	1685.33	3230.00
3 <sup>rd</sup> July	1921.05	3143.55	1630.33	3098.67
4 <sup>th</sup> July	1869.12	3039.62	1582.33	2983.33
Average	1955.00	3191.00	1653.00	3141.00

## Up-coming Events

- 7<sup>th</sup> General Assembly and Council of Ministers Meetings, 8<sup>th</sup> – 12<sup>th</sup> September 2008, Bavaro, Dominican Republic

### INSIDE THIS ISSUE:

- ICCO DAILY COCOA PRICES
- LONDON AND NEW YORK FUTURES MARKET UPDATES
- SPOT PRICES
- NEWS
- TIT-BITS

## In the News (from Newspapers worldwide)

### Health and Nutrition

- What makes cocoa good?
- Dark chocolate sales soar thanks to healthy image
- Britons spend more on luxury Chocolates – Survey
- UK: Health concerns buoy dark chocolate – study
- Cheap, Processed Chocolate Has Virtually No Health Benefits Due to Lack of Flavanols
- Chocolate Lovers Getting Darker
- Champagne and dark chocolate reduce flight stress
- Note to pregnant women: Crank up the AC, eat chocolate
- Health benefits driving the dark chocolate trend

### Production and Quality

- Cocoa board calls for rehab of industry
- Ghana's cocoa production more than doubled within eight years
- IBM bids to save world's Chocolate

### The Market

- Cocoa suffers minor setback, mood still bullish
- Pit Review for Financials, Energies, Commodities, and Metals
- Will the Agriculture Sector Bust?

### Processing and Manufacturing

- Men and chocolate - both have a grey old time
- Chocolate industry avoids meltdown during credit crunch as sales increase
- Consumer Reports: Haagen-Dazs Tops Taste-Tests of Ten Light Ice Creams

### Business & Economy

- Vietnam's cocoa among world's leading ones in quality
- Mars goes after the perfect sugar rush via cocoa DNA
- More bonus for cocoa farmers
- New chocolate maker contracts boost volumes for Barry Callebaut
- Bits: A genetic quest for better chocolate
- Chocolate lovers, Rejoice!
- Cocoa at over-20 Yr Peaks, funds pile in for Q3
- Investors on cocoa, coffee, sugar high
- Chocolate camp teaches you how to make the sweet treat

- Cocoa farmers can smile, 2nd tranche of bonuses released
- Barry Callebaut opens its First Innovation Center in the United States at Chocolate Factory in Pennsauken, N.J
- Confectionery Firms profit from Chinese Chocoholics
- New Callebaut center focuses on US tastes and functional products
- Indonesia: Cocoa sellers offer higher discount to lure buyers
- Commodity Exchange Best For Africa
- EC heads to court to end 'pure' choco claims
- Chocolate makers try to satisfy a picky Chinese palate
- Barry Callebaut reports sales for the first nine months of fiscal year 2007/08: Dynamic sales growth

### Labour Issues

- Ghana: Country releases Certification Report on Child Labour in Cocoa Industry
- Cocoa Industry fails to deliver on July 1, 2008 Child Labor Commitments
- Stop child slavery in the chocolate industry, say campaigners

### Environmental Issues

- Endangered Species Chocolate Calls for "10% Give Back" Applications

### Others

- Interrogations, Arrests Mount in Ivory Coast cocoa probe
- ICoast corruption probe targets state-owned cocoa authority
- Ivorian BCC names new interim managing director
- Cocoa: COPAL seeks farmers's compliance to EU's standards
- Snacks players must embrace health and wellness to beat obesity
- Obesity: opportunities for food players to hit \$1.4 trillion in revenues by 2012
- Biofuels Blamed for Global Food Price Crisis - Report
- Commodities Prices Jump, And Upward Trend Is Likely to Continue
- All chocolate is bad for canines
- New fund connects African suppliers with UK supermarket shelf

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

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

**Monday 30th June 2008**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2008	1747	1758	15	1759	1740	962
Sep 2008	1689	1705	19	1705	1678	5,041
Dec 2008	1644	1660	17	1660	1643	1,031
Mar 2009	1608	1621	20	1621	1607S	1,122
May 2009	1614	1621	21	1615	1604S	92
Jul 2009	1609	1626	22	1618S	1609S	62
Sep 2009	1611	1626	18	1624	1611	26
Dec 2009	1619	1632	16	1619S	1617S	10
Mar 2010	1628	1644	16	1632S	1627S	35
May 2010		1644	16			0
<b>Average/Totals</b>		<b>1654</b>				<b>8,381</b>

**Tuesday 1st July 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1751	1795	37	1800	1749	1,223
Sep 2008	1696	1744	39	1748	1691	10,157
Dec 2008	1654	1702	42	1706S	1648	3,285
Mar 2009	1618	1664	43	1665S	1610	704
May 2009	1607	1662	41	1649	1607S	83
Jul 2009	1649	1666	40	1649	1649	1
Sep 2009		1664	38			0
Dec 2009		1672	40			0
Mar 2010		1684	40			0
May 2010		1684	40			0
<b>Average/Totals</b>		<b>1694</b>				<b>15,453</b>

**Wednesday 2nd July 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1791	1772	-23	1794	1768	2,286
Sep 2008	1743	1721	-23	1743	1714	3,203
Dec 2008	1700	1686	-16	1702S	1679	1,874
Mar 2009	1661	1649	-15	1663S	1645S	495
May 2009	1648	1648	-14	1649S	1648	265
Jul 2009		1652	-14			0
Sep 2009		1650	-14			0
Dec 2009		1658	-14			0
Mar 2010		1669	-15			0
May 2010		1669	-15			0
<b>Average/Totals</b>		<b>1677</b>				<b>8,123</b>

**Thursday 3rd July 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1782	1712	-60	1794	1710	2,523
Sep 2008	1723	1659	-62	1740	1646	5,563
Dec 2008	1690	1631	-55	1706	1623S	3,344
Mar 2009	1650	1601	-48	1667	1595	1,355
May 2009	1650	1603	-45	1664S	1601S	450
Jul 2009	1655	1608	-44	1655S	1598S	28
Sep 2009	1664	1608	-42	1664	1595S	66
Dec 2009	1603	1612	-46	1608S	1598S	18
Mar 2010		1623	-46			0
May 2010		1623	-46			0
<b>Average/Totals</b>		<b>1628</b>				<b>13,347</b>

**Friday 4th July 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1706	1662	-50	1711	1660	1,139
Sep 2008	1650	1604	-55	1657	1599	8,855
Dec 2008	1627	1586	-45	1630	1576	4,205
Mar 2009	1598	1557	-44	1598	1549	1,415
May 2009	1594	1555	-48	1594S	1555S	35
Jul 2009	1578	1560	-48	1578S	1553S	44
Sep 2009	1555	1560	-48	1558S	1552S	29
Dec 2009	1600	1564	-48	1600	1600	4
Mar 2010		1575	-48			0
May 2010		1575	-48			0
<b>Average/Totals</b>		<b>1580</b>				<b>15726</b>

<b>Average for the week</b>	<b>1572</b>					<b>12206</b>
<b>Total for the week</b>						<b>61,030</b>

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

**Monday 30th June 2008**

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3280	3245	-30	3280	3243	12
Sep 2008	3175	3181	3	3207	3165	4983
Dec 2008	3160	3161	7	3182	3150	602
Mar 2009	3110	3115	3	3134	3100	888
May 2009	3126	3109	4	3126	3090	19
Jul 2009	3106	3096	4	3116	3096	1
Sep 2009	3106	3101	5	3109	3101	11
Dec 2009		3099	5	3099	3099	
Mar 2010		3100	1	3100	3100	50
May 2010		<b>3100</b>	unch	3100	3100	
<b>Average/Totals</b>		<b>3118</b>				<b>6566</b>

**Tuesday 1st July 2008**

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3260	3360	115	3385	3260	13
Sep 2008	3157	3275	94	3290	3155	7179
Dec 2008	3151	3252	91	3268	3135	731
Mar 2009	3105	3207	92	3220	3105	119
May 2009	3166	3197	88	3214	3162	4
Jul 2009	3211	3183	87	3220	3183	4
Sep 2009	3218	3191	90	3237	3191	10
Dec 2009	3217	3195	96	3217	3195	
Mar 2010		3188	88	3188	3188	
May 2010		3188	88	3188	3188	
<b>Average/Totals</b>		<b>3208</b>				<b>8060</b>

**Wednesday 2nd July 2008**

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3340	3333	-27	3340	3333	33
Sep 2008	3276	3248	-27	3286	3221	11,801
Dec 2008	3255	3236	-16	3260	3208	1,504
Mar 2009	3213	3193	-14	3215	3180	323
May 2009		3186	-11	3186	3186	642
Jul 2009		3173	-10	3173	3173	262
Sep 2009	3163	3181	-10	3181	3163	14
Dec 2009		3180	-15	3180	3180	5
Mar 2010		3174	-14	3174	3174	
May 2010		3174	-14	3174	3174	
<b>Average/Totals</b>		<b>3208</b>				<b>14584</b>

**Thursday 3rd July 2008**

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3354	3230	-103	3354	3204	5
Sep 2008	3266	3136	-112	3289	3094	5,620
Dec 2008	3251	3124	-112	3273	3085	1,457
Mar 2009	3205	3082	-111	3228	3048	323
May 2009	3182	3075	-111	3182	3075	115
Jul 2009		3062	-111	3062	3062	8
Sep 2009	3170	3068	-113	3170	3068	1
Dec 2009		3067	-113	3067	3067	
Mar 2010		3063	-111	3063	3063	
May 2010		3077	-97	3077	3077	
<b>Average/Totals</b>		<b>3098</b>				<b>7529</b>

**Friday 4th July 2008**

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3354	3230	-103	3354	3204	5
Sep 2008	3266	3136	-112	3289	3094	5,620
Dec 2008	3251	3124	-112	3273	3085	1,457
Mar 2009	3205	3082	-111	3228	3048	323
May 2009	3182	3075	-111	3182	3075	115
Jul 2009		3062	-111	3062	3062	8
Sep 2009	3170	3068	-113	3170	3068	1
Dec 2009		3067	-113	3067	3067	
Mar 2010		3063	-111	3063	3063	
May 2010		3077	-97	3077	3077	
<b>Average/Totals</b>		<b>3098</b>				<b>7529</b>

<b>Average for the week</b>	<b>3085</b>				<b>11067</b>
<b>Total for the week</b>					<b>44,268</b>

**Spot Prices [US\$ per tonne]**

	30 <sup>th</sup> June	1 <sup>st</sup> July	2 <sup>nd</sup> July	3 <sup>rd</sup> July	4 <sup>th</sup> July
Main Crop Ghana, Grade 1	3621	3715	3688	3576	-
Main Crop Ivory Coast, Grade 1	3499	3593	3566	3454	-
Main Crop Nigerian, 1	3476	3570	3543	3431	-
Superior Arriba	3483	3577	3550	3438	-
Sanchez f.a.q.	3518	3612	3585	3473	-
Malaysian 110	3166	3260	3233	3121	-
Sulawesi f.a.q.	3429	3523	3496	3384	-
Ecuador Cocoa Liquor	5588	5753	5706	5509	-
Pure Prime Press African Type Cocoa Butter	9055	9323	9246	8927	-
10/12% Natural Cocoa Press Cake	1421	1463	1451	1401	-

Source: Cocoa Merchants' Association

# News

## Health and Nutrition

### **What makes cocoa good?**

Miller-McCune.com, CA

By: Lisa Conti

July 01, 2008



We all know that chocolate is good. It tastes good. And there are all those studies that say it's good for you, too. What did they say? That it was good to eat chocolate -- dark chocolate, if I remember correctly. Something about antioxidants... something about warding off cancer.

Until now, the mechanism behind how cocoa may stave off tumors, after the sweet goodness works its magic on the tongue, has remained unclear. A study published recently in *The Journal of Biological Chemistry* shows just how cocoa may be beneficial.

No, it was cocoa applied to mice skin, not cocoa mice ..

Using mouse skin cells grown in petri dishes, the researchers determined that a compound in cocoa may reduce the likelihood of developing tumors. The compound, procyanidin (the scientists

extracted it from a commercial cocoa powder), may accomplish this by hampering the inflammation response.

The link between inflammation and cancer is well established. This study determines which players in the inflammation process (triggered by tumor growth) are affected by the cocoa component -- e.g. COX-2 triggers the inflammation response but is suppressed by procyanidin.

Procyanidin, a flavonoid, found in good things like tea, red wine, and cocoa, is likely an antioxidant. While it's possible that the protective effects are independent of the antioxidant properties, it is clear that procyanidin is busy working at the molecular level. By binding a protein called MEK1, a cascade of signals is blocked. The result: fewer tumors -- or at least, less clumpy goop growing in the dish.

This study helps explain previous reports in which rats exposed to carcinogens were significantly protected when fed a cocoa liquor. Cocoa beans, rich with procyanidin, contain other goodies too. However, another prominent compound, theobromine - noted for its stimulatory effect- did nothing to quell the unwanted petri dish blobs. Though I'm sure it still contributes to the whole of what makes cocoa good.

### **Dark chocolate sales soar thanks to healthy image**

Telegraph.co.uk, United Kingdom

By Richard Alleyne

03/07/2008

Britons love affair with chocolate is taking a darker turn with sales of cocoa rich varieties soaring thanks to its healthier image. Once the poor relation of the confectionary world, sales of dark chocolate have almost doubled in two years, growing 96 per cent to £85 million. Sales of luxury chocolate brands have also soared over the last two years, according to research by consumer analysts Mintel, with some varieties being served in bars as an accompaniment to wine.

According to the report many chocolate lovers are turning to the richer varieties over the more traditionally popular milk chocolate because of the growing evidence it contains antioxidants. Dark chocolate is considered the healthier option because of its high raw cocoa content - sometimes up to 95 per cent. Milk chocolate only has to have 25 per cent.

First cultivated by ancient Mayan civilisations, raw cocoa or cacao is now considered one of the world's most beneficial 'super foods' due to its high content of antioxidants.

Researchers say it is this reputation that is driving sales of dark chocolate.

Mathilde Dudouit, senior market analyst at Mintel, said: "Although dark chocolate is still high in sugar, it is rich in antioxidants and is lower in fat than milk chocolate. "Dark chocolate now has the reputation as being a healthier alternative to other chocolate and this has really struck a chord with Britain's chocoholics. "At the same time, luxury chocolate has also seen sales bubble up, rising 46 per cent over the two years to 2007, when the market reached £140 million."

She said that small niche players, such as Kshocolat, Hotel Du Chocolat and Plaisir Du Chocolat, have reinvigorated the premium chocolate market and have helped Britain become a nation of real chocolate buffs. "Brits may not be eating chocolate as often as they used to, but they are certainly splashing out more on premium varieties," she said. "The trick today is to eat less, but to go all out when indulging so that it really is a luxurious treat." Even though people are still cutting back on the amount of chocolate they eat, sales in the two years to 2007 saw no less than a 10 per cent increase in value. The British chocolate market will be worth £2.23 billion by the end of 2008. A growing market is eating chocolate with wine.

#### **Britons spend more on luxury Chocolates – Survey**

Source: Reuters

04/07/2008

London, July 4 - British consumers are spending more on chocolate with sales of luxury boxes booming and those of healthier dark chocolate nearly doubling, according to a study published on Friday. A survey by consumer research company Mintel showed the value of chocolate sales between 2005 and 2007 rose by 10 percent, up sharply from growth of only 1 percent between 2003 and 2005.

Luxury chocolate sales were up 46 percent over the two-year period, reaching 140 million pounds (\$278 million). "Consumers are cutting back on their 'unhealthy' treats. Yet, when they do indulge, they often want the best in terms of quality and luxury," Mintel said. "Brits may not be eating chocolate as often as they used to, but they are certainly splashing out more on premium varieties," Mintel senior market analyst Mathilde Dudouit said.

Mintel was unable to provide volume sales figures. Mintel said a further 5 percent growth was expected this year, bringing the value of the British chocolate market to 2.23 billion pounds by the end of 2008. "These trends will continue to help stem the chocolate market meltdown, with sales of all chocolate set for a further 17 percent growth in the five years to 2013," Mintel said. Mintel said sales of dark chocolate almost doubled between 2005 and 2007, reaching 85 million pounds last year.

#### **UK: Health concerns buoy dark chocolate – study**

Source: just-food.com

4 July 2008

The health and wellness trend is having an impact on the UK chocolate market, with sales of dark chocolate almost doubling between 2005 and 2007, according to a new report from market researcher Mintel.

Mintel's Chocolate Confectionery report states that sales of dark chocolate, considered a healthier option by consumers because of its high raw cacao content, rose by 96% between 2005 and 2007 to GBP85m (US\$169m). Raw cacao is now considered to be one of the world's most beneficial superfoods due to its high content of antioxidants, and it is this which is driving sales, Mintel stated. "Although dark chocolate is still high in sugar, it is rich in antioxidants and is lower in fat than milk chocolate," said Mathilde Dudouit, senior market analyst at Mintel. "Dark chocolate now has the reputation as being a healthier alternative to other chocolate and this has really struck a chord with Britain's chocoholics."

Meanwhile, sales of luxury chocolate rose by 46% over the two years to 2007 to GBP140m, Mintel reported, boosted by growth from niche brands such as Kshocolat, Hotel Du Chocolat and Plaisir Du Chocolat. "Brits may not be eating chocolate as often as they used to, but they are certainly splashing out more on premium varieties," Dudouit said. "The trick today is to eat less, but to go all out when indulging so that it really is a luxurious treat."

Underlining the premium trend, Mintel added that even though consumers are cutting back on the amount of chocolate they eat, total sales in the two years to 2007 saw a 10% increase in value terms, against just 1% growth between 2003 and 2005. With a further 5% growth expected this year, the UK chocolate market will be worth GBP2.23bn by the end of 2008, according to the report.

#### **Cheap, Processed Chocolate Has Virtually No Health Benefits Due to Lack of Flavanols**

Tuesday, July 01, 2008 by: David Gutierrez |

(NaturalNews) People should not be misled into believing that the typical chocolate bar is good for heart health, according to an editorial published in the influential medical journal Lancet, because most processed chocolate bars contain very low amounts of the nutrient that makes chocolate good for you.



A series of recent studies have suggested that the flavanols contained in dark chocolate are good for the heart. A paper published in the journal *Circulation* reported that heart transplant patients who were given a dose of dark chocolate showed significant improvement in measures of blood flow, clotting and vascular function within only two hours. Participants who were given a placebo dose of fake chocolate showed no improvement in any of these measurements.

But the flavanols that make chocolate healthy also make it bitter, and as such are removed by many commercial chocolate manufacturers. And as the *Lancet* editorial noted, there is no requirement for manufacturers to state on the label whether flavanols have been removed or not.

Flavanols are naturally occurring plant chemicals in the flavonoid family. They are powerful antioxidants that have been shown to have a number of health benefits, including for the heart. Flavonoids are also found in tea, red wine and a number of fruits and vegetables.

For those seeking to exploit chocolate's heart health effects, an article published in the Mayo Clinic Health Letter recommends dark chocolate, which contains an average of 53.5 milligrams of flavonoids per bar. In contrast, the average bar of milk chocolate contains less than 14 milligrams, and white chocolate contains none.

But the sugar and fat in chocolate bars come with their own health risks.

"If you ask me what's more important, a little physical activity like walking or eating the chocolate, go take your walk," said Jacob Shani, chair of the Cardiac Institute at Maimonides Medical Center in Brooklyn.

### **Chocolate Lovers Getting Darker**

Sky News, UK - Jul 3, 2008

Chocolate lovers are going over to the dark side - of chocolate, that is, with dark chocolate selling more than its milky counterpart.

Dark chocolate becoming increasingly irresistible. Its rise in popularity is being put down to the fact that it is rich in antioxidants and, although still high in sugar, has a lower fat content than milk chocolate. "Dark chocolate now has the reputation as being a healthier alternative to other chocolate and this has really struck a chord with Britain's chocoholics," says Mathilde Dudouit of Mintel market analysts. Dark chocolate is considered the healthier option because of its high raw cacao content.

Raw cacao was first grown by ancient Mayan civilisations in Central America and is now thought to be one of the world's most beneficial super foods due to its high content of antioxidants, considered by many to be essential for health.

Chocolate makers have taken up this idea with relish, introducing "healthier" kinds as well as bars that are calorie controlled. And even though people are cutting back on the amount of chocolate they eat, sales are still rising - up 10% over the past two years.

Mintel predicts the next rave combination will be chocolate and wine - it suggests wine bars push the idea of tastings offering the finest chocolate with the richest wine. "In the same way that wine lovers deliberate over different grape varieties, single estate chocolate and chocolate made from different types of cocoa beans provide a real opportunity for the true chocolate connoisseur," says Ms Dudouit.

Chocolate lovers are told that the trick is "to eat less, but to go all out when indulging so that it really is a luxurious treat".

### **Champagne and dark chocolate reduce flight stress**

MIA promotes healthy flying

Christian Peregine

timesofmalta.com, Tuesday, 1st July 2008

Farrol Kahn, founder and director of Aviation Health. Photo: Jason Borg.

Champagne and dark chocolate are among the products being promoted by Malta International Airport to help passengers reduce the physical and mental stress associated with travelling. A healthy flying campaign was launched to members of the press at the airport, following a presentation by Farrol Kahn, the founder and director of Aviation Health, an international non-profit organisation that helped develop the campaign in Malta.

The airport will be providing a number of products including moisturisers, flight socks, pillows, eye masks, ear plugs and oxygen supplements, as well as energy-boosting foods, stress-busting snacks, red wine, champagne and dark chocolate, among



others. The products are meant to make the flying experience healthier and more enjoyable. Information about their availability and effects will be provided at the airport.

Mr Kahn explained that champagne creates a euphoric effect caused by the bubbles inside and this helps reduce stress. Red wine contains antioxidants and dark chocolate reduces blood pressure and provides instant energy.

Mr Kahn described the MIA as "one of the most progressive airports in Europe as it cares for its passengers by offering information and ensuring these products are available". He also spoke about similar campaigns that have already been launched in Dublin and Copenhagen.

The campaign was launched by the Airport Value Marketing Association AVMA, which represents all the retail outlets in the departures lounge.

Mr Kahn, an author and academic who specialised in aviation health and medicine, gave a presentation on how passengers can take better care of themselves in order to feel good on board and arrive at their destinations in better shape.

Mario Psaila Savona, head of the Non-Aviation Services Department, presented a booklet produced by the airport and which lists a number of products that can be bought from the retail outlets in the departures area. The booklet details the advantages of each product and their effect on passengers.

Most of the products have always been available at the airport but an oxygen supplement and a digestive drink are among the new products being introduced for this campaign. The healthy flying concept is not intended for airlines but Mr Kahn said he hoped this would inspire future changes in airline menus. He spoke about a number of factors that induce stress, discomfort and physical problems related to airplanes. These include prolonged sitting, lack of humidity and oxygen, high air pressure and the fact that almost 50 per cent of the air on the plane is recycled. Stress is also caused by fear of flying and terrorism.

Mr Kahn warned that flight and airport stress can be as severe as that related to losing one's job. Members of staff at the airport have therefore been specially trained by Mr Kahn as part of the campaign to be more understanding towards stressed passengers and know which are the products that help.

#### **Note to pregnant women: Crank up the AC, eat chocolate**

New book lists what's safe and what might be harmful while expecting your child.

Wednesday, July 2, 2008

By SAM MILLER

The Orange County Register

From Acetaminophen pain killers (go for it) to Zoloft (be careful, for now), "Pregnancy Dos and Don'ts" is an alphabetical guide to hundreds of activities, medications, foods and habits that could affect your pregnancy.

Each item gets a simple evaluation: Safe (according to studies), not safe, or should be used with caution. Many of the items get longer write-ups explaining why. The book is written by Elisabeth Aron, a senior clinical instructor at the University of Colorado, and published by Broadway books.

And, while it might sound like a whole lot of scariness, mothers-to-be might be relieved reading about how many safe luxuries they can enjoy. Indeed, very few of the items are demonstrably dangerous, though caution is advised for many items, from scuba diving to anything derived from the cola nut.

Thankfully, air conditioning and chocolate are given the OK.

#### **Health benefits driving the dark chocolate trend**

July 4, 2008

Daniel Palmer

Source: Mintel

Once the poor relation, left on the sweet shop shelf, dark chocolate is steadily gaining notoriety as Britain buys into a new, healthier image. The latest research from MINTEL shows that sales in Britain almost doubled between 2005 and 2007, with sales hitting £85 million last year. Mathilde Dudouit, senior market analyst at MINTEL, believes that the consumer trend toward 'good for you' foods is driving growth in the category. "Although dark chocolate is still high in sugar, it is rich in antioxidants and is lower in fat than milk chocolate," she advised. "Dark chocolate now has the reputation as being a healthier alternative to other chocolate and this has really struck a chord with Britain's chocoholics."

Dark chocolate is considered the healthier option because of its high raw cocoa content. First cultivated by ancient Mayan civilisations, raw cocoa is now considered one of the world's most beneficial super foods due to its high content of antioxidants. And, with between 50 and 95% usually found in dark chocolate, it is this reputation that is driving sales of dark chocolate. Milk chocolate, on the other hand, tends to have a mere 25% cocoa content.

At the same time, luxury chocolate has also seen sales bubble up, rising 46% over the two years to 2007, when the market reached £140 million. Small niche players have reinvigorated the premium chocolate market. "Brits may not be eating chocolate as often as the used to, but they are certainly splashing out more on premium varieties. The trick today is to eat less, but to go all out when indulging so that it really is a luxurious treat," explains Ms Dudouit.

Manufacturers have been committed to introducing healthier kinds of chocolate as well as bars that are calorie controlled. This, combined with Britain's recent growing desire for more expensive dark and luxury chocolate treats has given the value of the market a much needed boost.

People are cutting back on the amount of chocolate they eat but sales in the two years to 2007 still represented a 10% increase in value, markedly above the meagre 1% growth realised between 2003 and 2005.

With a further 5% growth expected this year alone, the British chocolate market should be worth £2.23 billion by the end of 2008. And the trend toward premium and dark chocolate will continue to help stem the chocolate market meltdown, with sales of all chocolate set for a further 17% growth in the five years to 2013.

Mintel believe that the next trend in the industry could be the combination of chocolate and wine. Wine bars could do well to offer a choice of finest chocolate to go with wine tasting sessions, according to Mintel. "In the same way that wine lovers deliberate over different grape varieties, single estate chocolate and chocolate made from different types of cocoa beans provide a real opportunity for the true chocolate connoisseur," Ms Dudouit reported.

The idea of chocolate and wine together was, in fact, recently tested by Swiss-based food manufacturer Barry Callebaut and the potential for a great combination was established, with certain wines matching different types of chocolate in the same way that they match different meal types.

## **Production and Quality**

### **Cocoa board calls for rehab of industry**

Jamaica Gleaner, Jamaica

June 30, 2008

Contributing more than \$100 million last year to the country's economy, the Cocoa Industry Board (CIB) says there is potential for additional earnings on the world market and, as such, has implored more farmers to grow the bean. Naburn Nelson, manager of the CIB, said the crop is a viable product on the world market, due to its many derivatives. "What we really need is massive rehabilitation with proper agricultural practices," he stressed.

Some 1,400 tonnes of cocoa are needed by the country to meet world demands, but less than half of that amount is being fulfilled. Lance Jones, manager of Richmond Cocoa Fermentary in St Mary, said more than 95 per cent of locally produced cocoa is exported. Nelson was vocal about the potential of the industry when Agriculture Minister Dr Christopher Tufton, toured farm communities in the parish last Wednesday.

### **Push production increase**

In 2007, cocoa production raked in roughly \$130 million, although there was a decline of 33.2 per cent in production, according to the Statistical Institute of Jamaica. The most cocoa ever produced was 2,700 tonnes in the 1980s. "To meet the demand, we must increase production," said Nelson. Jones added: "Jamaica cocoa powder is mixed with other cocoa powder, from other places, to increase the spice of the cocoa."

The Government's intervention is being sought to rehabilitate Mount Rose farm in St Mary. The more than 400-acre farm is underutilised, said Nelson. "We need to get it under production," said Nelson. To encourage more farmers into the industry, the CIB last October increased the price paid per box (56 pounds) for the bean. A box of cocoa was increased to \$1,340 from \$650. Another increase looms, as board members are scheduled to meet in a few weeks to discuss the issue.

### Cocoa news

Conditions needed to cultivate cocoa are an area free of limestone, free of wind and good depth, of about three feet of soil. Cocoa beans can remain in a storeroom for a year. Cocoa trees takes two to three years to bear, but it is guaranteed to last at least 50 years of good bearing.

St Mary, Clarendon, St Catherine, St Andrew and St Thomas are the largest producers of cocoa in the island. Portland recently resuscitated its farms.

### Products

Cocoa, favoured locally as a hot beverage, can be used to make various products.,Cocoa butter cream, Bath soap, Lotions and Chocolate bar.

### **Ghana's cocoa production more than doubled within eight years**

The Statesman Online, Ghana

02/07/2008

Isaac Osei, Chief Executive of COCOBOD, last Thursday said the country's cocoa production shot up from 300,000 tonnes to over 700,000 tonnes within eight years. He said this was achieved as a result of implementation of good policies and it is expected that by 2010 cocoa production will reach one million tonnes a year.

Mr Osei said this when he launched the 70th anniversary celebration of Cocoa Research Institute of Ghana in Koforidua. He said backed by harmonious policies from government and COCOBOD a lot of scientific research results had gone into comprehensive programmes such as COPAPEC and High-tech leading to good results in the cocoa industry. Mr Osei reminded CRIG of the special role they are expected to play for the attainment of the one million target set by the COCOBOD. He expressed optimism that CRIG would continue to propel the growth of the economy through provision of tried and tested technologies for farmers to maximise their yield.

Kwadwo Baah Wiredu, Minister of Finance and Economic Planning, appealed in a speech read on his behalf that CRIG should take up the challenge and work hard to improve the quality of cocoa to enable the country's cocoa to enjoy even a much better premium. He urged the institute to let farmers have better understanding of the use of pesticides and fertilizers and adopt recommended agronomic, fermentation and drying practices to meet the quality expected by the markets.

Mr Baah Wiredu said the country is faced with the problem of pesticides residues, polycyclic aromatic hydro carbons contained in beans drying on the tarmac or over wood fires which apparently are harmful to human health. He said there was also the question of Ochratoxin in cocoa beans with its potentially carcinogenic effect adding that more research development and education was required to reduce to the barest minimum the effects of those factors.

Kwadwo Afram Asiedu, Eastern Regional Minister, in a speech read for him said he foresaw further development of CRIC into a world class research institute in all aspects of its mandate crops.

Yadu Ampomah, Executive Director, CRIG said the vision of the institute is that by 2010 the Ghana cocoa industry and that of the other mandated crops would be research-driven and commercially viable. "At least 1,000,000 tonnes of cocoa will be produced annually, of which, at least, 40 percent will be processed in Ghana".

### **IBM bids to save world's Chocolate**

Infopackets, Canada

By John Lister

04/072008

IBM's latest work, the Chocolate Genome Project, isn't a wacky codename for a new game: it's a genuine attempt to uncover the DNA of the cocoa bean.

The firm is teaming up with confectionary giant Mars and the US Department of Agriculture to track the genetic coding which makes up the bean used for chocolate production. The idea is to learn enough to isolate variants of the bean which can survive the growing problems of dry climates, fungi and insect attacks which have driven prices up by half in the past year, threatening many farmers' livelihoods. Around 6.5 million farmers depend on cocoa production for their livelihoods and these environmental problems cause around \$700 million in damages each year. (Source: slashdot.org)

The firms involved in the scheme are keeping quiet over speculation the study may lead to genetically modified chocolate products, perhaps by tweaking the genes that control flavour. The groups involved say that the information they discover will

be made available immediately rather than waiting till the project is complete. They've also promised not to patent any of the discoveries. (Source: [bbc.co.uk](http://bbc.co.uk))

It should take about a year to extract the relevant genetic information, and then as much as another four years to analyse it. IBM is providing the immense computing power needed to run the project, which will involve three scientists using the Blue Gene supercomputer.

One analyst, Joe Clabby, has already accused IBM of running a publicity stunt to promote Blue Gene's processing power. But the same could be said of Clabby himself, who's well-known for getting widespread publicity with media-friendly quotes. With this latest story he's being cited in many reports as "president of Clabby Analytics" with no mention that he's the only person working at his firm.

As for this project, there's no doubt both IBM and Mars see possibly commercial benefits. But whatever the motivations, it still appears to be a potentially-productive collaboration between government, commerce, science, and technology.

## **The Market**

### **Cocoa suffers minor setback, mood still bullish**

[guardian.co.uk](http://guardian.co.uk), UK

By Nigel Hunt

July 2 2008

LONDON, July 2 (Reuters) - Cocoa prices fell on Wednesday in a modest setback after the market surged to its highest levels in more than 20 years this week, but the overall mood remained bullish, dealers said. Coffee edged up and sugar held steady as both markets looked to consolidate after rising sharply on Tuesday.

Dealers said the rise in cocoa prices had been driven by fund buying against the backdrop of tight supplies exacerbated by a diminished crop outlook in top producer Ivory Coast. "Long-term, the fundamentals on cocoa look very good and we expect higher prices but in the short-term it has gone up really fast. You could well see a correction in the near-term," said Jaspal Phull, research analyst with Stenham Asset Management.

September cocoa in London fell 18 pounds to 1,726 pounds a tonne by 1440 GMT. The contract set a new peak of 1,748 pounds on Tuesday, the highest level for the benchmark second month in more than 22 years.

Prices on ICE also slipped with September down \$26 at \$3,249 a tonne after setting a contract high of \$3,290 a tonne late on Tuesday. Cocoa prices have risen about 60 percent since the start of the year.

Sugar was holding steady after a sharp rise in prices during the last few weeks linked to a weak dollar and a surging crude oil market.

### **SUGAR UNDERVALUED**

Dealers said sugar had failed to keep pace with strong rises in other commodity markets earlier this year and was now seen as undervalued. "A lot of the (fund) managers you speak to are quite bullish on sugar. It has underperformed compared with other commodities since the beginning of the boom," Phull of Stenham said. October raw sugar on ICE was unchanged at 13.72 cents a lb. The contract touched 13.90 cents on Tuesday, sharply up from a low of just 10.86 cents less than four weeks ago. "Sugar goes through periods where it decouples from the oil market and the corn market. We seem to have got re-engaged," brokers Sucden UK said in a daily market report.

Sugarcane and corn are both used to make biofuel ethanol. Shawn Hackett, president of Hackett Financial Advisors, said on Wednesday sugar prices could rise sharply, buoyed by rising demand for cane-based ethanol to counter soaring oil prices. "I see absolutely no reason why we wouldn't see 20 to 30 cents a lb," Hackett told the Agri Invest congress in London. August white sugar in London fell \$1.20 to \$392.00. The contract touched \$398.00 on Tuesday, the highest level for the front month since March 4.

Coffee prices edged up with robustas setting a fresh 3-1/2-month peak, boosted partly by a weak dollar. "Coffee seems to have got caught up with everything else as record oil prices drive demand for commodities as a hedge against inflation," Phull said. September robustas rose \$14 to \$2,543, the highest level for the benchmark second month since March 20. Arabica coffee futures on ICE also edged up with September 0.55 cents higher at \$1.559 per lb. "It is really hard to pick a top at the moment," Phull said.

## Pit Review for Financials, Energies, Commodities, and Metals

By: Pit Guru Wednesday, July 02, 2008 9:04 AM

The Softs Pit Review: By PitGuru Jamie Fink

.....Cocoa has been an unstoppable force as it climbs to levels not seen in decades. Apparently it will take more than a promise by IBM and others to map the cocoa genome to make people think the crop is infallible. All of these concerns about moldy beans in Ivory Coast exports and disease in Indonesia's crop add up to one thing - a reasonable dent in supply. It will take more than an inconvenient decrease to support these sky-high prices. Cocoa is due for a correction and it will happen sooner rather than later. The weak dollar can only lend so much to a bull run in a commodity that is already up over fifty percent for the year.

Coffee has been happily trading above the high side of its recent price channel but may be due for a slight dip in prices. With the Brazilian harvest underway, it is only a matter of time before weak longs take profits out of this market. Even though there is a strong fundamental backbone to the recent gains in this market, protect any long positions for a temporary retracement. Without any solid weather threats and reasonably mild weather on the horizon, some coffee beans will start hitting the Brazilian ports again and prices will reflect the mood change.

Sugar seems unwilling or unable to breakout even with the continued rally in crude oil. Harvest expectations in some parts of the world have been pared back. Specifically, Australia had earlier anticipation for a larger final sugar production number but has reduced that optimistic forecast to reflect output changes caused by untimely rains. They are now set to match last year's sugar production. But let us not forget, the world has been groaning under the weight of a vast supply of sugar for some time now. This market will continue to fail at least until politics change.

Orange juice may be poised for a continuing bump in price as we move deeper into hurricane season. Weather threats remain the preeminent concern of this market but news from the orange growing peninsula regarding Oriental fruit flies may also give traders some pause. Known for their deadly effect on many fruit crops, these fruit flies were found in Orange County in Florida and their discovery prompted emergency action to control and - if necessary - eradicate to protect the citrus crops which are so essential to the state. Further developments or a possible infestation could move this market ahead of any confirmed storm threat.

Cotton should also see a boost in the days to come as sand and storms threaten US crops and rains and pests attack Indian crops. In fact, the textile ministry in the Asian nation may suggest to the finance ministry that unless a temporary export ban is enacted, higher prices in cotton since the beginning of the year may hurt their industry. If India, second only to the US as an exporter of the precious fiber, halts exports cotton could get the price boost we have been waiting for.

### Will the Agriculture Sector Bust?

By Brian Orelli June 30, 2008

9 Recommendations

If the definition of a bubble is a speculative, rapid run-up in price, the agriculture sector definitely has half of the definition covered. Just check out these returns:

Company	Year-to-Date Return	1-Year Return
Monsanto (NYSE: MON)	15.3%	93.8%
Potash Corporation of Saskatchewan (NYSE: POT)	58.9%	202.8%
Mosaic (NYSE: MOS)	57.1%	289.8%
Agrium (NYSE: AGU)	47.9%	144%
Syngenta (NYSE: SYT)	26.0%	69.3%

Source: Capital IQ, a division of Standard & Poor's.

### Speculative?

Whether we're in an agricultural bubble partially depends on whether we're in an energy bubble. All you have to do to get an answer is to follow the money trail. Oil goes up, which pushes development in ethanol, which pushes up corn prices, which persuades farmers to plant more, which allows agricultural facilitation suppliers to sell more of their products at higher prices. If the price of oil comes down or the chain gets broken because investors finally realize that ethanol may not be all it's cracked up to be, expect ethanol producers such as Archer Daniels Midland (NYSE: ADM) to face even more serious headwinds than they're dealing with now.

### Ag's backup plan

The seed makers have a growth plan that doesn't hinge on energy prices. Revenue growth won't be tied to the amount of land that's planted, because the seed makers will be able to increase revenue by raising prices as a result of developing seeds with

increasingly high crop yields. The more of the end product that farmers can get from a seed, the higher price the seed companies can charge for the input supplies.

The development of these super seeds will come from rivals joining forces to stack multiple traits on top of one another. For instance, Monsanto and Dow Chemical have partnered to create SmartStax. Due out in 2010, this corn seed will combine both companies' weed-control and insect-protection traits into a hybrid that can produce up to 10% more corn per acre.

Where does that leave fertilizer makers and farm-equipment suppliers such as Deere (NYSE: DE) that don't have such benefits? Well, they could benefit indirectly from the seed makers' research-and-development investments. In addition to making seeds that increase yield, the seed makers are also pushing the envelope in developing seeds that can produce decent results in suboptimal conditions -- think areas prone to drought conditions or disease. Once those seeds hit the market, land in borderline areas could begin to be planted, and more planting area would benefit the entire farm-supply industry.

#### What's a Fool to do?

For Fools who have enjoyed the nice jump in stock price, it's tempting to say that the top of the commodity market is near and take some money off the table, if not sell out completely. But calling the top of a bull market isn't easy, and doing so could cause you to miss further escalating returns.

Here's a radical idea for long-term-thinking Fools: Do nothing. Yes, the agricultural sector may drop from its highs, but removing the growth of the commodities bull market isn't going to kill all of the growth in the industry. We all have to eat, after all, and the world's population isn't getting any smaller. It is, however, getting wealthier, and its willingness to spend more for food is rising as a result.

For Fools like me who got interested in agriculture only after the run-up in price, the choice is a little harder. If you think the commodities bull market has no end, then jump on board.

As for me, even though I love high-growth opportunities, I'm sitting this one out and will buy in after the market inevitably overreacts to grain prices stagnating or even dropping.

In either case, be prepared for a bumpy journey. The agricultural industry may be in for a roller-coaster ride, but the projection should generally be upward.

## **Processing and Manufacturing**

### **Men and chocolate - both have a grey old time**

LabnewsOnline, UK - Jul 2, 2008

Greying with age isn't always a bad thing – both men and chocolate may lose their looks over a number of years but arguably this does not detract from their delight says Leila Sattary. As the escaping "fat blooms" recrystallise they scatter light, giving old chocolate its characteristic dull white appearance

However, image is everything and research from Canadian and Swedish scientists has revealed how chemistry could keep chocolate seductively smooth and shiny over time. If only it was so simple for men!

The findings, published by the Royal Society of Chemistry journal *Soft Matter*, have shown that manipulating the chocolate's microstructure is vital to keeping a long lasting visual appeal. "Fat blooms", as they are called, arise from temperature fluctuations that cause the cocoa and butter to melt and then recrystallise in needle-like structures. These act to scatter light and give the chocolate an unappealing dull appearance.

Dérick Rousseau from Ryerson University, Canada and his team used a scanning electron microscope (SEM) to build up a high resolution image of chocolate surfaces. They found that minimising surface imperfections reduced the tendency for fat blooms to form.

They also found that filled chocolates, like strawberry creams, were even more likely to grey over time as the liquid-state fat migrates through the chocolate accelerating the effect. So girls, if you received boxed chocolates then it is best to eat them promptly.

Nigel Sanders, senior research scientist at Cadbury in Toronto, Canada, says that more work is needed to stop the inevitable greying. "As an industry, we haven't got to the bottom of what tools we have to stop bloom formation from happening."



### **Chocolate industry avoids meltdown during credit crunch as sales increase**

Scotsman, United Kingdom - Jul 4, 2008

THE chocolate industry has avoided the worst effects of the credit crunch with sales rising ten per cent in the last two years, according to a new report. Market analysts Mintel said that healthier dark chocolate sales nearly doubled to £85 million between 2005 and 2007, while luxury chocolate sales increased by 46 per cent to £140m.

Mintel said: "Consumers are cutting back on their 'unhealthy' treats. Yet, when they do indulge, they often want the best." The firm said another five per cent growth was expected this year.

### **Consumer Reports: Haagen-Dazs Tops Taste-Tests of Ten Light Ice Creams**

Mon Jun 30,

news.yahoo.com

Predictably Light Ice Cream with the Most Fat and Calories Taste Better

YONKERS, N.Y., June 30 /PRNewswire-USNewswire/ -- Craving a delicious light ice cream? Consumer Reports suggests Haagen-Dazs Extra Rich Light in Vanilla Bean or Dutch Chocolate. Both topped the magazines latest taste-tests of ten light and fat free ice creams -- but also had the highest fat and calorie content of those tested. The full report and ratings are featured in the August issue.

Haagen-Dazs Extra Rich Light in Vanilla Bean or Dutch Chocolate are for the indulgent. Both were rated Very Good by Consumer Reports and were better-tasting than the other brands tested, but had about twice the calories and fat (200 calories for both flavors; 7 grams of fat for Vanilla Bean and 5 grams of fat for Dutch Chocolate). Still, a serving of Haagen-Dazs Extra Rich Light pares 70 calories and more than 10 grams of fat from regular Haagen-Dazs ice cream.

Consumers should expect to spend more for a better taste -- Haagen-Dazs Extra Rich Light in Vanilla Bean and Dutch Chocolate costs about twice as much per serving as the other brands tested -- about \$1.00 per half-cup serving.

To feel a bit more virtuous, consider Breyers Double Churn Light Creamy in vanilla or chocolate. Both flavors did well in Consumer Reports taste-tests and were lighter on the wallet (about 43 cents per half-cup serving) and the diet (100 calories and about 3 grams of fat).

Consumer Reports also taste-tested Dreyers/Edys Slow Churned in vanilla and chocolate and Breyers Free Fat Free Double Churn in Creamy Vanilla and French Chocolate and Turkey Hill Light Recipe in Vanilla Bean and Blue Bunny Premium Light in vanilla.

#### Deciphering the labels

Light means a food contains one-third fewer calories or half the fat of a regular version. A low fat serving has 3 grams or less of fat; a lower fat or reduced fat serving contains at least 25 percent less fat than a regular version; a fat free serving has less than a half-gram of fat.

The full report and Ratings are featured in the August issue of Consumer Reports, on sale July 1. Its also available on [www.ConsumerReports.org](http://www.ConsumerReports.org).

## **Business & Economy**

### **Vietnam's cocoa among world's leading ones in quality**

Nhan Dan, Vietnam

June 30, 2008



Nhan Dan - Vietnam's cocoa has been affirmed to be among the world's leading ones in quality at the recent 11th South-East Asian Cocoa Club Meeting in Ho Chi Minh City. The meeting was aimed at discussing measures to improved cocoa quality, planting techniques and market development.

Vietnam's cocoa has attracted great interest in the global market though the country has embarked in planting cocoa only just a short period ago. Yet, thanks to its fine quality, its cocoa ranks second after Ghana only.

Currently, Vietnam has developed a total of 10,000 hectares of cocoa, mostly in the southern province of Ben Tre and Central Highlands province of Dak Lak. The country targets to have 20,000 hectares of cocoa by 2010.



## **Mars goes after the perfect sugar rush via cocoa DNA**

Geek.com

by Matthew

June 30, 2008

Snackfood giant Mars is teaming up with IBM and the U.S. Department of Agriculture to understand the cocoa genome – the hereditary information encoded in its DNA. The project will see Mars spend US\$10 million in an attempt to understand the cocoa plant seed and hopefully solve a number of problems and improve chocolate.

The seeds are located in batches of between 20-60 in the fruit, called cacao pods, produced by the plant. But the plant can suffer badly when hit with black pod fungal diseases and one of Mars' hopes is to minimise its affects with what it learns from this project. However, it also aims to find and understand the flavor genes allowing for more tasty chocolate to be created.

Surprisingly, Mars will make the information it uncovers public, allowing competitors to benefit from the work carried out. Howard-Yana Shapiro, global director of plant science at Mars commented: For us the fact that Hershey [Mars's competitor] has similar information that every other chocolate company in the world has, that's fine

The work will be carried out with the aid of IBM's Computational Biology Center in New York and will benefit from previous research done through the Human Genome Project, which managed to map the very complex human genome in just 13 years. At this time Mars have not commented on whether the research could lead to genetically modified chocolate entering its products.

## **More bonus for cocoa farmers**

Modern Ghana, Ghana

By Daily Guide - Daily Guide

30 June 2008



PRESIDENT JOHN Agyekum Kufuor has announced that government has decided to pay three bonuses to cocoa farmers this year and as well increase producer price of cocoa as a sign of appreciation to cocoa farmers in the country.

According to him the hard work, dedication, commitment and perseverance being exhibited by cocoa farmers must be appreciated by the government, hence the need to give the farmers their due share of the national cake.

President Kufuor announced these when he cut the sod for the launch of Bitumen surfacing of 15km Per District Road Project at Agona Swedru in the Agona West Municipality of the Central Region on Friday. He mentioned that a special loan scheme had been set up for cocoa farmers under the housing programme where they would be given houses to pay for over a period of ten years.

President Kufuor as well announced the expansion of similar facilities for farmers in the sheanut production areas of Ghana. The government, he indicated, had also decided to put all roads in the cocoa growing areas in the country in good shape to enhance smooth transportation of goods. The President revealed that since the NPP Government assumed office in 2001, about 10,000km of road network had been added to the 32,500km that was in existence. Additionally, the government is to tar 15km stretch of road in all the 160 Metropolitan, Municipal and District Assemblies (MMD/As) in the country.

On the forthcoming general elections, President Kufuor called on the electorate to vote wisely taking into consideration the crop of persons who would steer the affairs of the country. He remarked that the NPP government had performed brilliantly and that the evidence is there for every objective Ghanaian to see. "As I'm leaving the political scene as the President of the land, Ghanaians should not forget that the party that selected me in 2000 as a presidential candidate has also selected Nana Addo Danquah Akuffo Addo to continue the good works that the NPP has started," he commented.

He thus appealed to the electorate to give Nana Addo the mandate to enable him continue with the good governance the nation is enjoying. "It will interest Ghanaians to know that NPP government has been adjudged as the best performed government on the Africa Continent due to the good legacy they want to leave for Ghanaians."

The Minister for Transportation, Dr. Richard Anane said the 15km per district project in all the 160 MMD/As in the country involves the upgrading of 15km of gravel-surfaced roads to bitumen surface. Dr. Anane indicated that there has been the

provision of lay-bys in towns and villages along the road to facilitate parking off the road as well as the provision of speed calming devices in appropriate places. "I wish to indicate that a total of six hundred kilometers of gravel roads would be upgraded to bitumen surface under the Ghana Cocoa Board component of the programme by September 2009. "In addition, upgrading of gravel roads in the MMD/As will be implemented under the 'Feeder Road Improvement Project' which is funded by the European Union. The nation, no doubt, stands to derive immense benefits from the successful implementation of this laudable programme."

The deputy Minister for Finance and Economic Planning, Prof. Gyan-Baffuor disclosed that the NPP government has always deemed agriculture an effective tool for alleviating poverty in Ghana and has identified cocoa as the major driver of growth and the cash-cow of the economy. Prof Baffuor stated that government attaches great importance to the agricultural sector, hence the need to ensure that all the necessary assistance is given to the cocoa sector as well as to initiate policies and programmes that would benefit the sector.

He hinted that over the past seven years cocoa production has increased to a record level of over 700,000 metric tons from a low level of production of 389,772 in 2001, while producer prices have also reached record levels, increasing from GH¢347.5 per ton in 2000/2001 to GH¢1,200 in the current cocoa season.

Present were the Minister for Water Resources, Works and Housing, Alhaji Boniface Abubakar Saddique; the CEO of Ghana Cocoa Board, Mr. Isaac Osei; Members of Parliament as well as Metropolitan, Municipal and District Chief Executives in the region. President Kufour earlier donated five computers and one printer to seven schools in the cocoa growing areas in the region.

### **New chocolate maker contracts boost volumes for Barry Callebaut**

FoodNavigator.com, France

By Lindsey Partos

01-Jul-2008

New outsourcing contracts for industrial cocoa from new and existing chocolate makers boost volume growth for cocoa supplier Barry Callebaut, helping to offset harmful exchange rates, energy prices and inflation. The Swiss maker of bulk chocolate reported sales volumes of 872,993mt for the first nine months of 2008, a rise of 10 per cent for the same period in 2007 which they claim is "more than three times the growth rate of the chocolate market."

The firm's strong volume growth propelled nine months sales to May 31, 2008 by 19 per cent to 3.61 billion Swiss francs (€2.24billion), up from CHF3.04 billion in the year ago period. Revenues gained positively from the 'historically' high raw material prices. ConfectioneryNews.com reported recently that cocoa prices peaked on 13 March this year, with ICE Futures US cocoa 2nd position seeing prices closing at \$2,922 a tonne, "a staggering 39.2 per cent higher on the start of the year", says a report from Fortis.

Repeating the cost message from food businesses the world over, Patrick De Maeseneire, CEO of Barry Callebaut, said: "The food industry faces increasing cost pressure from high raw materials and energy prices and inflation as well as economic uncertainties." And in the face of such circumstances, the firm has upped the pace to cut costs across the group.

"To offset rising input costs deriving from increasing raw material and energy prices, Barry Callebaut has launched a cost reduction program, which is expected to have a positive impact of approximately CHF 20 million in the second semester. The most important levers are cost optimisations in operations, logistics, external consultants and marketing," says a spokesperson from Barry Callebaut speaking to ConfectioneryNews.com today.

Looking ahead, in a statement today Patrick De Maeseneire asserted: "We are confident that we will reach our four-year financial targets over the period 2007/08-2010/11, barring any major unforeseen events." The targets are, on average, annual top-line growth of 9 to 11 per cent, EBIT growth of 11 to 14 per cent and net profit growth of 13-16 per cent.

Breaking the results down by region, sales revenue for Europe rose by 19.8 per cent to CHF 2.7bn (€1.68bn) compared to the prior year period, gaining from higher cocoa bean prices and the "result of exchange rate effects". In the Americas, sales revenue saw a rise of 19.6 per cent to CHF 668m (€415m), lifted by new outsourcing contracts, notably from US chocolate giant Hershey and also 'new customers, both large and mid-sized,' says the Swiss firm. Asia and the rest of world, in contrast, witnessed flat sales volumes, dropping 0.2 per cent from 57,191mt for the nine months up to May 31, 2007 to 57,078mt for the comparable period in 2008.

Sales revenues came in, for the first nine months up to May 31, 2008, to CHF231.4m (€143m), rising from CHF222.9 (€142m) for the prior year period. Sales volume for this region were, according to the Swiss firm, impacted by the sale of the Ivorian consumer products subsidiary SN Chocodi in February 2008 and the Senegalese firm Chocosen in February 2007.

The flat figures for Asia notwithstanding, Barry Callebaut remains upbeat for the region; additional production capacity is now online at their new chocolate factory in China, with volumes for the food manufacturers business unit in the region "growing exponentially", reports the firm.

Last year, Barry Callebaut disclosed large outsourcing orders with US chocolate giant Hershey, Swiss food group Nestle, UK's Cadbury and Japanese food company Morinaga. And in the financial statement today, they state that preparations "for the first chocolate deliveries to Morinaga in Japan, scheduled for early 2009, are underway."

### **Bits: A genetic quest for better chocolate**

Truth about Trade & Technology, IA

By Steve Lohr

01 July 2008

At a time when world food prices are soaring and the hungry are protesting in the streets in developing nations, the challenges of growing cocoa, the key ingredient in chocolate, might seem no great priority. But Mars, the giant candy maker (think M&M's and Snickers bars), takes cocoa very seriously. Tropical diseases, pests and climate change, Mars says, are among the threats — not only to the globe's collective sweet tooth but also to the livelihood of more than 6.5 million cocoa growers, mostly families working their small farms, about 70 percent in Africa.

So to protect its long-term supplies and help sustain cocoa farmers, Mars approached researchers at the United States Department of Agriculture and then sought big-time computing firepower at I.B.M. Labs. The result, to be formally announced Thursday, is a five-year project to sequence and analyze the entire cocoa genome.

The goal is to deploy the most advanced tools of computational biology to discover the genetic building blocks of traits like disease and pest resistance, drought tolerance and perhaps flavor. The potential payoff is not just discovery but also faster improvements in cocoa crops, said Howard-Yana Shapiro, global director of plant science at Mars, in a telephone interview Wednesday from Rome, where he was attending a conference at the Food and Agriculture Organization of the United Nations.

Computational biologists and supercomputers can drastically accelerate the pace at which promising new strains of cocoa trees come out of the greenhouse, from the traditional length of five to seven years down to 18 months or so, Dr. Shapiro said.

Isidore Rigoutsos, manager of the bioinformatics and pattern discovery group at I.B.M. Labs, explained, "You still need the basic biology and work in the greenhouse, but we can help plant experts zoom in. At the end of the day, the desirable traits being sought in cocoa are all genetic sequences."

CORRECTED|Cocoa trees, to be sure, do not grow in the mainland United States (they do grow in Hawaii). But the government's agriculture agency has a team of experts in breeding tropical plants, and for every dollar of cocoa imported, between one and two dollars of domestic agricultural products are used in making chocolate products. Mars, for example, is the nation's largest purchaser of whole peanuts, as well as a big buyer of milk products and sweeteners. The results of the research will be freely available to anyone through the Public Intellectual Property Resource for Agriculture.

### **Chocolate lovers, Rejoice!**

Awearness, NY

By Andre Karwath

07/01/08



Chocolate.jpgMars, Inc., the largest chocolate candies company in the world, has just begun a five-year research project to analyze the genome of one of nature's most storied and treasured gifts: the cocoa bean. What's more, the company solicited the help of another corporate giant, IBM, to help.

Intrigued? Or maybe just dumbfounded...

When we're in the midst of a food crisis -- rice costs are at an all-time high, simple foods like tomatoes are posing serious health risks, and the politics surrounding US beef has South Korea in a state of panic -- how on earth can

anyone justify spending five years and untold millions researching a "food" that delights more than it sustains?

Simple: understanding the genome of cocoa will help produce better beans, more resilient to disease, and thereby benefit the estimated 6.5 million farmers who provide us with the raw material to make those delectable treats.

Of those farmers, around 70 percent are in Africa, a poverty- and disease-stricken continent that can use all the help it can get. If the project benefits those African cocoa farmers, their economies can only become stronger in return. That is, provided Mars and IBM share the wealth.

The prognosis on that is positive, too: the Mars company says it will make its research freely available via the Public Intellectual Property Resource for Agriculture, which supports agricultural innovation for humanitarian and small-scale commercial project

### **Cocoa at over-20 Yr Peaks, funds pile in for Q3**

Source: Reuters

01/07/2008

London/New York, July 1 - Cocoa hit the highest prices in over 20 years on Tuesday, while sugar and coffee touched over-3 month peaks as funds piled in at the start of the third quarter, aided by a weak dollar and strong oil. "This (cocoa) market is in a long-term bull market," said Sterling Smith, vice-president with Furturesone in Chicago.

Smith noted increased global demand and a weak dollar also providing the market with a boost. "You're going to see money allocated in some items. I'm sure that's contributing a little bit to what's happening in cocoa," Smith said, referring to fund buying interest on the first day of the third quarter. Other cocoa traders also attributed a significant portion of the rally to new money on the first day of the third quarter.

London September cocoa futures soared to a new 22-year peak of 1,736 pounds a tonne, up 31, in brisk volume of 7,398 lots, before easing back slightly to stand at 1,730, up 25, at 1426 GMT.

Benchmark ICE September cocoa rose to a new 28-year peak of \$3,270 a tonne, up \$89, before easing back slightly to stand at \$3,262, up \$81, at 1522 GMT.

As crude oil prices nudged close to Monday's record highs and the dollar weakened, funds took full advantage as they pumped liquidity across the soft commodity complex.

Gold hit a 10-week high on Monday as oil prices jumped by around \$3 a barrel, prompting buying of bullion as a hedge against inflation, and as the dollar languished. "We're seeing fund buying, trade buying and spec buying," said James Kirkup, senior sugar broker with Fortis Commodity Derivatives in London.

"Nobody wants to sell it."

London benchmark August white sugar futures jumped 3 percent to a 4-month high of \$395.0 a tonne in good volume of 4,649 lots in mid-afternoon, while the ICE October raw sugar contract traded at a 3-1/2-month high of 13.80 cents a lb, up 0.70 cent.

The sugar market also received supported from a Brazilian report pointing to a sharp increase in demand for cane-based ethanol biofuel.

Brazil's demand for hydrous ethanol from January through May jumped 54.8 percent from the same period in 2007, to 5 billion liters, boosted by low prices and sales of flex-fuel cars, Cane Industry Association (Unica) said on Monday.

The fundamental outlook for sugar is tightening with analysts predicting a tighter global balance into next year as the present global glut is absorbed.

London robusta coffee joined the soft commodities rally and traded at its highest levels in more than 3 months on fund and investor buying and rollover business, dealers said. "Specs are taking the view that we're at the top of the range and pushing up," one London-based trader said.

London September rose \$40 or 1.6 percent to \$2,520 a tonne at 1441 GMT, having eased from a peak of \$2,525. ICE September coffee was up 1.3 cents to \$1.5220 a lb, just below its highest level in over 3 months of \$1.5405 reached on Monday.

### **Investors on cocoa, coffee, sugar high**

Forbes, NY

By Melinda Peer,

07.01.08

Investors are on a sugar and caffeine high, shooting cocoa prices up to their highest in 22 years and causing a spike in sugar and coffee prices as orders poured in at the start of the third quarter.

On Tuesday, London cocoa futures for September delivery climbed to a 22-year high at 1,736 pounds (\$3,462.51) per metric ton. September cocoa trading on the InterContinentalExchange peaked at \$3,290 per metric ton nabbing a more than twenty-year high, before scaling back to trade ahead by \$99 at \$3,280.

In London, white sugar for August delivery surged 3.0% to \$395.0 a metric ton, its highest level in 4 months. Sugar for September delivery trading on the InterContinentalExchange (nyse: ICE - news - people ) was up by \$1 at 24.55 cents a pound. Tuesday also saw robust coffee contracts with London coffee for September delivery up by \$40, or 1.6% at \$2,520 per metric ton and up by 1.0% at \$1.5475 per pound on the IntercontinentalExchange.

Analysts said the quarter's orders are particularly robust on account of the dollar's weakness, oil's strength and continued high global demand for raw materials. Commodities, especially gold, are considered hedges against inflation.

On Tuesday, New York gold for August delivery was up by \$13.50, or 1.5% at \$941.80 from \$928.30. The contract brushed \$945.80--the highest since April--during the day's session. The SPDR Gold Trust (nyse: GLD - news - people ) exchange-traded fund gained \$1.26, or 1.4%, at \$92.66, and is up 12.4% since the beginning of the year. Light crude oil for August delivery hit a high of \$143.33 before falling to \$141.40 a barrel, up by \$1.40, or 1.0%. The United States Oil Fund (amex: USO - news - people ) exchange-traded fund added 74 cents, or 0.7%, at \$114.40 and is up by 50.9% since the beginning of 2008.

### **Chocolate camp teaches you how to make the sweet treat**

Tuscaloosa News (subscription), AL

By Meredith Cummings, Meredith Cummings at meredith.cummings@tuscaloosanews.com

July 1, 2008.

It took less than five minutes. That's the amount of time that elapsed at Chocolatier Day Camp at Peterbrooke Chocolatier in Tuscaloosa last week before a small child's voice piped up: 'Can I taste it?'

After watching Peterbrooke Chocolatier owner Heather Reier 'temper' chocolate by agitating the gooey, melted chocolate with metal spatulas on a marble slab, campers' eyes widened, and their eager faces showed that it was all they could do not to reach out for the sticky pile of chocolate.

Reier demonstrated how campers could tell that the chocolate was cooling — to the ideal temperature of 88 degrees, down from 115 degrees: when the stirred chocolate sits on top of the pile instead of melting back into it. Reier let campers put on gloves and taste the warm, melted chocolate — step number one in the daylong fun that is chocolate camp.

Skyler Hubbard, 10, happily licked a small green spoon with chocolate on it, then let out an 'Mmm,' echoing other campers' delight. 'You don't get tired of it,' Reier told campers. 'You don't get tired of the smell. I still eat chocolate every day.'

It's in that love-of-chocolate spirit that Reier started chocolatier camp, a place where adults and children can learn how to make chocolate, from the start — when it's still a hot liquid — to the finished, wrapped-to-perfection product. At chocolatier camp, campers learn interesting chocolate facts, such as the fact that there is no cocoa in white chocolate, and the weather affects how chocolate cooks, among other variables. 'Weather plays a part in it,' Reier told campers. 'If it's humid outside, or if we have the back door open, that can affect our chocolate.'

Camper Lynda Kuhn, the only adult at a recent camp — although Reier said she gets plenty of adults who participate — said she learned a lot. 'I didn't realize the chocolate had to be heated up then cooled down first,' she said. Kuhn and her daughter, Anna Katelyn, attended the camp as a fun mother-daughter activity, even though neither of them eats chocolate. The spoils of their Chocolatier Day Camp were going home to Kuhn's husband. 'It was a very unique summer experience,' Kuhn said.

Unique was the word on several campers' lips. Camper Maggie Whitson, 9, said her favorite activity was dipping Granny Smith apples in caramel, then chocolate, then a decorative topping. There is, campers learned, an art to dipping. 'My favorite thing was the caramel apple because I've never had one, ever,' Whitson said.



And there was plenty to taste and take home: Each camper got to dip a variety of things in chocolate: Rice Krispies treats, apples, strawberries and graham crackers, among others. White chocolate, dark chocolate and milk chocolate were on the menu, but Reier is careful not to let anyone eat too much, knowing how quickly too much chocolate can make someone sick. Chocolatier camp included a break for lunch, provided by Quiznos.

Reier taught campers the art of dipping Oreos and other foods into chocolate so that they come out without finger marks on top of them. Each camper picked up an Oreo, dipped it in chocolate then placed it on a tray that went into the refrigerator to cool. 'If not, it will come out cloudy and speckly, not shiny and pretty,' Reier said to campers. 'And we don't put anything on our shelf that's not shiny and pretty.' They also learned how to 'drizzle' properly, a technique Reier demonstrated by holing a spatula with white chocolate on it high in the air, and dropping some gently onto a graham cracker, zig-zagging diagonally as she went.

Camper Ruben Martinez's favorite kind of chocolate is dark chocolate. When she is cooking dark chocolate, Reier told him, customers often comment on the smell. By the end of camp, campers had chocolate on their aprons and sometimes faces, but it didn't cover the smiles.

Reier said she enjoys chocolatier camp, as well as hosting birthday parties, because she gets to see other people make chocolate and add their own creative touches to the finished product. 'There's something different about making it yourself and then eating it,' Reier said.

### **Cocoa farmers can smile, 2nd tranche of bonuses released**

Joy Online, Ghana

Source: GNA

2 July 2008



The Ghana Cocoa Board (COCOBOD) has released funds totalling GH¢16,035,161.35 to Licensed Buying Companies (LBCs) for payment of the second tranche of bonuses to cocoa farmers in July, 2008. A statement released by the Chief Executive, COCOBOD, Mr Isaac Osei in Accra said the release of the funds was in fulfilment of government's pledge to pay bonuses twice a year to cocoa farmers.

The LBCs are: Produce Buying Company Ltd, Olam Ghana Ltd, Akuafo Adamfo Marketing Ltd, Adwumapa Buyers Ltd, Federated Commodities Ltd, Kuopa Kokoo Ltd, Transroyal Ghana Ltd and Armajaro Ghana Ltd. Others are; Cocoa Merchants Ghana Ltd, Sunshine Commodities Ltd, Diaby Company Ltd, Dio Jean Company Ltd, Sika Aba Buyers Ltd and Royal Commodities Ltd. The rest are; Sompa Kokoo Company Ltd, West African Exchange Co. Ltd, Chartwell Ventures Ltd and Fereday Company Ltd.

The bonus to be paid is GH¢27.43 per tonne or GH¢1.71 per 64kg of cocoa. All LBCs are advised to take note and comply accordingly. The Board assures cocoa farmers it will continue to provide them with such incentives to motivate them to produce premium quality cocoa for export.

### **Barry Callebaut opens its First Innovation Center in the United States at Chocolate Factory in Pennsauken, N.J**

Source: Barry Callebaut AG

03/07/2008

Zurich, July 3, 2008 – Barry Callebaut, the world's leading manufacturer of high quality cocoa and chocolate products, today announced the opening of its first innovation center in the United States. The new, state-of-the art research and development facility is located at Barry Callebaut's manufacturing facility in Pennsauken, N.J., and will focus on the development of unique chocolate products and applications to meet the specific needs of its U.S. customers.

The Barry Callebaut innovation center features a special pilot plant – a scaled-down chocolate factory that mimics the production processes that occur on the actual production lines in the factory – and a laboratory for product testing and applications work involving depositing, molding, panning and enrobing operations.

"The new Barry Callebaut innovation center is a further testament to our commitment to serving the North American market, and will enable us to offer customized products and services at competitive prices, thereby creating sustained value for our customers," said Rich Benson, director of research and development for Barry Callebaut North America. "Whether we're working to develop a new innovative inclusion or enhancing the taste and texture of an existing chocolate product, we'll be

working closely with our customers in the United States to develop the products and applications that will meet their needs as well as the needs of today's consumers."

Benson also said that some of the research and development initiatives currently being conducted at the company's European facilities will be transitioned to the new Pennsauken center. In addition, the center will focus on developing new flavor formulations and enhanced nutritional and functional profiles for its chocolate products. Barry Callebaut has one other innovation center in North America, located in St. Hyacinthe, Quebec.

### **Confectionery Firms profit from Chinese Chocoholics**

Source: Reuters

03/07/2008

Shanghai, July 3 - Award-winning French dessert chef Hugues Pouget has his work cut out for him as he tries to turn the Chinese into chocoholics. "In Europe, we have centuries of history about chocolate. Here, there's none," said Pouget, a 31-year-old champion of the France Des Desserts competition who started teaching Chinese chefs how to make gourmet chocolate in May. "But Chinese people like to learn Western styles. They especially love chocolate with peanuts, mangoes and strawberries."

Lured by a huge potential market, Barry Callebaut, the world's biggest chocolate maker, moved its Asia headquarters to China from Singapore in January and brought Pouget to its Chocolate Academy in Suzhou, a city of quaint ancient pavilions and acres of new factories about 90 minutes' drive from Shanghai. The Swiss company hopes that chocolate recipes cooked up at the academy, its second in Asia after a Singapore centre, can tempt Chinese consumers to gobble up the 25,000 tonnes of chocolate a year it will be churning out at a nearby factory.

Major global chocolate brands such as the Hershey Company and Cadbury Plc, already Barry Callebaut clients in other parts of the world, have swarmed to China. China's 6.46 billion yuan a year (\$922 million) chocolate market is less than 1 percent of the world's total.

Yet rising wealth and the increasing influence of Western tastes are fuelling annual market growth of more than 10 percent, compared with 1 to 2 percent in Europe, according to market intelligence company Euromonitor International.

### AFFLUENT TASTES

Today, an average Chinese eats only 100 grams of chocolate a year, with consumption concentrated in affluent coastal cities such as Shanghai, Beijing and Guangzhou. "I don't think that the Chinese will ever eat 10 kilograms per head like the Swiss, but they may eat 2 kilograms per head like the Japanese and the Koreans," Barry Callebaut Asia Pacific Vice-President Maurizio Decio said.

China's chocolate nibblers today are mostly young people aged 15 to 24, according to a survey by Sinomonitor. Young affluent Chinese might be developing a sweet tooth, but the taste buds of most Chinese favour salty foods.

Salted pork, fish, crab and beans are a common feature on Chinese breakfast tables, while youngsters often snack on salted dried fruit and drink salty soda pop. Beijingers consume 12 to 15 grams of salt a day on average, compared with 6 grams suggested by the World Health Organisation.

And it's not just taste that poses a challenge. "There's a misconception that chocolate is fattening and associated with diabetes and heart disease. That's why many health-conscious Chinese avoid it," said Xiao Mingchao, head of research at Sinomonitor.

Still, a survey by the company showed that 42.3 percent of urban Chinese consumed chocolate at least once during 2007, up from 37.9 percent in 2006 and 34.9 percent in 2005, spurred by billions of dollars in marketing and branding by foreign chocolate makers. "Deep-pocketed multinationals like Mars have been building their brands in the Chinese market for many years," said Zhao Yanping, secretary general of the China Association of Bakery and Confectionery Industry. "Chocolate is not a necessity. It's more about branding and emotional attachment."

Mars Inc has spent heavily to make M&M's classic slogan, "Melts in your mouth, not in your hands," familiar to large numbers of Chinese, while its Dove chocolate has cultivated an image of silky elegance.

### PLEASING THE PALATE

Hershey, which last year created green tea-flavoured "kisses" for the Asian market, will open a Chocolate World flagship store in Shanghai in the next couple of months. The store will offer thematic activities, chocolate-making demonstrations, chocolate desserts, beverages and plenty of sweets, as it aims to promote its brand and become China's No.2 chocolate seller by 2010.



A handful of western brands, which began entering China in the 1980s, now account for more than half of China's chocolate market. Local competitors such as Golden Monkey have found it hard to link their brands to an image of Western luxury and have mostly stuck to cheaper compounds using little cocoa butter.

Four players, Mars, Cadbury, Nestle and the Ferrero Group, controlled a combined 41.3 percent of the China market in 2006, according to Euromonitor.

Many Chinese buy chocolate only for gifts, not for personal consumption, as sweets occupy a special place in the country's tradition of gift-giving for special occasions. Young people in Chinese cities, drawn by marketing campaign images of romance and western lifestyles, buy chocolates for Valentine's Day and Christmas. Chocolate also competes with hard candies and hard-boiled "happiness eggs" as gifts for wedding guests.

Pleasing the Chinese palate remains the key to long-term success, providing chocolate makers with a culinary challenge as Chinese taste buds range from favouring hot and spicy food in the Sichuan region of central China to a preference for sour food in the northeastern provinces. "Koreans like a sour taste, but Chinese are very different," said Lee Kwang-Hoon, president of the Chinese unit of South Korea's Lotte, which started selling chocolate in China last year. "The challenge is not to make quality chocolates, but to understand what Chinese really like," he said.

Chocolate makers will not thrive on confectionery alone. Chocolate is increasingly being used as a dessert ingredient in China's fast-growing bakery market, according to Barry Callebaut. "Most chocolate in China is not consumed as such, but is consumed as an ingredient in cakes, biscuits and coatings for ice creams," Decio said.

### **New Callebaut center focuses on US tastes and functional products**

FoodNavigator-USA, France

By Laura Crowley

03-Jul-2008

Barry Callebaut today opened its first innovation center in the US to focus on the development of new chocolate products meeting the preferences of American consumers. The innovation center is located at Barry Callebaut's manufacturing facility in Pennsauken in New Jersey, chosen for its close proximity to customers on the East Coast.

Adapting flavors and products depending on demographics and taking account of emerging trends is of continuing importance to innovation for global companies. According to Mintel, popular chocolate launches in the US include peanut butter and raspberry-flavored products.

The health and wellness trend has also given rise to products such as pomegranate dark chocolate and chocolate-covered berries. "The new Barry Callebaut innovation center... will enable us to offer customized products and services at competitive prices, thereby creating sustained value for our customers," said Rich Benson, director of research and development for Barry Callebaut North America. "Whether we're working to develop a new innovation inclusion or enhancing the taste and texture of an existing chocolate product, we'll be working closely with our customers in the United States to develop the products and applications that will meet their needs as well as the needs of today's consumers."

Research at the center will also focus on developing new flavor formulations and enhanced nutritional and functional profiles for its chocolate products, and some of the company's research and development initiatives currently being carried out at its European facilities will be moved to the Pennsauken center.

The new center includes a special pilot plant - which is like a scaled-down chocolate factory that imitates the production processes that take place on actual production lines. Additionally, there is a laboratory for product testing and application work involving depositing, molding, panning and enrobing operations.

### American presence

Barry Callebaut sales volume in the Americas increased by 4.8 percent in the financial year 2006/7 to reach 242,696 tonnes, while sales revenue went up by 4.2 per cent. It signed a strategic partnership with the Hershey Company last July, making Barry Callebaut the top industrial chocolate supplier in North America. The arrangement consisted of a long-term supply agreement and the acquisition of production equipment.

As part of its American expansion, Barry Callebaut is constructing a new factory in Mexico and is planning to buy a cocoa-processing factory near Philadelphia. Barry Callebaut has one other innovation center in North America, located in St Hyacinthe in Quebec.

### Functional chocolate

According to data gathered by the cocoa company, a quarter of Western consumers are interested in chocolate with physical or emotional benefits. The survey found that functional chocolate is most popular in the US, where 14 percent of consumers say they eat it at least once a month.

Barry Callebaut has been looking to profit from this trend for some time now, and has produced a range of functional products for the confectionery market. These include Acticoa, a cocoa powder that contains a high level of the antioxidant polyphenols, pro-biotic chocolate for gut health, and a tooth-friendly chocolate made with isomaltulose, a natural constituent of honey and sugar cane. The company's claims over the popularity of such products appear to be backed up by market research, as Euromonitor reports that the functional market has grown by 15 percent on average per year over the last four years, however there has recently been some backlash from regulators and health advisors.

### **Indonesia: Cocoa sellers offer higher discount to lure buyers**

Source: Reuters

04/07/2008

Jakarta, July 3 - Indonesia's Sulawesi cocoa beans were offered for sale at a bigger discount than a month ago in an attempt to attract buyers at a time when soaring cocoa futures have pushed local prices at a historic high, dealers said on Thursday.

Sellers offered Sulawesi fair-average cocoa beans for export at a discount of \$225 a tonne under the New York September cocoa contract, against a discount of \$200 a month ago, said a dealer in a foreign trading firm in Makassar, the capital of South Sulawesi province and the country's key port for cocoa export. "The discount is widening because cocoa futures keep going up," the dealer said. "There is much lower demand for beans. At this price level, people who are making chocolate or who use cocoa products are not able to do business," the dealer said.

Cocoa is the latest in a long list of food and agricultural products to have seen a dramatic price increase this year, adding to costs for the world's chocolate companies. The benchmark September cocoa contract finished down \$27 at \$3,248 a tonne on Wednesday, in a mild correction of Tuesday's rally to another 28-year high. The level was also higher than last week's close of \$3,122 a tonne. Sulawesi's fair-average cocoa beans hovered at 27,400-27,900 rupiah (\$2.98-\$3.03) a kg on Thursday, beating the historic high of 26,700 rupiah a kg set in the middle of June. "Local prices gain purely because of cocoa futures. Supply-demand in the local market has little impact now on prices," another dealer in Sulawesi said.

On the supply side, farmers and merchants in Sulawesi delivered between 400-600 tonnes of cocoa beans a day from their plantations to Makassar, in line with previous weeks, even though the main harvest is well under way. Dealers have blamed wet weather and the spread of a deadly fungal disease -- vascular-streak dieback (VSD), which attacks branches, leaves, and trunks -- for a smaller harvest this year.

Regular shipment of cocoa beans of between 3,000-4,000 tonnes a week to Malaysia, Southeast Asia's largest grinder, is still ongoing but there was no big shipment to the United States, which in past years had been a top buyer of Indonesia cocoa beans. "Rising cocoa prices and freight rates have prompted U.S. grinders to switch to African beans and not buy Indonesian beans," said one of the Makassar dealers. Cocoa bean exports for January-April this year fell 11.5 percent to 37,004.54 tonnes, from 41,813.43 tonnes in the same period a year ago, data from the Indonesian Cocoa Association for the South Sulawesi branch show.

The Indonesia Cocoa Association has estimated the country may export 290,000 tonnes of cocoa beans this year, down slightly from about 300,000 tonnes in 2007, as disease and pest attacks cut output. Indonesia, the world's third-largest cocoa producer, has been struggling to increase its output as ageing cocoa trees have made the plant vulnerable to pest attacks. Cocoa beans are sold to grinders for processing into butter and cake, which is later pressed into powder to make chocolate, cakes, beverages and ice cream.

### **Commodity Exchange Best For Africa**

Daily Guide, Ghana - Jul 2, 2008

Most African countries are struggling to cope with the ever widening balance of payment deficits. This, according to analysts, is due to the problem of price uncertainty which has hit the market in recent times. Unfortunately, most price changes involving soft commodities have been on the negative side, with very small marginal gains made on very rare occasions.

Attempts by members of the Association of Coffee Producing Countries to boost the price of coffee through retention over the years failed to achieve the desired objectives.

Some pundits on the basis of the current trend think that liberalization of the West African commodity sectors appears to be the single most significant cause of under-performance in those sectors. Liberalisation, they said, has seriously failed West African farmers and hindered the development of rural economies.

While acknowledging the importance of commodity sectors to national economies in Africa, experts are calling on the various governments on the continent to adopt measures that would improve price, trade and production of commodities.

Many argue that given the current climate of uncertainty in the cocoa and coffee markets, there is the need for effective policies to address the precarious situation created for producers by the very low prices offered on the international market.

However, Africa cannot single-handedly provide all answers to its current economic predicament.

There is an international consensus that the continent is in dire need of regeneration to lift it out of its sorry state.

Many prominent personalities on the continent are of the view that since Africa is heavily dependent on commodity exports, a dynamic marketing and diversification is needed to revive Africa's agricultural sector.

As an attempt to revitalize what should be a thriving continent, Professor Thomas Kubi of MCA International Marketing and some other prominent personalities have decided to set up a West African commodities exchange.

To be known as the Economic Community of West African States (ECOWAS) Exchange, the venture would operate from Accra next year and have 15 regional offices around the region.

The exchange, according to Prof. Kubi, is expected to trade a range of commodities including cocoa, coffee, cashew nuts, sunflowerseeds, fruits, vegetables, timber, gold, diamonds and crude oil.

The prime client base for the exchange would consist of farmers, producers, processors, traders, wholesalers, retailers, buyers, sellers, carriers and transportation companies.

Most industry players have already welcomed the move to establish the West Africa commodity trading exchange in Ghana.

The move, according to them, would help deepen Ghana's financial sector which is gradually becoming a hub in the West African sub-region.

Professor Thomas Kubi, who would become the Chief Executive Officer of the West African Commodity Exchange when it becomes operational, told CITY&BUSINESS GUIDE in an interview that there was the need to ensure that the central roles played by commodities in the sub-region is maintained.

Prof Kubi believes that through proper marketing and support structures-probably using the West Africa Commodity Exchange- there is no doubt that the commodity market would flourish again in the sub-region.

The total cost for setting up the proposed West African Commodity Exchange in Ghana is estimated at about \$500 million.

The good news is that a Swiss credit support firm, Ace Audit & Control Expertise, has already agreed to back the project and the African Development Bank offered to provide funding.

In addition, two institutions namely London International Financial Futures and Operations Exchange (Liffe) and Cocoa Association of London (CAL) have pledged to support the setting up of the exchange.

### **EC heads to court to end 'pure' choco claims**

By Neil Merrett

ConfectioneryNews.com, France

30-Jun-2008 - The use of the word 'pure' by Italian manufacturers to label wholly cocoa butter-derived chocolate products has not left a sweet taste with the European Commission, which is now taking the issue to court. Italian manufacturers have been locked in conversation with the Commission over use of the term, which is not allowed under EU law due to claims that it can distort competition between rival confectioners.

The EC says that it filed papers at a European court last Thursday calling for Italian legislation on defining chocolate to come in line with Commission directive 2000/36/EC to avoid concerns over product discrimination. Under the directive, up to five

per cent of vegetable fats used in chocolate products can be obtained from sources other than cocoa butter and should be allowed in all member states as long as the ingredients are indicated on the packaging.

The rule states that the notice has to be put alongside the list of ingredients, clearly separated from that list, in lettering at least as large, in bold, and near the brand name. However, the Commission claims that the Italian designation of "cioccolato puro", which it says appears on some chocolate, falls foul of EU antitrust laws by insinuating that other products containing cocoa butter equivalents are inferior. No date has yet been set for the hearing, the Commission said.

A Commission spokesperson told ConfectioneryNews.com that negotiations with Italian authorities over the issue had been ongoing since March 2004. However, the spokesperson added that negotiations had subsequently broken down leading the EC to pursue the issue through the courts.

The Italians have remained resolute over their use of terminology for chocolate packaging, reflecting a struggle between member states such as the UK to allow the use of cocoa butter alternatives. In implementing the new Directive of 2000/36, the production and marketing of Italian cocoa and chocolate products is now governed by a 2003 regulation which controls the use of the expression 'pure chocolate', limiting any mention of 'pure' only to chocolate products 'which do not contain vegetable fats other than cocoa butter'.

### **Chocolate makers try to satisfy a picky Chinese palate**

By Samuel Shen

Reuters: July 3, 2008

SHANGHAI: Hugues Pouget, the award-winning French dessert chef, has his work cut out for him as he tries to turn the Chinese into chocoholics. "In Europe, we have centuries of history about chocolate. Here, there's none," said Pouget, the 31-year-old champion of the France du Dessert competition, who started teaching Chinese chefs how to make gourmet chocolate in May.

He added: "But Chinese people like to learn Western styles. They especially love chocolate with peanuts, mangoes and strawberries." Lured by a huge potential market, Barry Callebaut, a Swiss company that is the world's biggest chocolate maker, moved its Asia headquarters to China from Singapore in January and brought Pouget to its Chocolate Academy in Suzhou, a city of ancient pavilions and acres of new factories about 90 minutes' drive from Shanghai.

Barry Callebaut hopes that chocolate recipes cooked up at the academy, its second in Asia after the center in Singapore, can tempt Chinese consumers to consume the 25,000 tons of chocolate a year it will be churning out at a nearby factory.

Major global chocolate brands like Hershey and Cadbury, already Barry Callebaut clients in other parts of the world, have swarmed to China.

The Chinese chocolate market, which totals 6.46 billion yuan, or \$943 million, a year, is 1.1 percent of the world's total. Yet rising wealth and the increasing influence of Western tastes are fueling annual market growth of more than 10 percent, compared with 1 percent to 2 percent in Europe, according to Euromonitor International.

Today, an average Chinese eats only 100 grams, or 3.5 ounces, of chocolate a year, with consumption concentrated in affluent coastal cities like Shanghai, Beijing and Guangzhou. "I don't think that the Chinese will ever eat 10 kilograms per head like the Swiss, but they may eat 2 kilograms per head like the Japanese and the Koreans," said Maurizio Decio, vice president of the Asia-Pacific region at Barry Callebaut. One kilogram equals 2.2 pounds.

Chinese chocolate consumers today are mostly young people 15 to 24 years old, according to a survey by Sinomonitor. Young affluent Chinese might be developing a sweet tooth, but the taste buds of most Chinese favor salty foods. Salted pork, fish, crab and beans are a common feature on Chinese breakfast tables, while youngsters often snack on salted dried fruit and drink salty soda pop. People in Beijing consume 12 to 15 grams of salt a day on average, compared with the 6 grams suggested by the World Health Organization.

And it is not just taste that poses a challenge. "There's a misconception that chocolate is fattening and associated with diabetes and heart disease," said Xiao Mingchao, head of research at Sinomonitor. "That's why many health-conscious Chinese avoid it."

Still, a survey by the company showed that 42.3 percent of urban Chinese consumed chocolate at least once during 2007, up from 37.9 percent in 2006 and 34.9 percent in 2005, spurred by billions of dollars in marketing and branding by foreign chocolate makers.

"Deep-pocketed multinationals like Mars have been building their brands in the Chinese market for many years," said Zhao Yanping, secretary general of the China Association of Bakery and Confectionery Industry. "Chocolate is not a necessity," Zhao added. "It's more about branding and emotional attachment."

Mars, the global market leader, has spent heavily to make the classic M&M's slogan - "Melts in your mouth, not in your hands" - familiar to large numbers of Chinese, while its Dove chocolate has cultivated an image of silky elegance.

Hershey, which last year created green-tea-flavored "kisses" for the Asian market, will soon open a Chocolate World flagship store in Shanghai.

The store will offer thematic activities, chocolate-making demonstrations, chocolate desserts, beverages and plenty of candy, as it aims to promote its brand and become the No. 2 chocolate seller in China, after Mars, by 2010.

A handful of Western brands, which began entering China in the 1980s, now account for more than half of the Chinese chocolate market. Local competitors like Golden Monkey have found it hard to link their brands to an image of Western luxury and have mostly stuck to cheaper compounds using little cocoa butter.

Four players, Mars, Cadbury, Nestlé and the Ferrero Group, controlled a combined 41.3 percent of the Chinese market in 2006, according to Euromonitor. Many Chinese buy chocolate only for gifts, not for personal consumption, as candy occupies a special place in the country's tradition of gift-giving for special occasions. Young people in Chinese cities, drawn by marketing campaign images of romance and Western lifestyles, buy chocolates for Valentine's Day and Christmas.

Chocolate also competes with hard candies and hard-boiled "happiness eggs" as gifts for wedding guests.

#### **Barry Callebaut reports sales for the first nine months of fiscal year 2007/08: Dynamic sales growth**

Business-News, Switzerland - Jun 30, 2008

Zurich. Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products, announced today its key sales figures for the first nine months of fiscal year 2007/08 ended May 31, 2008. Prior-year figures have been restated mainly to reflect discontinued operations. Published figures include the participation acquired in KLK Cocoa (now renamed Barry Callebaut Malaysia) as of May 1, 2008.

Barry Callebaut continued to deliver dynamic sales growth in the first nine months of the current fiscal year as sales volumes rose to 872,993 tonnes, which corresponds to a growth rate of 10.0% – more than three times the growth rate of the global chocolate market. The implementation of the major outsourcing deals that were signed last year is on track. Sales volumes were also driven by new contracts with new and existing industrial and artisanal customers, in all regions. This additional business more than compensated for the impact of a shorter pre-Easter selling season due to an exceptionally early Easter in 2008. The resulting volume decline in March was followed by higher volumes in the subsequent months, leading to very strong volume growth in the third quarter. Sales revenue rose by 18.6% to CHF 3,608.6 million in the first nine months of fiscal year 2007/08. Revenues were positively affected by historically high raw material prices and negatively impacted by a weakening USD and GBP against the EUR and CHF. These unfavorable exchange rate developments have started to weigh on exports of Gourmet chocolate from continental Europe to the U.S., the UK and Asia. Therefore, Barry Callebaut is about to launch a locally produced Gourmet line in the U.S. and in Asia.

#### Outlook

Patrick De Maeseneire, CEO of Barry Callebaut, said: "Barry Callebaut is in a phase of intensive geographic expansion, building a platform for profitable and above-average growth over the next five years. The focus on our regional organization is paying off and volumes will continue to significantly outpace the global chocolate market. The food industry faces increasing cost pressure from high raw materials and energy prices and inflation as well as economic uncertainties. In addition, exchange rates and interest rates remain unfavorable. In light of these challenges, we have intensified our efforts to improve efficiency and launched cost savings programs across the Group. With these measures in place we are confident that we will reach our four-year financial targets over the period 2007/08-2010/11, barring any major unforeseen events."

Overview of sales performance by region in the first nine months of fiscal year 2007/08

#### Region Europe



Region Europe achieved sales volume growth of 8.6% to 604,207 tonnes, driven by good demand from industrial and artisanal customers. Sales revenue in Region Europe rose by 19.8% to CHF 2,709.2 million, partly as a result of exchange rate effects and higher cocoa bean prices compared to the prior-year period.

Food Manufacturers benefited from additional outsourcing volumes with existing customers in Western Europe and new contracts in Eastern Europe. The factory in Dijon, France, has been expanded by a Center of Excellence and installations for the production of compound. The new factory in Russia is now fully operational. Volume growth in Gourmet & Specialties was good, especially in the traditional Gourmet markets. To further develop this strategic business, the direct sales force was strengthened and a Chocolate Academy was opened in Zundert, the Netherlands, as an additional training and marketing platform for artisanal customers. Sales revenue at Consumer Products Europe was lower due to the unusually short pre-Easter selling season, as mentioned earlier.

#### Region Americas

Sales volumes in Region Americas increased by 17.6% to 211,708 tonnes. As a result sales revenue in the region grew to CHF 668.0 million, up 19.6%. At constant currencies, sales revenue increased 28.4%.

The substantial growth in the Food Manufacturers business unit came partly from the volumes delivered to Hershey under the existing long-term supply agreement but also from new customers, both large and mid-sized. The chocolate factory under construction in Mexico is well on track. First trial runs are expected to happen this summer. Production from the cocoa factory in Swedesboro, NJ, is currently being shifted to the new cocoa factory acquired from FPI in Eddystone, PA, in December 2007. This move is expected to be completed by the end of the calendar year 2008. The Gourmet & Specialties business unit also recorded significant growth despite unfavorable exchange rates as the strong EUR relative to the USD increased the cost of imported Gourmet products from Europe. In order to strengthen the relationship with artisanal customers, a new Chocolate Academy will be opened in Chicago in the fall of 2008. Both business units are now ideally positioned for accelerated growth in the fourth quarter of the fiscal year 2007/08 and onwards.

#### Region Asia & Rest of the World

Sales volumes in Region Asia & Rest of the World were flat at 57,078 tonnes. Volumes were affected by the sale of the Ivorian consumer products subsidiary SN Chocodi SA in February 2008 and the Senegalese consumer products subsidiary Chocosen in February 2007. Excluding the African consumer business, sales volume growth was 8.0%. For Region Asia & Rest of the World sales revenue grew by 3.8% to CHF 231.4 million.

As additional production capacities are now available at the new chocolate factory in China, volumes at the Food Manufacturers business unit in Region Asia are growing exponentially. Volume growth will further accelerate in the fourth quarter. Preparations for the first chocolate deliveries to Morinaga in Japan, scheduled for early 2009, are underway. Gourmet & Specialties continued to experience high demand across all Gourmet brands. The integration of the recently acquired 60% participation in KLK Cocoa has been completed.

### **Labour Issues**

#### **Ghana: Country releases Certification Report on Child Labour in Cocoa Industry**

AllAfrica.com, Washington

GNA , Accra

30 June 2008

The National Programme for the Elimination of Worst Forms of Child Labour in Cocoa (NPECLC) coordinated by the Ministry of Manpower, Youth and Employment has released two reports in relation to eliminating worst forms of child labour in cocoa. A press statement last Thursday said the two reports; the Cocoa Labour Survey in Ghana also called scale-up survey and the Hazardous Child Labour Activity Framework, (HAF) were reviewed at a separate key stakeholder meetings about three weeks ago.

It said the survey was conducted in the current 2007/2008 cocoa season as a scale up to a pilot survey conducted in 2006 covering 15 cocoa-growing administrative districts within the six cocoa-growing regions that accounted for 60% of cocoa production in Ghana.

It said as part of a National Child Labour Activity Framework being developed for all sectors, HAF was also developed to clearly spell out hazardous conditions of cocoa related activities and determine which ones children should or not perform.

Over 1,700 households, 3,452 children aged between 5 and 17 and 1,391 adults were interviewed as well as 66 focus group discussions involving children and adults were conducted by a team of researchers drawn from the Department of Agricultural Economics and Agribusiness of the University of Ghana, Cocoa Research Institute of Ghana, Ghana Statistical Service, Employment Information Bureau, the University Ghana Medical School and Civil Society Organizations undertook the research which covered it said.

The survey examined specific economic and demographic information on the cocoa sector, child and adult working practices in addition to detailed description of legal frameworks and remediation activities to promote child welfare with analyses and recommendations to improve occupational health and family welfare within the cocoa communities in the country. It said the government was committed to eliminating worst forms of child labour in cocoa and other sectors as a sure means to achieve overall child development.

The government commended COCOBOD for committing funds for the NPECLC to expand remediation activities to uncovered districts, the World Cocoa Foundation for supporting the survey and UNICEF and the Royal Danish Embassy for supporting remediation activities. Government also expressed appreciation to the support by district assemblies and civil society organizations working to ensure the practice is eliminated.

### **Cocoa Industry fails to deliver on July 1, 2008 Child Labor Commitments**

ILRF Releases New Analysis of Industry's Failure to Eliminate Child Labor

Common Dreams (press release), ME

30 June 2008

WASHINGTON - June 30 - The chocolate industry has failed to provide consumers with a reasonable assurance that the chocolate they buy was made without exploited and trafficked child labor. Major chocolate companies signed what is referred to as the Harkin-Engel Protocol in 2001, promising to eliminate the worst forms of child labor from their supply chains, after media stories emerged depicting the widespread use of forced child labor and trafficking on West African cocoa farms. After failing to meet their July 1, 2005 commitments, the Protocol was weakened and extended to July 1, 2008. Once again, the industry has missed the deadline.

Bama Athreya, Executive Director of the International Labor Rights Forum, said, "The major chocolate companies are not able to prove the elimination of exploited child labor in their cocoa supply, nor show concrete improvements in West African farmers' lives. Consumers cannot be assured today that their favorite chocolate candies are made without abusive child labor."

In a new report issued today, titled "The Cocoa Protocol: Success or Failure," the International Labor Rights Forum presented the following findings:

- The original intent of the 'protocol' has not been achieved, and consumers today have no more assurance than they did eight years ago that trafficked or exploited child labor was not used in the production of their chocolate;
- Industry is making false claims regarding certification;
- Industry may be assigning itself too much credit for activities that may in any case have resulted from bilateral and multilateral government engagement;
- 'Verification' has been rendered irrelevant by the fact that the process supported by industry no longer bears any relation to supply chain monitoring or certification;
- Industry-supported programs have not been properly evaluated and therefore the actual impacts of such programs are unknown;
- Industry has not adequately defined what it considers remediation;
- Reports from West Africa point to the continued use of the worst forms of child labor as well as trafficking of children.

The report presents the following recommendations\*:

- Companies should establish traceability within their own supply chain to the farm or cooperative level;
- Companies should work through existing initiatives (for example, Fair Trade, Utz Certified and Rainforest Alliance) to develop stronger methodologies for labor standards monitoring and link these systems directly to the government processes with an incentive/sanction system;
- Companies should ensure that their own operations and their supply chains adhere to internationally established codes of practice, including the ILO Tripartite Declaration for Multinational Enterprises and the OECD Guidelines for Multinational Corporations;



- The US Government should cease to protect the interests of chocolate companies and instead invest in funding multilateral initiatives through the ILO-IPEC program and through funding for the Education for All initiative, and should support revenue transparency in the cocoa sector.

Tim Newman of ILRF's Campaigns Department stated, "Consumers should reward companies with ethical integrity in their supply chains and continue to demand that world's largest chocolate companies answer the question of how consumers can be assured their chocolate is not produced using exploited child labor."

*\*Note: Many of these recommendations are supported by the "Commitment to Ethical Cocoa Sourcing" document which has been endorsed by 60 chocolate companies and organizations.*

### **Stop child slavery in the chocolate industry, say campaigners**

Inspire Magazine, UK –

June 30, 2008

Campaigning group Stop the Traffik says it's time the public were made aware of the child slaves who pick the cocoa beans that go into our favourite chocolate bars. Responding to recent media coverage of the high street stores selling products made by child workers overseas, Stop the Traffik says the chocolate industry has failed to eradicate the worst forms of exploitative labour.

It reports that in 2005 there were an estimated 12,000 children who had been trafficked into Ivory Coast to work as slaves on the cocoa plantations. In 2006 the top 10 companies in the chocolate industry had a reported turnover of \$39,585,800,000. "They promised in 2001 to eradicate the worst forms of exploitative labour from their industry by 2005. They failed," says Stop the Traffik. "They promised to do it by 1 July 2008 by putting in place certification of each farm that it was slave free. Tragically they have redefined certification so it now merely means surveying the situation. On top of that they target only 50% of the cocoa producing regions in Ivory Coast and Ghana instead of the required 100%.

While industry can now tell us if our chocolate is additive free, sugar free, fat free or colour free, they are unable to state that it is slave free, the campaigners say. Stop the Traffik is calling for the chocolate industry to deliver on its 2001 promise and to enable consumers to buy chocolate that is traffik free.

## **Environmental Issues**

### **Endangered Species Chocolate Calls for "10% Give Back" Applications**

(CSRwire) INDIANAPOLIS, IN, - June 30, 2008 - From primate climbing towers to sea turtle tracking, waterway clean-ups to chimpanzee medicine, Endangered Species Chocolate is committed to enriching the lives of at-risk species and preserving their habitats.

Endangered Species Chocolate uses ethically traded, shade-grown all-natural and organic chocolate as a medium to spread environmental awareness and help support the growing number of species disappearing from the planet. 10% of net profits or \$10,000, whichever is greater, is donated each year to two organization that help support species, habitat and humanity.

Applications for 2009-10 are being accepted now through August 31, 2008. The mission-minded chocolate company has a rigorous process in which 10% Give Back partners are selected based on their aggressive and clear mission to help support species, habitat and humanity. All applicants must be designated tax exempt under the IRS code 501(c)(3).

The 2009-10 Endangered Species Chocolate 10% Give Back application is available at [www.chocolatebar.com/giveback](http://www.chocolatebar.com/giveback). To honor the company's core value of conservation, applications and supplemental materials should be submitted electronically using the email address provided on the application. New partners will be announced by October 31, 2008.

Endangered Species Chocolate's 10% Give Back partners in 2007-08 are Chimp Haven and Ocean Conservancy. Each year the company also seeks ways to give back to the farming communities that harvest their all-natural and organic cacao. Four representatives recently returned from a trip to Ivory Coast and Nigeria where they visited cacao farmers and volunteered at a clinic.

Chimp Haven provides lifetime care for chimpanzees no longer used for medical research, as pets or entertainers. The 200-acre Shreveport, LA, sanctuary is home to more than 200 of the approximately 1,300 chimpanzees who have been used in federally supported research and who are housed in research facilities. Funds received from Endangered Species Chocolate are used for veterinary care and medicine, the food preparation and enrichment kitchen, and habitat enhancements.

[www.chimphaven.org](http://www.chimphaven.org)

Ocean Conservancy, located in Washington, DC, promotes healthy and diverse ocean ecosystems and opposes practices that threaten ocean life and human life. Through research, education, and science-based advocacy, Ocean Conservancy informs, inspires, and empowers people to speak and act on behalf of the oceans. The Endangered Species Chocolate grant is used to fund three projects: SEE Turtles: Sea turtle Ecotourism Expeditions, The International Coastal Cleanup and the Florida Wildlife Program.

[www.oceanconservancy.org](http://www.oceanconservancy.org).

Nonprofits are also encouraged to apply for in-kind chocolate donations to help support their cause. Groups like Keep Indianapolis Beautiful and The Nature Conservancy use donations from Endangered Species Chocolate as volunteer snacks, donor gifts and event favors. The Endangered Species Chocolate product donation request form can be found at [www.chocolatebar.com/apps.asp](http://www.chocolatebar.com/apps.asp).

#### About Endangered Species Chocolate

Indianapolis-based Endangered Species Chocolate is fully committed to providing premium, all-natural ethically traded, naturally shade-grown, gluten-free and kosher products, as well as products that are certified vegan and organic. To honor its core value – Reverence for Life – ESC confirms that all beans used in its products are purchased from family-owned properties where the income benefits the community. The company also donates 10-percent of net profits to help support species, habitat and humanity. For more information, please visit [www.chocolatebar.com](http://www.chocolatebar.com).

For more information please contact:

Renee Sweany, Cacao Tree Hugger, Marketing Associate  
Endangered Species Chocolate  
317.216.2108  
[ChocolateBar.com](http://ChocolateBar.com)

### **Others**

#### **Interrogations, Arrests Mount in Ivory Coast cocoa probe**

Voice of America

By Nico Colombant, Dakar

30 June 2008

More interrogations and arrests are being carried out in Ivory Coast as part of a massive anti-corruption effort for the country's lucrative cocoa sector. Prosecutors opened their investigation into fraud last month after a series of scandals in which massive amounts of money went unaccounted for. VOA's Nico Colombant has more from our regional bureau in Dakar.



Journalists following the cocoa investigation in Abidjan said three more top officials had been called in for questioning. They also reported Ivorian judges are in France, investigating bank accounts linked to Ivorian cocoa promotion, cooperative and export bodies.

Friday, a member of President Laurent Gbagbo's Ivorian Popular Front party, Jean-Claude Bayou, was the latest official implicated in the probe to be put in jail.

An Ivorian cocoa farmer (2005 photo)

Following the arrest, the president's party released a statement calling for calm and said all Ivorians should respect the rule of law, and the authority of the president. It also said all those implicated, even jailed, should be considered innocent, at this point of the process, until proven guilty.

Cocoa officials say they have been well treated in jail and that they held a religious ceremony behind bars on Sunday. Prosecutors opened their investigation into the country's cocoa institutions on May 30, publishing an initial list of 23 people being investigated. The jailing of most of them has angered officials at the national association of cocoa producers. One of its members, Laurent Kouassi, says that money from the cocoa bodies is being spent to help farmers and producers with many different projects. He says if there is corruption in the sector, then it is by everyone, including ministers, and the president.

President Gbagbo is currently at the African Union summit in Egypt. Journalists in Ivory Coast say there is nervousness among some ministers, thinking they may be fired after he comes back, and then investigated as well in the sweeping cocoa probe.



VOA Photo - H. Ndiha

**President Laurent Gbagbo**

President Laurent Gbagbo The investigation comes in the run-up to scheduled November 30 elections, in which Mr. Gbagbo will face fierce competition from two opposition leaders. The elections aim to reunite the world's leading cocoa producer, divided in two since a northern rebel insurgency in late 2002.

The cocoa producer Kouassi says since there is so much talk about peace, producers do not want to go on strike right now. But he says negotiations must take place, so that it is not just certain officials who are scapegoats.

One facet of the probe concerns the purchase of a former Nestle company plant in Fulton, in the northeastern U.S. state of New York. U.S officials are also investigating whether some officials from the Ivorian cocoa sector laundered tens of millions of dollars they received to develop the plant.

The London-based watchdog group, Global Witness, has also been closely following the issue. The author of a recent report on the Ivorian cocoa sector, Maria Lopez, says the investigation is crucial, but that more is still needed to reform the industry, which six million Ivorians depend on. "Basically, we think that of course, the investigation is very good news," said Lopez. "The other good news is that the government also published financial data on what was going in these national cocoa institutions, so they have levels of bank accounts, how much money is left, but we think that does not address really transparency in the long term. For that, there needs to be another set of dispositions taken."

Lopez says Ivorian leadership has hinted structural progress may soon be on its way, but she says she wants action in this area as well. "The Ivorian President Laurent Gbagbo talked last week about some kind of anti-corruption legislation and we think he needs to be taken up on that," she said. "We think there is some room for a law demanding cocoa exporting companies operating in Cote d'Ivoire publish what they pay the government and the cocoa institutions. This way, it is much more difficult for money to go missing without anyone noticing. If you publish regularly, at least yearly, what you as a company has been paying, then it is easier in particular for civil society and for Ivorian citizens as a whole to watch what the government is publicizing. We think there should be legislation if the president is really serious about ensuring transparency in the long term."

Ivory Coast is the world's leading producer of cocoa beans. During the 1990s the sector was rocked by allegations there was child labor on many cocoa plantations. U.S lawmakers have been actively involved in trying to end those practices.

### **ICoast corruption probe targets state-owned cocoa authority**

AFP

2 July 2008



A worker lays out cocoa beans for drying in San Pedro, Ivory Coast

ABIDJAN (AFP) — Three officials from Ivory Coast's cocoa and coffee regulation authority have been imprisoned in a massive corruption probe into the cocoa industry in top world producer, prosecutors said Tuesday.

It is the first time investigators have arrested officials of the 100 percent state-owned ARCC. Until now the investigation had focussed on officials of privately-owned cocoa institutions.

According to the prosecutor's office, the president of the board of directors of ARCC, Placide Zoungrana, the executive director Didier Gbogou and financial director Dominique Coffi were questioned by a judge Monday and later detained.

Zoungrana and Gbogou are close allies of President Laurent Gbagbo, who ordered the probe into alleged corruption in the cocoa industry in October 2007. In the last few weeks 17 former top officials -- many previously close to the president -- have been arrested on charges of "financial fraud and embezzlement". Before Monday's arrests NGOs had hailed the crackdown but complained that only privately-owned cocoa institutions seemed to have been targetted. The ARCC officials were not mentioned on a list of 23 people charged by prosecutors in the probe, unveiled on June 13.

Gbagbo ordered the probe last year after allegations surfaced that the cocoa and coffee marketing cooperative FRC had embezzled more than 100 billion CFA francs (152 million euros, 235 million dollars) earmarked for the purchase of a chocolate factory in Fulton in the United States.

The Ivory Coast produces some 40 percent of the world market in cocoa and some six million people are employed in the cocoa industry. Cocoa and coffee make up 40 percent of Ivory Coast's export income and 20 percent of its Gross Domestic Product (GDP).

#### **Ivorian BCC names new interim managing director**

Reuters South Africa, South Africa

03 July 2008

ABIDJAN (Reuters) - Ivory Coast's Coffee and Cocoa Bourse (BCC) on Thursday named Alexis Nezzi as interim managing director after the arrest of top BCC officials in an anti-corruption crackdown in the world's No. 1 cocoa grower.

Nezzi, who has had previous experience overseeing cocoa exports from the port of Abidjan, replaced Tano Kassi Kadio, who was arrested last month in a major investigation into fraud and embezzlement in the West African country's cocoa sector. "We've chosen Alexis Nezzi as the BCC's interim managing director and he'll be presented to the employees today," said the BCC management board President Edoukou Angoua Kouadio, who was appointed to his post last week.

In the last few weeks, more than 20 leaders of Ivorian cocoa and coffee industry bodies have been arrested to face charges in an anti-graft investigation ordered by President Laurent Gbagbo. The investigation followed allegations in the local media of the embezzlement of more than 100 billion CFA francs meant to help develop the sector, whose murky finances have become even less transparent since a 2002/03 civil war.

"His (Nezzi's) mission is to clarify the organisation's accounts and to put in place simple but transparent and reliable management methods so we don't experience again the situation we've just been living through, with the arrest of top officials for mismanagement and embezzlement," Kouadio said.

#### **Cocoa: COPAL seeks farmers's compliance to EU's standards**

The Punch, Nigeria

By Femi Makinde, Akure

4 July 2008

The Cocoa Producers Alliance has advised Nigerian cocoa farmers on the need to comply with the European Union Legislation on Pesticide Residues in cocoa bean or have their products rejected by the consuming nations as from September 1. According to him cocoa farmers must not exceed the Maximum Residue Levels of pesticides permitted in cocoa by the EU law.

The President of COPAL, Ambassador Sona Ebai, said in Akure on Thursday that local farmers must engage in Good Agricultural Practices and use approved pesticides to treat their cocoa trees. He explained that GAP meant when the pesticide has been applied in line with the product label recommendations and in keeping with local environmental and other conditions.

Speaking with journalists after the inauguration of Actara 25 WG, which is on of the pesticides on the list of the EU approved list, he urged farmers to stick to the recommendation of the manufacturer when using the pesticide. Ebai said that all consignments of cocoa beans being imported into the EU nations must conform to the provisions of Regulation 149/2008/EEC from September 1. He warned that cocoa bean which failed the MRL test would no longer be allowed into any of the EU countries.

Ebai called on the Federal and States Ministries of Agriculture to intensify efforts in sensitizing local farmers about the need to comply with the EU legislation. He added that the EU law was not new but it was being extended to cocoa and other agricultural products.

The Chairman of Patemglobal Limited, Mr. Patrick Ikemefuna, said that Actara 25 WG was recommended by the Cocoa Research Institute of Nigeria and registered by NAFDAC. The product, according to him, is also on the list of the EU approved pesticides list.

According to a material sourced on the Internet by our correspondent, "Regulation 149/2008/EEC of January 2008 relates to a large number of products, of which cocoa is one, and amends EC 396/2005 on maximum residue levels of pesticides in products of plant and animal origin intended for human and animal consumption. The objective of this act is to ensure that pesticide residues in foodstuffs do not constitute an unacceptable risk for consumer and animal health."

## **Snacks players must embrace health and wellness to beat obesity**

By Lindsey Partos  
Confectionery.com

01-Jul-2008 - Only a true health and wellness vision can enable global snack players to tap into the booming market for obesity solutions, claim experts.

A new report from Credit Suisse projects the market for obesity fighting consumer staples could hit a massive \$1.4 trillion by 2012 as the world's population continues to gain weight.

The World Health Organization (WHO) estimates that, in addition to the 400 million adults who are obese, more than 1.6 billion adults are now overweight, with the total cost associated with overweight and obese individuals in the United States alone hovering around \$117 billion.

And inherently nutritious food companies stand to gain the most from this flourishing market by offering a healthier mix of options to better serve consumers.

In a comprehensive report that investigates obesity and parallel investment implications, analysts hone in on opportunities for snack players, taking a closer look at US beverage and snack firm PepsiCo and its vision to create a healthier mix.

In the 1990s PepsiCo's portfolio was indulgent; but the report cites PepsiCo's chairman Indra Nooyi who, speaking recently at an industry event, "argued for how innovation and acquisitions have transformed the portfolio to nearly 45 per cent "Good for You" or "Better for You."

According to the report, the PepsiCo chairman spoke of the need for the food and beverage industry to "deal more proactively with the fact that in some parts of the country, more than half of its consumers are overweight or obese."

In terms of the North American arm of PepsiCo's snack business, Frito Lay North America, the analysts suggest that its size and scale have given the firm "tremendous scale for R&D that no other snack company can match". The firm has further benefited from "a research staff whose objective is to continually pursue healthier profiles for its snacks."

They claim that the firm has been the trailblazer for the industry as a whole, citing its moves to cut trans fats, its shift to healthier oils, and slicing the sugar and salt content from snack products.

"It has also used its great snack brand platforms for creating healthier baked versions of its snacks, such as Baked Lays. And its scale has permitted it to invest in cooking technologies for producing healthier snacks that smaller and underscaled competitors cannot match," they add.

The firm recently rolled-out to market a concept called "Smart Spot." According to the report, this designation is given to PepsiCo's food and beverage products "that meet a set nutrition criteria based on statements from the Food and Drug Administration and the National Academy of Sciences."

Currently, approximately 45 per cent of all PepsiCo products meet these criteria, state the analysts.

Further, they assert that PepsiCo management is funding an innovation pipeline that aims for more than 50 per cent of all new products to qualify for a 'smart spot'.

Specifically, the 'smart spot' is found on products that: contain at least 10 per cent of the daily value (DV) of a targeted nutrient (for example, protein, fibre, calcium, iron, vitamin A, vitamin C) and meet limits for fat, saturated fat, trans fat, cholesterol, sodium, and added sugar; or are formulated to have specific health or wellness benefits; or are reduced in calories or nutrients such as fat, saturated fat, sodium, or sugar.

Highlighting a further facet of the PepsiCo vision to advance health and wellness issues, several years ago, writes Credit Suisse, Dr. Dean Ornish, head of the Preventive Medicine Research Institute, spoke to investors about a Blue Ribbon Advisory Panel of experts in the wellness field that he had helped establish for PepsiCo.

Tapped into regulatory and scientific issues, the panel had direct access to the then-chairman Steve Rainemund. Apparently, Ornish spoke of recommendations made by the panel to PepsiCo's chairman "that ranged from establishing targets for improving the health attributes of its products, increasing disclosure of nutritional information, and advancing education on exercise and nutrition for consumers."



## **Obesity: opportunities for food players to hit \$1.4 trillion in revenues by 2012**

By Lindsey Partos

Confectionery.com

01-Jul-2008 - Opportunities for global food players will flourish for products squarely positioned to beat the obesity phenomenon with the consumer staples market set to reach \$1.4 trillion in expected revenues by 2012. "Although it is always possible that unforeseen regulation could add pressure to these companies to do more, over the next five years we see positive growth stemming from current investments and initiatives," say authors of the Credit Suisse report, 'Obesity and Investment implications'.

The World Health Organization (WHO) estimates that more than 1.6 billion adults are now overweight, in addition to the 400 million adults who are obese, with the total cost associated with overweight and obese individuals in the United States alone hovering around \$117 billion. The consequent drive to curtail these figures is not only driving government initiatives worldwide to arrest the 'epidemic' but in parallel, has opened up opportunities for food and beverage players to tackle the fight against obesity via carefully positioned consumer products, and on the back of the burgeoning health and wellness phenomenon. "In the packaged foods space, the drive against obesity is a further acceleration of already existing trends toward health and nutrition, convenience and trading up to more premium items," states the report.

Obesity is a function, suggest Credit Suisse, of both volume intake (calories consumed) and diet balance. Citing data from ERS, the US government's research service, analysts at Credit Suisse suggest in the report that in parts of the developed world, particularly in the US, the average caloric intake has moved sharply upward over the last 30 years, having been largely unchanged over the previous seven decades.

This increase in calories consumed "has coincided with the increase in obesity, and we suggest it is the root cause of the problem."

They further suggest that organic growth in the US food industry is broadly one per cent per annum from population growth; 0.8 per cent per annum from extra volume and calories; and 1 to 3 per cent per annum from mix and price.

The challenge for the food manufacturers, if there is to be a backlash, must be to replace the 0.8 percent growth they have been achieving from sheer volume increase (calories) with a better performance from "mix", states the report.

And with regards to obesity, they suggest "a better mix to mean a more healthy offering and range".

Rating portfolios of food and beverage companies on how well positioned they are to capitalise on health and wellness trends, Credit Suisse "believe that Danone, Kellogg, and Nestlé have the best-positioned portfolios."

According to the report, Danone is, arguably, the "healthiest" company in their field of vision, with a portfolio broadly split as follows: 58 per cent yoghurt, in which the group is the global market leader, 19 per cent beverages, principally water, 17 per cent baby food, where the group is a top two player in Europe and Asia; and 6 per cent clinical nutrition.

"Yogurt is not only extremely versatile, it can boast an impressive array of functional health benefits; Danone has a number of blockbuster brands that target specific health issues such as Activia (digestion), Actimel (protection), or Vitalinea (weight management)," states the report.

With its leadership position in cereal, Kellogg is one of the best-positioned companies to capture the growing trend toward health and wellness, they continue. "Kellogg has had a great deal of success with its Kashi brand, which has proved to be extendable beyond just cereal, into snacks. In its snack portfolio, Kellogg, like others, has rolled out organic whole grain items (even Pop-Tarts), 100-Calorie Packs, and low-fat and trans fat-free offerings."

With regards to Swiss giant Nestle, for some years now, the firm has been moving its business toward health, writes the report. Acquisitions have been centered on furthering its interests in nutrition, such as Novartis's medical nutrition business, Gerber, and Jenny Craig. "There is some subjectivity about exactly how healthy one might define each of the businesses, but on our very broad-brush estimates, over 60 per cent of the portfolio might be described as either inherently healthy or better for you," reports Credit Suisse.

According to Credit Suisse, three overriding trends have characterised the food industry for many years: health and nutrition; convenience and on-the-go; and trading up. In addition, there has been growth at the superpremium, or indulgency, end of the industry, "but that this is simply a form of trading up", they say.

For the report authors, the drive against obesity "quite simply translates into an acceleration of these three trends."

"Portfolios have been reformulated, repackaged, and repositioned to provide healthier options, be it low fat, low sodium, low carb, trans fat free, sugar free, reduced calorie, portion control, or whole grains," claims the report.

In addition, partnerships and marketing agreements with diet plans and exercise regimens abound. In short, manufacturers have given consumers more options to choose what is in (or out) of their foods and more ways to improve their eating habits. "All these trends are part of a natural evolution of the food industry to shifts in consumer demand or requirements," states Credit Suisse.

Enquiring whether packaged foods companies are benefiting or suffering as a result of these changes, the authors suggest that "on the one hand, it can be argued that the formulation changes and marketing restrictions are increasing the cost of doing business. But on the other hand, the costs are rising all around. So no single company wins or loses."

They attest that the obesity concerns and the drive to increase awareness and to reverse the trend will "surely lead to a more health-conscious consumer. We have already seen a marked swing in consumption patterns of these foodstuffs, though defining exactly what is healthy and what is not, is always a debate".

The trend received further affirmation recently with a study by AC Nielsen of "what's hot around the globe" that highlighted the growth rates globally by food category. According to Credit Suisse, the data covered 66 countries that collectively account for 75 per cent of the world's population and more than 90 per cent of its GDP.

"The global growth of food and beverage categories measured was 4 per cent. What is notable among the food and beverage categories with top sales growth is the number of healthy items that dominate the list: yogurt, dairy, fish, and salads. Six of these categories had global sales of over US\$1 billion and grew in double digits," states AC Nielsen.

#### **Biofuels Blamed for Global Food Price Crisis - Report**

Source: Reuters

London, Jul. 4 - Biofuels have forced global food prices up by 75 percent -- far more than previously estimated -- according to a confidential World Bank report published in a British newspaper Friday. The assessment is based on a detailed analysis by Don Mitchell, an internationally respected economist at the global financial body, the Guardian said. The figure contradicts U.S. government estimates that plant-derived fuels have contributed less than 3 percent to food-price increases, the newspaper said.

It will add to pressure on governments in Washington and Europe, which have turned to biofuels to reduce emissions of greenhouse gases and reduce their dependence on imported oil.

The Guardian said senior development sources believed the report, completed in April, had not been published to avoid embarrassing President Bush. "It would put the World Bank in a political hot-spot with the White House," said one source.

Leaders of the G8 leading industrial countries meet next week in Japan, where they will discuss the food crisis and come under intense lobbying from campaigners calling for a moratorium on the use of plant-derived fuels.

Rising food prices have pushed 100 million people worldwide below the poverty line, according to the World Bank, and have sparked riots from Bangladesh to Egypt.

Bush has linked higher food prices to higher demand from India and China, but the World Bank study said: "Rapid income growth in developing countries has not led to large increases in global grain consumption and was not a major factor responsible for the large price increases."

Even successive droughts in Australia have had a marginal impact. Instead, the report said the EU and U.S. drive for biofuels has had the biggest impact on food supply and prices.

"Without the increase in biofuels, global wheat and maize stocks would not have declined appreciably and price increases due to other factors would have been moderate," the report said.



The basket of food prices examined in the study rose by 140 percent between 2002 and February 2008. The report estimated that higher energy and fertilizer prices accounted for an increase of only 15 percent, while biofuels have been responsible for a 75 percent jump over that period.

It said production of biofuels had distorted food markets by diverting grain away from food for fuel, by encouraging farmers to set land aside for biofuel and by sparking speculation in grains, driving prices up higher.

### **Commodities Prices Jump, And Upward Trend Is Likely to Continue**

By CAROLYN CUI

July 1, 2008; Page C7

Wall Street Journal - Jun 30, 2008

Toward the end of the quarter, there was reason to hope that maybe, just maybe, the price of commodity-king crude oil was finally tamping demand.

It was a cruel tease.

After a few days of respite from a relentless climb, oil charged higher Thursday, helping to send the stock market down to its lowest point of the year, followed by more gains -- and stock-market losses -- the following day. By the end of Monday, oil futures had risen 38% in three months to \$140 a barrel, registering the best quarterly performance since the first quarter of 1999.

#### **THE JOURNAL REPORT**

See the complete Quarterly Markets Review. Other commodities shared the love. Corn surged about 28% and for the first time passed the \$8-a-bushel mark; soybeans rose 34% in sync. And gold, enjoying its biggest one-day dollar move in 23 years last week, ended the quarter up 1.1%.

The inability to tame the beasts wasn't for lack of trying. During the past several months, lawmakers, economists and business people tried to do their part to balance supply and demand. At the same time, they debated the role of financial players such as pension plans and hedge funds in commodities' rise, questioning whether the influx of cash in relatively new commodities investments should be curtailed or whether a broadened spectrum of participants ultimately helps a market.

World-wide, countries made efforts to reduce consumption. Higher prices led some Asian nations to relax energy subsidies. Record oil prices prompted Americans to buy smaller and more fuel-efficient cars, according to auto makers' sales results. Consumers drove less, as gasoline in the U.S. surpassed \$4 a gallon. Total U.S. vehicle miles traveled posted a 4.3% decline in March from a year ago, the biggest year-on-year drop since the data were first reported, in 1942. It dropped again in April, by 1.8%.

But prices marched on. And few are betting that their course will change. S&P GSCI, a broad-based commodities benchmark, added 29% in the second quarter.

Emerging-market demand has shown no willingness to let up. In June, when China announced a large increase in gasoline and diesel prices, crude oil initially tumbled on the news. But China's refineries are willing to pay more for crude oil if the gasoline they refine can be sold at prices closer to market value rather than the lower subsidized price. And refiners there are struggling to supply ever-more gasoline to China's burgeoning population of drivers. China's latest trade data show that in May it became a net importer of gasoline for the first time.

Global oil consumption in the first quarter rose at a slower pace than expected, according to the Energy Information Administration. However, the agency still projects growth of 960,000 barrels a day this year, thanks to continued economic growth in developing countries.

Global demand increases for corn are expected to mute any domestic declines in the U.S. The number of cattle being fed in June dropped 4% from a year ago, according to the U.S. Department of Agriculture. "That's a significant loss of demand," as half of U.S. corn is used as cattle feed, says Darrel Good, an agricultural economics professor at the University of Illinois at Urbana-Champaign.

But China turned into a net corn importer in May after its imports rose more than 20 times from a year ago, and imports of soybeans and cotton were up 17% and 19%, respectively, according to Barclays Capital. Grappling with skyrocketing food prices and protests against rising costs of living, some food producers introduced export restrictions to avert domestic shortages, which further tightened global supplies.

Commodity bulls see higher prices as the key to solving the supply-and-demand imbalance. When prices go high enough, consumption will fall and production will increase, says Jim Rogers, a veteran commodities investor.

Even gold bugs, who spent much of the quarter on hiatus, came out in force as the quarter waned. After tumbling to \$850.90 during the quarter, gold futures shot up to \$926.20 a troy ounce at the end. Its short-term future may depend on which force prevails -- inflation fears or physical demand for the precious metal. Gold demand fell 16% to five-year lows in the first quarter, according to the World Gold Council, as the sharp rise in prices caused consumers to spend less on electronics and jewelry.

Silver wobbled throughout the quarter, ending with a 0.8% gain.

Recessionary worries hit many industrial metals as supply outpaced demand. Among the decliners, zinc plunged more than 30% from its mid-March peak, down 16% for the second quarter. The metal, which is mainly used for galvanizing steel for automobile and construction industries, suffered from "a sharp reduction" in European demand, said the International Lead and Zinc Study Group. Global demand inched up 0.6% for the first four months, slower than last year's demand growth of 6.6%, the group said. Demand lagged behind the supply growth of 1.5% and led to a glut of zinc. Similarly, nickel and lead fell 26.5% and 36%, respectively, in the quarter.

### **All chocolate is bad for canines**

Hints from Heloise

Deseret News, UT - Jul 4, 2008

Dear Readers: What it is about chocolate that makes it bad for your dog yet taste good to humans?

It's the same ingredients that make it a favorite treat for humans that can cause serious health problems in dogs — fat and caffeine-like stimulants. Dark or white chocolate, it doesn't matter. Both are bad, but for different reasons.

Dark chocolate has a large amount of the stimulant, but less fat, while white chocolate has more fat, with less caffeine-like stimulant. In fact, if a pooch that weighs less than 10 pounds eats as little as 2 ounces of baking chocolate (the darkest), there is the potential for serious health problems. At first, you may notice vomiting or diarrhea, abnormal urination and thirst.

White chocolate is a no-no, too! It doesn't have as much of the stimulant, but it has a much higher fat content, which can cause a whole bunch of health issues, the worst being pancreatitis, which can be life-threatening. Our Cabbie, a miniature schnauzer, has had pancreatitis twice from getting into a garbage can and scarfing down some high-fat trash. It's not fun — she almost died — and it's very expensive to treat.

We all love to indulge our pups, but stick to the veterinarian-recommended goodies.

### **New fund connects African suppliers with UK supermarket shelf**

7thSpace Interactive (press release), NY - Jul 4, 2008

More African goods - from chocolate to pineapples to spices in ready meals - could appear on UK supermarket shelves in future, said International Development Minister Gareth Thomas today as he opened for bids a new £2m scheme helping producers to trade their way out of poverty.

The scheme, which will be match funded by retailers, will team food producers from the developing world with major UK retailers to increase the flow of African food products to the UK in innovative ways that works for both parties.

On Monday, Gareth Thomas will challenge the view that exported products from the developing world have a bigger environmental impact. He will launch groundbreaking research into the carbon footprint of South African fruit and wine exports in Pretoria.

Minister for Trade and Development Gareth Thomas said; "British tastes have changed and are continuing to change. For example the demand for pineapple - which can't be grown in the UK on a commercial scale - has gone up by 24% in the last year. But producers in Africa can't always get the right supply chain in place or they're not quite adapted to the UK market.

"Our research has shown nearly three quarters of the UK public want to use their weekly shop to reduce poverty in the developing world. But they don't want to spend over the odds, especially with the global economic situation, and they're - quite rightly - concerned about climate change.

"The ability to trade effectively with the UK is making a big difference to local economies in Africa. We know this works so we want to work with the business community to take this further - building this bridge directly between the retailer and producer through this fund means businesses can work together to see what's viable and get our support to kick start a long term solution."

UK retailers will team up with suppliers from Africa to bid for money from the Food Retail Industry Challenge Fund for projects to increase the flow of African food products to the UK in a way that works for both parties, which will be match funded by the retailers.

An example of the type of project the Government hopes to see come forward would be an initiative to help African producers meet strict European certifications and supermarket standards. UK retailers will be expected to match fund projects put forward to help African farmers compete against Asian and Latin American suppliers and meet the exacting standards of UK supermarkets.

Seven out of ten Africans depend on agriculture and the natural environment for their livelihoods, including several million people who rely partly on sales of fruit, vegetables, cocoa, coffee, tea and other agricultural commodities to the UK. While nearly three-quarters of UK consumers say they want to reduce poverty through their shopping choices, they are also concerned about issues such as prices, food safety, environmental impacts and animal welfare.

The carbon footprint research launched on Monday will be co-funded by the Department for International Development and the industry itself. It is the first industry-wide measure to be developed in South Africa, which is one of the biggest exporters of wine in the world.

Announcing the new research, Gareth Thomas will say; "South Africa is already starting to see the effects of climate change on its exports. For example, rainfall patterns are starting to affect the fruit and wine industry in the Western Cape. But we also need to understand the carbon "cost" they pose to the environment. This is crucial to maintaining South Africa's competitive position in global fruit and wine export markets."

#### Notes to Editors

1. Over 90% of the fruit and almost 40% of the vegetables we eat are imported. UK customers spend over one million pounds a day on fruit and vegetables from Africa
2. FRICH will provide a platform for piloting public-private partnerships in the food retail sector that will address these issues by developing new profitable business models that help increase the sale of sustainably produced food from Africa. FRICH will enable projects to get off the ground in Africa that might be too risky for commercial operators to invest in alone or those which help to spread the benefits to smaller and hence poorer farmers. By working with the food retail industry and others, FRICH will help to increase market access for food exports produced by African farmers, thus reducing poverty by improving the incomes of the rural poor in Africa.
3. The £200,000 carbon footprint research scheme, jointly funded by DFID and the Fruit and Wine Industry in South Africa, will measure the carbon footprint of the industry and establish how the industry's carbon emissions compare to international competitors. It will then be used to address how the industry can become carbon neutral securing current jobs and increasing the demand for South African produce in a sector crucial for the employment of the poor.
4. DFID announced in February that it is doubling its commitment to £1.2 million to expand Fairtrade labelling across Europe and to help producers in the poorest countries around the world.

DFID, the Department for International Development: leading the British government's fight against world poverty. One in five people in the world today, over 1 billion people, live in poverty on less than one dollar a day.

Information Department 1 Palace Street, London SW1E 5HE. Website: <http://www.dfid.gov.uk>

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Replicas of Terracotta warriors made of chocolate are seen on sale in a chocolate shop in downtown Shanghai July 1, 2008. Although China's 6.46 billion yuan a year (922 million U.S. dollars) chocolate market is less than 1 percent of the world's total, rising wealth and the increasing influence of Western tastes are fuelling annual market growth of more than 10 percent, compared with 1 to 2 percent in Europe, according to market intelligence company Euromonitor International.(Xinhua Photo)

# TIT BITS

(Source: Business Recorder – [www.brecorder.com](http://www.brecorder.com))

US MIDDAY: cocoa at 28-year high

NEW YORK (June 27, 2008): US cocoa futures on ICE Futures climbed to another 28-year high in early trade Thursday, while arabica coffee tapped a 3-1/2-month high for the third day, with both markets boosted by the weak dollar. September arabica was up 1.20 cent at \$1.5155 per lb by 9:28 am EDT (1328 GMT), moving from \$1.5015 to \$1.5275

US MIDDAY: cocoa hits fresh high

NEW YORK (June 28, 2008): US cocoa futures on ICE Futures again inched up to a fresh 28-year high in early trade on Friday, while arabica coffee retraced gains from Thursday, when it closed at a 3-1/2-month high for the third straight day, as participants took profits.

London cocoa hits 22-year peak

LONDON (June 28, 2008): A weakening dollar, strong oil and record high commodity indices pushed sugar prices up and sent cocoa to a 22-year peak on Friday, while profit taking and producer sales kept coffee below this week's 3-1/2-month highs. Dealers and analysts cited fund and trade buying of sugar futures, noting tight nearby supplies of white sugar.

US MIDDAY: cocoa at 28-year high

NEW YORK (July 01, 2008): US cocoa futures on ICE Futures continued to climb to another 28-year high in early trade Monday, while arabica coffee recovered Friday's losses and briefly touched a 3-1/2-month high, on month-end and quarter-end support. September arabica contract was up 2.10 cents at \$1.5465 per lb by 9:14 am EDT (1314 GMT), moving from \$1.514 to \$1.5525, a high last seen March 14 for the second month.

London cocoa down, sugar up

LONDON (July 03, 2008): cocoa prices closed weak Wednesday in a modest setback after the market surged to its highest levels in more than 20 years this week, but the overall mood remained bullish, dealers said. Coffee edged up to 3-1/2-month highs and sugar rose to four-month peaks on follow-through support from Tuesday's sharp rise.

US MIDDAY: cocoa and coffee ease

NEW YORK (July 03, 2008): US cocoa on ICE Futures eased early on Wednesday in a mild correction after soaring up a 28-year peak Tuesday, while arabica coffee likewise slipped as origin sellers appeared. September arabica contract down 1.50 cents at \$1.5385 per lb by 9:22 am EDT (1322 GMT), moving from \$1.533 to \$1.557. The rest retreated 0.75 to 2.05 cents.

US MIDDAY: coffee and cocoa ease

NEW YORK (July 04, 2008): US cocoa and arabica coffee futures on ICE Futures fell in early trading Thursday, as the dollar climbed and ahead of the US Independence Day holiday Friday. September arabica contract was down 3.65 cents at \$1.523 per lb by 9:19 am EDT (1319 GMT), moving from \$1.5205 to \$1.5605. The rest fell 0.05 to 3.75 cents lower.

## OTHER SOURCES

### **Sugar buoyed by surging crude, cocoa consolidates**

guardian.co.uk, UK - Jun 30, 2008

By Nigel Hunt LONDON, June 30 (Reuters) - Sugar prices rose on Monday, buoyed by a surging crude oil market, while cocoa looked to consolidate after last ...

### **... needs N100m to assist cocoa farmers**

The Tide, Nigeria - Jul 2, 2008

The Idanre Local Government Council of Ondo State says it will require N100 million to assist cocoa farmers in his local government area to rejuvenate their ...

LG generates N.5m monthly for widows The Tide

### **IBM and Mars intend to sequence and study the cocoa genome**

domain-B, India - Jun 30, 2008

Sequencing the cocoa genome is a significant scientific step that may allow more directed breeding of cocoa plants and perhaps even enhance the quality of ...

**Construction of Nyarkrom- Otsenkorang road begins**

Accra Daily Mail, Ghana - Jun 30, 2008

The project which is being founded by the Ghana Cocoa Board (COCOBOD) under the cocoa roads improvement and government of Ghana is an integral part of the ...

**Commodity exchange needs \$500m**

Joy Online, Ghana - Jun 30, 2008

Meanwhile, two institutions namely London International Financial Futures and Operations Exchange (Liffe) and Cocoa Association of London (CAL) have pledged ...

**Unwrapping the Chocolate Genome**

Truth about Trade & Technology, IA - Jul 1, 2008

Mars will announce today that it is partnering with IBM and the Department of Agriculture to sequence and analyze the entire cocoa genome. ...

Bits: A Genetic Quest for Better Chocolate Truth about Trade & Technology

**Camp Mmm**

Tuscaloosa News (subscription), AL - Jul 1, 2008

Mass production of cocoa became possible with the introduction of a perfected steam engine, which mechanized the cocoa grinding process. By 1730, cocoa had ...

**IBM, Mars and Washington are out to save world's chocolate supply**

Business Report, South Africa - Jun 30, 2008

IBM is working with candy maker Mars and the US government to study the genetic code of cocoa trees to safeguard the world's chocolate supply. ...

**Is Chocolate Really Heart Healthy? You Bet!**

Huffington Post, NY - Jul 1, 2008

One delectable super food that is good for our overall health including our hearts is dark chocolate or more specifically cocoa and bittersweet chocolate ...

**Start your day with a square of chocolate**

Globe and Mail, Canada - Jul 1, 2008

The big breakfast included milk, lean meat, cheese, whole-grain bread, added fat, even a little chocolate or candy. At four months, women on the ...

**Never too much chocolate**

Milwaukee Journal Sentinel, WI - Jul 4, 2008

By Nancy Stohs Ever since dark chocolate came into the light as a health-promoting food, manufacturers have been working to incorporate it into their ...

**Healthy Chocolate Revolution!**

YourHub.com, CO - Jul 3, 2008

What if you knew there was a chocolate that not only tastes incredible, but more importantly is extremely healthy? Xocai, (sho-sigh), the "healthy ...

**Unwrapping the Chocolate Genome**

Truth about Trade & Technology, IA - Jul 1, 2008

By Kendra Marr To save chocolate lovers from the agony of a potential candy bar shortage, McLean candy giant Mars is investing \$10 million in a five-year ...

**Is Chocolate Really Heart Healthy? You Bet!**

Huffington Post, NY - Jul 1, 2008

One delectable super food that is good for our overall health including our hearts is dark chocolate or more specifically cocoa and bittersweet chocolate ...



**EU/ITALY: Chocolate labelling dispute set for EU court**

just-food.com (subscription), UK - Jun 30, 2008

A legal case that could set an important precedent over chocolate labelling within the EU is to be heard in the European Court of Justice. ...

**Food crisis talks put renewed focus on agriculture**

EurActiv, Belgium - Jul 4, 2008

Boel also said the Commission will next week (8 July) reveal the extent to which surplus EU funds obtained through higher agricultural commodity prices ...

**Ballooning inflation~II**

The Statesman, India - Jul 3, 2008

The FAO has also reported an increase in speculative activity in agricultural commodity markets. In a recent assessment, it argued that “market-oriented ...