COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 223 **19th – 23rd March 2007**

Cocoa Producers' Alliance

ICCO Daily Cocoa Prices

	ICCO daily price (US$/tonne)	London futures (£/tonne)	New York Futures (US$/tonne)
19th March	1879.52	1006.33	1804.33
20th March	1953.95	1031.00	1889.67
21st March	1981.37	1044.67	1919.00
22nd March	1995.85	1053.33	1926.00
23rd March	2002.54	1051.33	1945.00
Average	**1963.00**	**1037.00**	**1897.00**

Up-coming Events

INSIDE THIS ISSUE:

- ✓ ICCO DAILY COCOA PRICES
- ✓ UP-COMING EVENTS
- ✓ LONDON & NEW YORK FUTURES MARKETS UPDATE
- ✓ SPOT PRICES
- ✓ NEWS
- ✓ TIT- BITS
- ✓ ORDER FORM -14TH INTERNATIONAL COCOA REASEARCH CONFERENCE

In the News:

- Hedge funds cash in on chocoholics
- Chocolate's dark side may redeem heart health
- Cocoa at 4-year peak
- Cameroon: Cocoa, Coffee - Reviving is Surviving
- Government to open up cocoa growing areas -Veep
- Uganda: Cocoa to Boost Exports
- Epicatechin from Cocoa, an Alternative of Penicillin Related News
- Cocoa polyphenols may offer diabetes benefits – study
- Cocoa Futures Remain Strong
- Chocolate prices may grow after cocoa rally
- Cocoa: increase in area planted attributed to NCDC
- Cocoa Prices Spike on Expected Shortfalls
- Cameroon: Cocoa/Coffee - Stakeholders Seek Ways To Increase Production

Have you* had *your cocoa today?

COCOA PRODUCERS' ALLIANCE, NATIONAL ASSEMBLY COMPLEX TAFAWA BALEWA SQUARE, P.O. BOX 1718, LAGOS, NIGERIA. TEL: +234(0)1-263-5574 FAX: +234(0)1-263-5684

Email: econs@copal-cpa.org Website: www.copal-cpa.org

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

Monday 19th March 2007

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
May 2007	982	994	9	1001	978	3028
Jul 2007	996	1006	9	1010	991	479
Sep 2007	1007	1019	9	1018	1007	202
Dec 2007	1013	1023	9	1024	1008	635
Mar 2008	1018	1025	7	1030	1011S	207
May 2008		1032	8			0
Jul 2008		1039	9			0
Sep 2008	1047	1046	9	1047S	1047S	1
Dec 2008	1056	1055	9	1056S	1056S	1
Mar 2009		1062	16			0
Totals		**1030**				**4,553**

Tuesday 20th March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	992	1020	26	1025	992	6682
Jul 2007	1003	1030	24	1034	1003	1580
Sep 2007	1024	1043	24	1047	1020	1499
Dec 2007	1025	1047	24	1050	1024	1772
Mar 2008	1028	1047	22	1050	1025S	629
May 2008	1045	1054	22	1058	1045	17
Jul 2008		1061	22			0
Sep 2008		1069	23			0
Dec 2008		1078	23			0
Mar 2009		1085	23			0
Totals		**1053**				**12,179**

Wednesday 21st March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1019	1033	13	1041	1019	4776
Jul 2007	1030	1044	14	1050	1030	1142
Sep 2007	1045	1057	14	1064	1045	414
Dec 2007	1049	1061	14	1068	1048S	1207
Mar 2008	1050	1061	14	1069	1048S	827
May 2008	1058	1068	14	1069S	1057	84
Jul 2008	1076	1075	14	1076S	1076S	5
Sep 2008	1085	1083	14	1085S	1085S	1
Dec 2008	1089	1092	14	1094S	1089	12
Mar 2009		1099	14			0
Totals		**1067**				**8,468**

Thursday 22nd March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1034	1041	8	1043	1022	4456
Jul 2007	1042	1053	9	1055	1035	1141
Sep 2007	1056	1066	9	1065	1047S	1386
Dec 2007	1061	1070	9	1071	1051	1677
Mar 2008	1061	1069	8	1070	1053S	1282
May 2008	1065	1075	7	1070S	1061S	1315
Jul 2008		1082	7			0
Sep 2008	1090	1090	7	1090S	1090S	2
Dec 2008	1099	1099	7	1099S	1099S	2
Mar 2009		1106	7			0
Totals		**1075**				**11,261**

Friday 23rd March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1042	1039	-2	1046	1033	5,112
Jul 2007	1053	1051	-2	1058	1046	1,399
Sep 2007	1068	1064	-2	1071	1060S	2,606
Dec 2007	1071	1068	-2	1076	1065S	1,878
Mar 2008	1070	1067	-2	1074	1066S	447
May 2008	1075	1073	-2	1076	1071S	167
Jul 2008	1082	1080	-2	1084S	1078	76
Sep 2008	1092	1087	-3	1092S	1089S	16
Dec 2008	1101	1096	-3	1101	1101	1
Mar 2009		1103	-3			0
Totals		**1073**				**11,702**

Average for the week	**1060**				**9633**
Total for the week					**48,163**

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

Monday 19th March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1780 1783	1778	-12	1786	1771	4159
Jul 2007	1813 1814	1805	-12	1814	1801	764
Sep 2007	0 0	1830	-9	1830	1830	375
Dec 2007	0 0	1850	-10	0	0	425
Mar 2008	0 0	1867	-10	0	0	5
May 2008	0 0	1883	-10	0	0	0
Jul 2008	0 0	1895	-10	1885	1885	5
Sep 2008	0 0	1919	-9	0	0	0
Dec 2008	0 0	1929	-9	0	0	0
Totals		**1862**				**5733**

Tuesday 20th March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1803 1810	1864	86	1870	1803	16460
Jul 2007	1836 0	1890	85	1890	1836	4566
Sep 2007	0 0	1915	85	1907	1890	1265
Dec 2007	0 0	1935	85	1923	1885	815
Mar 2008	0 0	1950	83	0	0	239
May 2008	0 0	1966	83	1963	1905	3
Jul 2008	0 0	1978	83	1967	1962	45
Sep 2008	0 0	2001	82	0	0	0
Dec 2008	0 0	2013	84	1995	1995	4
Totals		**1946**				**23397**

Wednesday 21st March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1888 1894	1894	30	1911	1876	10281
Jul 2007	1915 0	1920	30	1937	1903	3414
Sep 2007	1930^{B} 1935^{A}	1943	28	1950	1940	917
Dec 2007	1940^{B} 1950^{A}	1963	28	1973	1945	222
Mar 2008	0 0	1978	28	0	0	158
May 2008	0 0	1995	29	0	0	0
Jul 2008	0 0	2006	28	0	0	0
Sep 2008	0 0	2029	28	0	0	0
Dec 2008	0 0	2041	28	0	0	11
Totals		**1974**				**15003**

Thursday 22nd March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1896 1898	1901	7	1904	1879	6653
Jul 2007	1920[B] 1926[A]	1927	7	1930	1909	1610
Sep 2007	1940[B] 1950[A]	1950	7	1949	1932	369
Dec 2007	1960[B] 1970[A]	1969	6	1961	1961	147
Mar 2008	1980[B] 1990[A]	1984	6	0	0	5
May 2008	0 0	2002	7	0	0	0
Jul 2008	0 0	2014	8	0	0	0
Sep 2008	0 0	2037	8	0	0	0
Dec 2008	0 0	2048	7	0	0	0
Totals		**1981**				**8784**

Friday 23rd March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1904 1906	1920	19	1924	1896	5818
Jul 2007	1930 0	1946	19	1949	1928	1154
Sep 2007	0 0	1969	19	0	0	313
Dec 2007	0 0	1987	18	1984	1971	507
Mar 2008	0 0	2002	18	0	0	269
May 2008	0 0	2020	18	0	0	0
Jul 2008	0 0	2032	18	0	0	5
Sep 2008	0 0	2055	18	0	0	5
Dec 2008	0 0	2066	18	0	0	1
Totals		**2000**				**8072**

Average for the week	**1953**				**15247**
Total for the week					**60,989**

Spot Prices (US$ per tonne)

	19th March	20th March	21st March	22nd March	23rd March
Main Crop Ghana, Grade 1	2143	2229	2259	2266	2285
Main Crop Ivory Coast, Grade 1	2060	2146	2176	2183	2202
Main Crop Nigerian, 1	2038	2124	2154	2161	2180
Superior Arriba	2645	2731	2761	2768	2787
Sanchez f.a.q.	2050	2136	2166	2173	2192
Malaysian 110	1770	1856	1886	1893	1912
Sulawesi f.a.q.	1830	1916	1946	1953	1972
Ecuador Cocoa Liquor	3467	3635	3693	3707	3744
Pure Prime Press African Type Cocoa Butter	4961	5201	5284	5304	5357
10/12% Natural Cocoa Press Cake	889	932	947	951	960

Source: Cocoa Merchants' Association

News

Hedge funds cash in on chocoholics
March 20, 2007
Hedge funds are placing record bets that cocoa prices will keep rising amid fears over a shortage of cacao beans, used to make cocoa, as dark chocolate becomes more popular and weather problems disrupt supply from the Ivory Coast, the FT reports. Investor interest in cocoa has overwhelmed the traditional trade buyers and sellers, such as the confectionary and cocoa processing companies, in the cocoa futures market. Hedge funds and commodity index funds with long positions accounted for about a third of all New York cocoa contracts held, according to data from the Commodity Futures Trading Commission, the US regulator.

Cocoa prices in London touched a nine-month high of £1,037 a tonne last week, but eased to £988 on Monday. In spite of coming off last week's highs, prices have risen nearly 30 per cent since the beginning of December. In New York, May cocoa futures traded near two-year highs of $1,815 a tonne last week. Demand for cocoa from chocolate manufacturers has been rising as large companies such as Hershey and Cadbury Schweppes produce more dark chocolate (which contains greater amounts of cocoa than milk chocolate) to meet changing consumer tastes, and artisan producers source limited amounts of fine and organic cocoa. Sales of milk chocolate have been falling, with Cadbury recording a 2.5 per cent drop in its Dairy Milk brand last year, according to data from Nielsen. Traders said that if the rise in prices were sustained, it could put pressure on chocolate manufacturers' production costs.

Anthony Ward, chief executive of commodity trader Armarajo, said: "The world's not going to run out of cacao, but they'll have to pay more to get the right beans."

Chocolate's dark side may redeem heart health
By Shanderia K. Posey
sposey@jackson.gannett.com
March 20, 2007
Before I share some sweet news with the public, I have a disclaimer - consuming unlimited amounts of chocolate via cakes, candy bars and cookies will not improve your health. There's some fine print worth reading to understand the real benefits of chocolate. And, as I nibble on a Hershey's Special Dark mildly sweet chocolate bar, I realize what sets this treat apart - it contains flavanol antioxidants.

AMAZING BENEFITS

Flavanols are compounds, such as epicatechin and catechin, found in high levels of natural cocoa. Two recent studies have concluded some amazing benefits to flavanols.

In the first study published in the International Journal of Medical Sciences, the Kuna people of Panama, who happen to consume about 40 cups of flavanol-rich cocoa a week, were monitored. These island people had a less than 10 percent chance of dying from stroke, cancer, diabetes and heart failure compared with those on the mainland who didn't drink the cocoa.

In the second study published in the Journal of Cardiovascular Pharmacology, researchers concluded flavanol-rich cocoa beverages can reverse impairment of blood vessels. In other words, such beverages dramatically can decrease cardiovascular dysfunction.

Male smokers were given cocoa beverages with various flavanol content. The improvement of blood vessel function for some of the men was so great, it was equal to persons with no known cardiovascular risk factors.

THERE'S A CATCH

If that's the case, why not indulge yourself on all the chocolate you can stand? Here's why: Not all chocolate is processed the same. Commercial production of cocoa removes flavanols because of the bitter taste, according to the latter study. Therefore, most chocolate candy bars conveniently placed at checkout counters don't contain flavanols. And even though dark chocolate bars with flavanol can boast of having a healthy incentive, they should only be eaten in moderation, just when you need to satisfy your sweet tooth. If the bitter taste is too much

for you to handle, drink teas or eat more fruits and vegetables instead because they also contain epicatechin. Now that you know the facts, find some dark chocolate treats to not feel guilty about.

Cocoa at 4-year peak
Mar 20, 2007
Barani Krishnan
reuters news agency
NEW YORK–Cocoa prices surged to near four-year highs Tuesday on fund buying, with traders keeping a bullish outlook for the medium term due to tight supplies and rising demand.

Benchmark cocoa futures for May on the New York Board of Trade closed up $86 (U.S.), or 4.8 per cent, at $1,864 a tonne, after trading from $1,803 to $1,870 – a high last seen on a spot monthly basis in May 2003.

May cocoa on the Intercontinental Exchange NYBOT electronic platform was up $91 at $1,869 a tonne. July rose $90 to $1,895.

In London's LIFFE market, July cocoa closed up $24, or 2.4 per cent, at a 3 1/2-year peak of $1,030 a tonne on speculative and fund buying, underpinned by falling inventories and strong consumer demand for cocoa.
"Demand isn't backing down. It's been consistently strong over the last two quarters," said Rohit Savant, commodities analyst for CPM Group. An expected lag in cocoa production should keep prices well-supported over the next four to six weeks, he said.

"Over the next week or so, it might (come) off a bit because this move was pretty significant for a day," Savant said. "Maybe over a couple of weeks it should climb back to these levels, but I don't see it dropping down significantly."

Top cocoa grower Ivory Coast is experiencing a drought that farmers have described as the worst in living memory and a sharp drop is expected in the April-September mid crop, which is the smaller of two six-month growing cycles. Independent analyst Hans Kilian has forecast global cocoa supply deficit for 2006/07 at 250,000 tonnes. The International Cocoa Organization has rounded up a more conservative estimate of 103,000 tonnes.

Cameroon: Cocoa, Coffee - Reviving is Surviving
Cameroon Tribune (Yaoundé)
Lukong Pius Nyuylime
March 20, 2007
In order to double production by 2015, MINADER's new revival programme must target results rather than concentrate only on strategy. Cameroon's cocoa production has stagnated on 120,000 tons for the last two decades, while coffee production has witnessed a drastic drop of 90,000 to 30,000 tons for Robusta and 30,000 to 10,000 for Arabica within the same period. The Minister of State for Agriculture and Rural Development, Jean Nkuete made this observation last week in Sangmelima where he presented the new Cocoa and Coffee revival programme.

"There has been a consistent degradation in the quality of the products leading to significant loss in the international market", he remarked. Jean Nkuete, blamed the almost disastrous situation on, "high cost of agricultural in-puts, insufficient production material, aging farms and farmers, price fluctuation on the international market, inadequate financing, poor processing, and abandonment of plantations."

In the face of this situation, he said, the government has decided to draw up a rural development strategy program which gives a preponderant place to cocoa and coffee production. Jean Nkuete told growers that the cocoa and coffee revival programme sets out to double production by 2015. "The programme focuses on five major axes: production and distribution of good quality cocoa and coffee production material, phytosanitary protection, creation of new farms and regeneration of old ones, quality improvement and support to young farmers.

"Government is presently reflecting on measures that will spur farmers into cocoa and coffee production", he said. These include: "giving out subventions to farmers and reducing customs duties on agric in-puts, instituting prizes of merit for higher yields and good quality produce and all types of credit to finance the creation of new farms, marketing and processing of cocoa and coffee." All these will be made possible by the country's newly created Rural Development Bank and the strengthening of the micro credit network.

New Ambitions

The programme presented to farmers last Monday, which, in effect, is already in implementation, earmarks the following actions for cocoa in 2007: creation of 2,639 new farms as against 433 in 2006; production of 84,000 hybrid plants as against 80,000 in 2006; production of 273,000 pods as against 260,000 last year; rehabilitation of ten nursery farms against five last year and creation of two new nurseries as against four.

The programme states inter alia that, for 2007, 16,800 Robusta coffee stands will be maintained against 16,000 in 2006; 630,000 new plants produced as against 600,000 last year; and 20 old nursery farms rehabilitated against five last year.

As far as Arabica coffee is concerned, the new programme will help maintain 8,400 stands as against 8,000 in 2006 produce 420 improved Java varieties against 400 last year and rehabilitate two old nursery farms against five in 2006.

While questioning why production has stagnated, it is equally important to raise questions as to why there has been more talk than action. Cameroon has the structures necessary for the promotion of cocoa and coffee production, beginning from the Ministry of Agriculture and Rural Development to SODECAO, UCCAO, NWCA, Cocoa and Coffee Production Board, Cocoa and Coffee Seed Multiplication and Distribution Programme, Cocoa and Coffee Plant Protection Programme, Trade Unions for the Protection of the interest of cocoa and coffee farmers. These structures are enough to boost cocoa and coffee production in Cameroon. Where then is the problem? Perhaps rendering them more operational. How do we get youths into the mainstream of production? Today's youths are not like yesterdays'. They want to be where there is electricity, water, television, internet, etc. This means that to get them interested in cocoa and coffee production, conditions must be made conducive for them. That is the real challenge.

Government to open up cocoa growing areas -Veep
20-Mar-2007
Source: GNA
Vice President Alhaji Aliu Mahama said on Monday that Government was pursuing with zeal the development policy of opening up the cocoa producing areas to facilitate the cultivation and marketing of the cash crop. He said cocoa was the life-blood of the economy, hence the determination of the Kufuor Administration to develop and tar all access roads to the crop growing areas. Vice President Mahama made this known when he was addressing a durbar of the chiefs and people of Akontombra in the Western Region. He said 20 kilometres of the road linking Sefwi Wiawso and Akontombra have been awarded on contract for tarring. "It is in the interest of everyone to open up the Sefwi area, since it is a major food growing area," he said. He said works on the expansion of the bridge over the Tano River into a double lane would soon be awarded on contract.

Vice President Mahama said Government aimed at reaching out to the people to facilitate the development aspirations of every community. "The New Patriotic Party is a people centred government. It is a rural development government. It is a caring government," he said.

Nana Kwartemg Ababio III, Chief of Akontombra, expressed worry that much of the resources needed to develop the area was being used to enforce peace in the Sefwi Wiawso District, which has been hit by a protracted chieftaincy conflict. He appealed to the Government for the extension of electricity, telecommunication facilities and the establishment of a cocoa processing company in the area to create employment for the youth.

Mr Albert Evans Amoah, Regional Minister said Akontombra Constituency had been adopted for special development attention.

Vice President Mahama inspected the Nsawura Health Centre, which had been abandoned for two years due to lack of funds. He directed the Regional Co-ordinating Council to expedite action to bring back the contractor-Kandicks Construction to the site to facilitate the implementation of the National Health Insurance Scheme in the area. Vice President Mahama also interacted with the chiefs and people of Sefwi Asawinso, where the Chief, Nana Kwesi appealed for a masters' bungalow, classroom blocks, library, computer laboratory and transport facility for the local senior secondary school. He also visited the Sefwi Asafo-based St. John of God Hospital, where a number of people who were involved in an accident while returning from local activities marking Ghana's 50th anniversary celebrations were on admission.

Dr Michael Salisu Adam, Medical Officer at the Hospital said out of the 195 accident victims, three died on the spot at Asempanaye while 175 pupils were injured. He said four pupils were still on admission while the youngest victim who was one year old had died.

Dr Adam said all the patients were treated free of charge and appealed to the Government to re-imburse the hospital. He also appealed for an ambulance, a car for medical outreach programmes and the replacement of the over-aged surgical lights.

Vice President Mahama inspected works on the 44.4 kilometre Sefwi-Denjiman road being sponsored by the Government of Ghana and the Netherlands. He also inspected school upgrading projects at Sefwi Wiawso and Wassa Akropong senior secondary schools where he advised the students to study hard to achieve their objectives in life.

At a meeting with Kasapreko Kwame Basanyi III, Paramount Chief of Wassa Amenfi Traditional Area at Tarkwa, Vice President Mahama expressed discontent about the shoddy jobs some contractors were executing on government projects and asked project consultants to be more vigilant to help reverse the situation. He also asked officials of the Ministry of Transportation to ensure the training of local contractors to minimise the project cost and the undue delay of works, especially on road contracts. Nana Basanyi appealed to Government for a school bus for Wassa Senior Secondary School and the upgrading of the medical facility at Tarkwa.

Uganda: Cocoa to Boost Exports
The Monitor (Kampala)
Dorothy Nakaweesi
Bundibugyo
UGANDA may be an obscure cocoa-producing country, but the recent increase in cocoa production points to a growing sector. Previously dominated by West African states of Cote d'Ivoire, Ghana, and Nigeria, Uganda is taking on an increasing role in cocoa production. More Ugandan farmers are now engaged in cocoa production to supplement their household incomes. "Cocoa presents Ugandan smallholder farmers with relatively strong commercial opportunities," said John Muwanga, the National Coordinator of Cocoa Development Organisation. Cocoa export earnings have almost doubled in the last two years. Cocoa export earnings jumped from Shs12.7 billion in 2004 to Shs16 billion in 2005 and Shs21 billion in 2006.

It is projected that Cocoa earnings will reach Shs30 billion by 2009 from the crop. Mr Augustine Chaiga, the Export Manager Esco Uganda Ltd one of the leading exporters of cocoa, said: "We are receiving more cocoa from the farmers. We used to get 400 tonnes from farmers but now we get 4,000 tonnes. We have also increased our capacity to buy." All the produced cocoa is exported as raw bean to foreign countries where it is used in the manufacture of chocolates and beverages.

The world cocoa trade has been growing at an average of 5 per cent per year and is currently worth about $30 billion (Shs52.5 trillion) annually. Some of the major Cocoa dealers include Esco Uganda Ltd, Olam (U) Ltd, Ugacof (U), and Bakwanye. A kilogramme of dried cocoa goes for Shs1, 800. "The drier the cocoa bean the better the quality," Mr Chaiga said.

The recent fortunes in cocoa production accrue from 2001 when government started a massive campaign to diversify the export sector. More than one million cocoa seedlings were planted whose dividends are now paying off. Although there has been an increase in cocoa production, the absence of commercial large-scale producers is worrisome. However, according to Mr Muwanga, the crop is still being grown by smallholder farmers who may not be able to meet the demand.

Cocoa dealers remain upbeat about the long-term market prospects for Ugandan cocoa as production improves. Cocoa produced in the country is mainly exported to Europe, United Sates, and Japan.

Mr Semei Mumbere, a resident of Kikyo village in Bundibugyo town is one of the many farmers who have benefited from cocoa growing. Married with three children, Mr Mumbere started growing cocoa five years ago. He now owns 3, 015 plants on a 6 acre piece of land. Last season, Mr Mumbere realised Shs6.3 million from the sale of 3 tonnes of cocoa grown on a 6 acre piece of land. "I have never regretted growing cocoa. I have graduated from a grass thatched hut to a better house. My children go to school, I clothe them, and feed them too," Mumbere said.

Bundibugyo district accounts for 60 per cent share of all the cocoa grown in Uganda. In order to maintain the quality of cocoa one of the exporting companies Esco has established a factory in the area with the purpose of drying the beans to international standards. We had to set up our base in Bundibugyo one reason was to be closer to the farmers and be able to offer them training and advise on how to maintain the quality of Cocoa," The Operations Manager of Esco, Christopher Rutakome said.

Mr Muwanga is optimistic that in the next 10-years if more investors inject more money into increased production the country will be very far.

Epicatechin from Cocoa, an Alternative of Penicillin Related News

Mar 21,2007-*Flavanols like epicatechin are removed for commercial cocoas because they tend to have a bitter taste.*

The health benefits of epicatechin, a compound found in cocoa, are so striking that it may rival penicillin and anaesthesia in terms of importance to public health, reports Marina Murphy in Chemistry & Industry, the magazine of the SCI. Norman Hollenberg, professor of medicine at Harvard Medical School, told C&I that epicatechin is so important that it should be considered a vitamin.

Hollenberg has spent years studying the benefits of cocoa drinking on the Kuna people in Panama. He found that the risk of 4 of the 5 most common killer diseases: stroke, heart failure, cancer and diabetes, is reduced to less then 10% in the Kuna. They can drink up to 40 cups of cocoa a week. Natural cocoa has high levels of epicatechin.

'If these observations predict the future, then we can say without blushing that they are among the most important observations in the history of medicine,' Hollenberg says. 'We all agree that penicillin and anaesthesia are enormously important. But epicatechin could potentially get rid of 4 of the 5 most common diseases in the western world, how important does that make epicatechin?... I would say very important'

Nutrition expert Daniel Fabricant says that Hollenberg's results, although observational, are so impressive that they may even warrant a rethink of how vitamins are defined. Epicatechin does not currently meet the criteria. Vitamins are defined as essential to the normal functioning, metabolism, regulation and growth of cells and deficiency is usually linked to disease. At the moment, the science does not support epicatechin having an essential role. But, Fabricant, who is vice president scientific affairs at the Natural Products Association, says: 'the link between high epicatechin consumption and a decreased risk of killer disease is so striking, it should be investigated further. It may be that these diseases are the result of epicatechin deficiency,' he says.

Currently, there are only 13 essential vitamins. An increase in the number of vitamins would provide significant opportunity for nutritional companies to expand their range of products. Flavanols like epicatechin are removed for commercial cocoas because they tend to have a bitter taste. So there is huge scope for nutritional companies to develop epicatechin supplements or capsules. Epicatechin is also found in teas, wine, chocolate and some fruit and vegetables.

Cocoa polyphenols may offer diabetes benefits - study

By Stephen Daniells

Source: Nutrition (Elsevier)

3/21/2007 - Dietary supplementation with cacao liquor proanthocyanidins (CLPr) reduced blood glucose levels in obese diabetic mice, and may offer human diabetics significant benefits, says a new study from Japan. "Dietary supplementation with CLPr can dose-dependently prevent the development of hyperglycaemia in diabetic obese mice," wrote lead author Makoto Tomaru in the journal Nutrition. "The dietary intake of food or drinks produced from cacao beans might be beneficial in preventing the onset of type-2 diabetes mellitus."

An estimated 19 million people are affected by diabetes in the EU 25, equal to four per cent of the total population. This figure is projected to increase to 26 million by 2030. In the US, there are over 20 million people with diabetes, equal to seven per cent of the population. The total costs are thought to be as much as $132 billion, with $92 billion being direct costs from medication, according to 2002 American Diabetes Association figures.

The potential health benefits of cocoa have been gaining increasing interest, with studies reporting that flavonoid-rich chocolate may reduce the risk of cardiovascular disease. However, according to Tomaru and co-workers, this is the first study to report that CLPr can prevent aggravation of type-2 diabetes mellitus. The new

study used three-week old female mice and randomly assigned them to eat the AIN-93 diet supplemented with 0, 0.5, or 1.0 per cent for cacao liquor proanthocyanidins (72 per cent total polyphenols) for three weeks.

At the end of the study the researchers report that the proanthocyanidins reduced blood glucose levels in a dose-dependent manner. Indeed, blood glucose levels after four and five weeks of age, and of fructosamine at six weeks of age were significantly lower than in those fed 0 per cent CLPr AIN-93 diet.

Body weights and food consumption did not differ significantly among the groups, said the researchers.

"In this study, the decreased levels of blood glucose may be involved in improvement of insulin resistance by antioxidative effects of CLPr," they said.

The one per cent dose used in this study would be equivalent to a daily polyphenol intake of five grams for a human, said Tomaru, or about 2.5 kg of normal chocolate. However, studies using flavonol-rich dark chocolate have reported positive effects with intakes of only 100 g of dark chocolate per day, providing a flavonol dose of 88 mg.

"On the basis of the previous report and the present results, chocolate, cocoa, and other functional foods that contain more CLPr may be recommended to obtain the benefits of cacao proanthocyanidins," concluded the researchers. Further research is needed to investigate if such results can be repeated in humans, and what mechanism is responsible for these apparent benefits.

Confectionary giant Mars has been pro-active in research into the potential health benefits of flavanols from cocoa and has been sponsoring researchers in Germany and the US for about 15 years. Mars were not involved in this latest research.

CocoaVia, from Mars, and Acticoa, by Barry Callebaut, both boast high polyphenol content and are marketed as healthy options.

Cocoa Futures Remain Strong
by Donna Heidkamp of RJO Futures
Thursday, March 22, 2007
Cocoa futures are being supported by both fundamental and technical strength. According to the International Cocoa Organization, high quality cocoa stocks are tightening. The Ivory Coast is the largest producer of cocoa in the world producing over 40% of the world supply. As a result of recent dryness, they are predicting a 20% production decline from last year. If the dryness prevails through mid April, the Ivory Coast production could decline by another 20%.

Some of the increased demand is due to dark chocolate craze. Many reports have been released recently claiming that dark chocolate contains healthy antioxidants. Many manufacturers are releasing dark chocolate variaties to meet consumer demands.Technically, the market broke out above the 1810 level this week. As stops were hit, unhedged commercials reacted by buying cocoa to try to lock in price risk.

My interest in the futures industry stems from strong family ties to production agriculture in Hereford, Texas. After completing a bachelor's degree in Agricultural Economics at Texas Tech University in 1995, I moved to Chicago to participate in the Chicago Mercantile Exchange Agricultural Broker Training Program. The program exposed me to all facets of the futures industry, enabling me to work with experienced floor traders and develop a strong understanding of the intricacies of trading in the futures markets.

Since completing the training program in 1995, I have continued to gain a well-rounded knowledge of the industry by working as an order clerk, trading desk manager, and broker for RJOFutures. In 2004, I started a branch office of RJOFutures to focus my efforts on helping clients meet their trading goals. By identifying client objectives, managing risk, and providing a carefully tailored service, I serve as a dedicated liaison on all trading floors to full-service, broker assist, and on-line clients. In order to continue to better serve my customers in an ever-evolving and dynamic industry, I also completed a M.S. degree in Financial Markets and Trading from the Illinois Institute of Technology in May of 1999.

Chocolate prices may grow after cocoa rally
Reuters
Friday, 23 March 2007
NEW YORK: Chocolate lovers may notice their habit is getting more expensive in the coming months, following a rally that sent the price of cocoa close to a four-year high after a drought hit the world's key grower.

A withering dry spell that farmers called the worst in living memory has hit Africa's Ivory Coast, the main grower of cocoa beans used to make chocolate. This, combined with tight supplies, has caused price spikes in New York and London cocoa markets. "I think (chocolate) prices may go up but I also think it will be a product-by-product increase," Erin Ashley Smith, an analyst who follows the confectionary market for Argus Research Company in New York, said.

Germany's chocolate industry - Europe's largest - will have to consider raising retail chocolate price if cocoa futures remain this high, said Karsten Keunecke, joint chief executive of German confectionery industry association BDSI. "When commodity prices undergo sustained rises as is now happening, industry must reexamine how it calculates its prices and its raw material purchasing costs otherwise it cannot survive in the long term," Keunecke said. His view echoed that of the chief financial officer of Swiss chocolate maker Lindt & Spruengli's , who said this week he saw cocoa prices rising in 2007.

"The trend is pointing upwards," said Lindt CFO Dieter Weisskopf. Chocolates fly off the shelves in the top consuming regions of Europe and North America during Valentine's Day in February, Easter in the spring, Christmas at year-end, as well as other holidays. With the drought in parts of West Africa killing off younger cocoa trees and reducing the yield potential on others, a question for some analysts is the timing of any price rise which could show up on retail shelves.

Smith, who closely follows US giant chocolate maker Hershey Co, could not say when prices of chocolate bars will go up due to high cocoa prices. Large companies typically keep large inventories and can take up to six months to implement price hikes once they are announced. Chocolate companies normally buy supplies several months in advance, so it could take time to draw down cocoa stocks. Their ability to replenish those stocks may be limited by a supply crunch caused by the poor growing conditions in the main cocoa-growing regions of West Africa including Ghana, the world's No. 2 producer, and the Ivory Coast.

This has led to forecasts of a large global cocoa deficit in 2006/07. Estimates range from the International Cocoa Organisation's shortfall of 103,000 tonnes to a deficit of 250,000 tonnes by Hans Kilian, a respected independent analyst closely followed by the cocoa industry.

Chocolate's popularity has revived after years of criticism by health buffs who linked chocolate snacks with obesity. That view has waned as tastes turned toward dark chocolate, made with more cocoa. Scientific studies have shown it contains large amounts of flavanols, antioxidants that may lessen the risk of heart attacks and strokes.

Some analysts believe a price rise, when and if it comes, will not be sharp.

The cocoa market rally "can have some impact on the final price (of chocolates) but it's going to have a limited impact," said Francisco Redruello, food industry analyst for Euromonitor International in London. He noted that packaging and advertising costs add more to the price of chocolates.

Cocoa: increase in area planted attributed to NCDC
Web: Friday, March 23, 2007
Statistics from the International Cocoa body shows that the continent of Africa produces 70% of the world's cocoa beans. It is important to note that Nigeria's production level has increased from about 170,000 tonnages in 1999 to 400,000 metric tonnes today. These could be attributed to the setting up of the National Cocoa Development Committee (NCDC), made up of the 14 cocoa producing states in the country, which have been distributing new high yield cocoa seedlings to cocoa farmers along with the purchase of chemicals and input at 50% subsidy. This means that all these chemicals and inputs are made available to farmers all over the country at half the price outside.

In a chat with Vanguard at the just concluded Cocoa Day celebration in Oshogbo, Osun State, Erelu Olusola Obada, Deputy Governor of Osun State and the chairman cocoa rebirth committee of the NCDC, said the efforts

of the NCDC brought about the renewed interest by the people in the production of cocoa once again to the extent that "we are now looking at 60,000 metric tonnes in the next year or two. As you know, Ivory Coast, today, is doing about 1.3 million metric tonnes while Ghana is producing about 800 metric and 900 metric tonnes." With the area under cultivation and average yield per hectare increasing in Nigeria, what we should pay attention to now is how to improve on our grinding and consumption of cocoa as Africa is still the lowest in the world in terms of grinding as it presently accounts for 15% of the world grinding with Europe leading with 41%.

In Africa, Cote d'Ivoire is leading in terms of grinding with 71%, followed by Ghana, 17% and Nigeria 5%. With this figures, it shows Nigeria has been selling her cocoa beans without adding values and, without adding values, farmers can not make good returns just as we need to consume more of what we produce now.

Domestic consumption of cocoa will not lead to depressed prices at the international market as increased consumption depletes free stock and, consequently, prices rise generally. It must be known that price is a function of production, consumption, stocks and others. With more consumption of what we produce, there will be lower stocks and this will make room for higher prices which is good for the farmers. So, increased local consumption of cocoa will bring about the creation of employment for our people as well as the value addition to our cocoa, which means our processing factories will be put to work. So, it is joy all round for Nigeria.

Cocoa Prices Spike on Expected Shortfalls
by Elliot Maras
March 23rd, 2007
Cocoa futures prices reached record three-year highs this week as hedge funds, producers and speculators piled into the market following reports that the mid-crop harvest is expected to be down as the result of dry weather in Cote d'voire, according to CandyBusinessInsider. Increased sales of dark chocolate, which uses more of the bean, is also said to have caught investors' attention and contributed to the run-up.

On the New York Board of Trade, cocoa for May delivery rose $30 to $1,894 per metric ton. On Wednesday, it reached $1,911, its highest price for nearby cocoa since early in 2003. In London, prices for July contracts hit $2,059 before settling at $2,047.70, the highest price since September, 2003. Traders said the expected crop shortfalls for 2006/2007, combined with increased grindings, are responsible for the uptick.

According to the February report from the International Cocoa Organization (ICCO), the 2006/2007 crop is expected to be down as much as 203,000 metric tons, a 5.5 percent drop. Grindings for the period are expected to rise 2.3 percent, an increase of 78,000 tons. End of season stocks are also forecasted to be off 5.5 percent, a drop of 103,000 tons.

Editor's Insight: Vending operators should be sure to include this information in their customer newsletters. It is important to keep customers informed that product costs are increasing. Raising prices is always one of the toughest challenges operators face, and it is especially challenging at the present time. Many operators are trying to raise prices on as many products as possible since having been hit with unusually high soda prices recently.

Cameroon: Cocoa/Coffee - Stakeholders Seek Ways To Increase Production
Cameroon Tribune (Yaoundé)
March 23, 2007
Ngomba Efande
Limbe yesterday hosted a forum aimed at reviving the ailing sector and doubling production by 2015. Government's determination to relaunch the cocoa/coffee sector was yesterday underscored during an exchange forum in Limbe for stakeholders drawn from the South West and Littoral production basins. Chaired by the Minister of State Incharge of Agriculture and Rural Development, Jean NKuete, the choice of stakeholders from these two provinces, is not an accident of fate. Both provinces account for more than 30 % of the national production of cocoa and about 50 % of the national production of coffee.

These enviable statistics from the Minister of State were buttressed by some unenviable realities that confirm how ailing the cocoa/coffee sector has become and why a survival programme is imperative. In a keynote address, the Minister of State revealed that the country's cocoa production had stagnated on 120,000 tons for the last two decades while coffee production has witnessed a drastic nosedive from 90,000 to 30,000 tons for Robusta and 30,000 tons to 10,000 tons for Arabica within the same period. What's responsible and what then should be done?

The stakeholders identified some major reasons that stem from the high cost of fertilizers, limited professional skills of the farmers, ageing plantations, fluctuation of prices in the world market, no local transformation of these products (as is the case in the South West), decline in the quantity of inputs used per unit surface area, abandoned plantations, ageing farmers, the virtual inexistent creation of new plantations, young farmers not motivated in the sector, etc.

Faced with this situation, the Minister of State said Government had taken certain measures aimed at reviving the sector and doubling production by 2015. He mentioned the Strategy for Rural Development (SDSR) whose main objective is to create new plantations and rejuvenate old ones, aid to young farmers, emphasis on quality cocoa and coffee, fetilizers at affordable prices, etc. While calling on all stakeholders to put all hands on deck to help Government achieve these objectives, the Ministe of State said measures are currently being taken to ensure an immediate impact on production. These include subventions on agricultural inputs, prizes to farmers for quality output, micro-financial credits, increase in nursery plantations such as in Barombi-Kang in the South West Province and Mbouroukou in the Moungo Division.

He called on the stakeholders to examine ways in which old plantations will be rejuvenated, abandoned ones made productive again, the creation of new plantations and how to encourage the youths and foreigners to be interested and invest in agriculture. The provincial delegates of Agriculture and Rural Development for the South West and Littoral, both presented a balance-sheet of the cocoa/coffee sectors in their various provinces. They both had identical problems.

A visit by the Minister of State to a cocoa farm at Wotutu near Limbe, and a meeting with some elite farmers in the cocoa and coffee sector were other highlights of the forum. If the lofty determination of the participants is transformed into reality, then we should say it's the dawn of a new era in the cocoa/coffee sector.

TIT BITS

*(**Source**: Business Recorder – www.brecord)*

Ivory Coast cocoa arrivals seen falling
ABIDJAN (March 20, 2007): cocoa arrivals at ports in Ivory Coast reached around 896,000 tonnes between Oct. 1 and March 18, according to a rough estimate by major exporters on Monday, compared with 900,006 in the same period last year.

Ivory Coast rains patchy, central cocoa suffers
ABIDJAN (March 20, 2007): Rains fell in some Ivory Coast cocoa-growing regions last week except in central areas such as Daloa where a months-long dry spell is set to slash production during the imminent mid crop season, farmers said on Monday.

London cocoa jumps to 3-1/2-year high
LONDON (March 21, 2007): London cocoa futures, underpinned by tight supplies and rising demand, jumped to a 3-1/2-year peak on Tuesday, driven by speculative and fund buying, dealers said. July ended 24 pounds up at 1,030 pounds a tonne after rising to a peak of 1,034 pounds, the highest for the second month since September 2003.

New York cocoa slips
NEW YORK (March 21, 2007): US cocoa futures contracts settled lower on Monday as speculators and funds played both sides of the market, which lacked direction and ignored the typically supportive firm sterling, dealers said.

London cocoa off peak
LONDON (March 22, 2007): London cocoa futures closed near an earlier 3-1/2-year peak on Wednesday, driven by speculative and trade buying, dealers said. July settled at 1,044 pounds a tonne, up 14 pounds, in volume of 1,177 lots after touching a peak of 1,050 pounds, the highest for the second month since September 2003.

New York cocoa closes at near four-year high
NEW YORK (March 22, 2007): US cocoa futures rocketed to close on Tuesday at a nearly four-year peak on fund buying and the medium-term outlook is for prices to head higher because of tight supplies and an increase in demand, traders said.

ORDER FORM

14th INTERNATIONAL COCOA RESEARCH CONFERENCE PROCEEDINGS

		Unit Price
1.	Hard Copy (2 Volumes)	$150.00 plus postage
2.	CD-ROM	$ 50.00 plus postage

Order by Fax or email

Fax: +234 1 263 5684
Mail: cnanga@copal-cpa.org

……..

Fax Order Sheet
No. +234 1 263 5684

14th International Cocoa Research Conference Proceedings

(Please indicate preferred copy)

		Quantity	Amount
☐	Hard Copy	……	……..…..
☐	CD-ROM	……	……..……...
		Total	……..……..……

Mailing address:

……..……...……

…..……..……

……

E-mail……..

Date……..…… Signature:……..……