



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 242

30th July – 3rd August 2007

Cocoa Producers' Alliance

ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
30 th July	1318.28	2018.00	1028.67	1962.00
31 st July	1330.77	2037.71	1035.67	1974.67
1 st Aug.	1308.98	2003.11	1017.33	1948.00
2 nd Aug.	1306.42	1999.65	1013.00	1946.00
3 rd Aug.	1294.21	1982.28	998.67	1932.67
Average	1312.00	2008.00	1019.00	1953.00

In the News (from Newspapers worldwide)

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Have you had your cocoa today? Have cocoa for health and vitality!

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

Monday 30th July 2007

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep 2007	1016	1013	-9	1030	1008	3773
Dec 2007	1039	1031	-9	1045	1028S	3669
Mar 2007	1047	1042	-7	1055S	1037S	1054
May 2008	1048	1050	-7	1063S	1033	198
Jul 2008	1059	1058	-7	1066S	1055	166
Sep 2008	1070	1067	-7	1074S	1070S	20
Dec 2008	1080	1075	-7	1080	1076	29
Mar 2009		1082	-9			0
May 2009		1093	-10			0
Jul 2009		1107	-10			0
Totals		1062				8,909

Tuesday 31st July 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	1011	1018	5	1040S	996	9474
Dec 2007	1031	1039	8	1040	1018	10938
Mar 2007	1041	1050	8	1050	1030	2786
May 2008	1047	1059	9	1050	1041	65
Jul 2008	1056	1067	9	1068S	1056S	339
Sep 2008	1067	1076	9	1072S	1067	49
Dec 2008	1066	1084	9	1066S	1066S	200
Mar 2009		1089	7			0
May 2009		1101	8			0
Jul 2009		1115	8			0
Totals		1070				23,851

Wednesday 1st August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	1012	997	-21	1013	996	4006
Dec 2007	1034	1021	-18	1035	1019	4929
Mar 2007	1040	1034	-16	1043	1033	2667
May 2008	1045	1042	-17	1054S	1042S	677
Jul 2008	1056	1051	-16	1056S	1051	532
Sep 2008	1060	1060	-16	1060	1060	12
Dec 2008	1072	1068	-16	1073	1071	4
Mar 2009		1073	-16			0

Thursday 2nd August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	993	991	-6	1015	989	6211
Dec 2007	1017	1017	-4	1037	1013	6940
Mar 2007	1031	1031	-3	1049	1028	1973
May 2008	1036	1040	-2	1054S	1036	268
Jul 2008	1057	1049	-2	1060S	1050	303
Sep 2008	1055	1058	-2	1055	1055	1
Dec 2008	1064	1065	-3	1072	1064	442
Mar 2009		1065	-8			0
May 2009		1075	-10			0
Jul 2009		1088	-11			0
Totals		1048				16,138

Friday 3rd August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	991	976	-15	1001	975	3,774
Dec 2007	1020	1003	-14	1027	1002	3,758
Mar 2007	1034	1017	-14	1041	1017	2,756
May 2008	1040	1026	-14	1048	1025	327
Jul 2008	1050	1035	-14	1051	1034	205
Sep 2008	1054	1044	-14	1054	1050	30
Dec 2008	1067	1051	-14	1067S	1059	362
Mar 2009		1051	-14			0
May 2009		1060	-15			0
Jul 2009		1073	-15			0
Totals		1034				11,212

Average for the week	1043					14587
Total for the week						72,937

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

Monday 30th July 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1918 1930	1931	0	1945	1918	8877
Dec 2007	1958 0	1965	0	1974	1958	2464
Mar 2008						

Thursday 2nd August 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1931 1933	1914	-3	1935	1908	7918
Dec 2007	1962 ^B 1967 ^A					

News

Health and Nutrition

Cocoa demand on the up

By Charlotte Eyre

27/07/2007 - Demand for cocoa is on the up, registering compound growth of 2.7 per cent over the next three years, and most of it will come from Africa, according to a new report. Global Industry Analysts predicts that the market will exceed four million tonnes by 2010, while cocoa production is becoming more concentrated in one continent. The trend means that manufacturers are b

your doctor to “take two squares of chocolate and call me in the morning” may be a ways off, chocolate has been shown to improve artery functioning (even in smokers, who face a higher risk of blood vessel stiffening which can lead to heart attacks and stroke), raise levels of HDL or “good” cholesterol while lowering “bad” cholesterol, and reduce the risk of blood clots. “The biggest, most consistent evidence to date has to do with cocoa’s benefits on the cardiovascular system,” says Jeffrey Blumberg, PhD, director of the Antioxidants Research Laboratory at Tufts University.

But heart benefits aren’t the only reason to melt over chocolate. It also has been shown to boost insulin sensitivity thereby lowering the risk of diabetes, and may even improve spatial memory. Oh, and it’s been scientifically proven to make us feel good. One study found that women who eat chocolate rated significantly higher on a standardized scale of sexual functioning, while research out of the U.K. released this year showed that eating chocolate caused a bigger and longer-lasting boost in heart rate and brain activity than passionate kissing.

Chocolate’s benefits come from their phytochemical content – compounds in plant-based foods that contain potent antioxidants. Chocolate contains flavonols, the same compounds that give red wine and green tea their benefits. But not all chocolate is created equal. “Dark chocolate contains more than milk chocolate and infinitely more than white chocolate, which contains no flavonols whatsoever,” Blumberg says. There is also evidence that the milk in milk chocolate or milk additives in dark chocolate can limit the body’s ability to absorb any antioxidants contained.

When choosing a dark chocolate – for the health benefits, of course – look for the magic number 70. “Most quality dark chocolates contain about 70 per cent cocoa content,” says Blumberg, an amount he says is sufficient to see some benefit. But just because chocolate looks dark doesn’t mean it has enough cocoa to get your antioxidant fill. Hershey Special Dark, for example, advertises itself as “dark chocolate for milk chocolate lovers” but only has a cocoa content of 50 per cent – not enough to provide the same benefits as the darker stuff.

Of course, to truly maximize on all the benefits of chocolate, it also has to taste good. At a recent Toronto tasting for the brand Cote d’Or (which manufactures 70 per cent and 86 per cent darks among others), chocolate expert Dana Zemack gave some pointers in that respect. Namely, she says, chocolate lovers should pick based on a number of factors besides taste. Smell, mouthfeel – the smoothness of a chocolate as it melts in your mouth –

Production & Quality

Cameroon cocoa farmers should cut contamination

Reuters, Mon 30 Jul 2007, By Tansa Musa

YAOUNDE (Reuters) - Cocoa farmers in Cameroon could double their earnings if they improve drying methods to avoid contamination which reduces the quality of their beans, a senior scientist in one of the world's biggest growers said.

Many farmers in Cameroon dry their beans over simple wood or coal fires, often by the side of the road, risking contamination with polycyclic aromatic hydrocarbons (PAHs), pollutants formed by the incomplete combustion of carbon-based fuels. "A study carried out by researchers in Brazil, Ghana, Indonesia and Cameroon has shown that about 50 percent of the cocoa exported from these countries is contaminated by PAHs," said Simon Zok, director general of Cameroon's Institute of Agricultural Research for Development (IRAD). "Much of the cocoa produced in Cameroon is by smallholder peasant farmers ... They dry the produce on mats, cemented floors, on trays over fire and smoke, tarpaulins and even tarred roads," he told Reuters in a weekend interview.

In recent years Cameroon has been the world's fourth-biggest cocoa grower. Output is expected to reach some 180,000 tonnes in the 2006/07 season to August, up from 164,301 tonnes last year. But contamination means bean quality is degraded by the time the produce reaches the international market, meaning farmers lose money, Zok said during a week-long seminar meant to alert those working in the industry to the dangers of PAHs. The compounds are among the most common organic pollutants and are suspected of causing health problems including cancer.

The central African country aims to produce 200,000 tonnes of cocoa a year by 2010. Jerome Mvondo, general manager of cocoa development authority SODECAO, said if the current growth continued Cameroon could be producing 320,000 tonnes by 2015. "We are not far from reaching the objective of raising production to 200,000 tonnes by 2010. If this trend continues and we really reach the 2010 target, then our annual production can rise to at least 320,000 tonnes by 2015," he said. "We have enormous potential in this country. We need to work harder not only to increase output, but also to improve quality ... so as to earn more money on the international market."

The European Commission has set a maximum limit for PAHs in oils and fats and Zok said farmers in Cameroon needed to prevent the compounds entering their cocoa so as to be sure they would not lose access to European markets. "It does not serve any purpose to produce 200,000 tonnes of cocoa when the produce will be rejected on the world market because the quality does not meet required standards," he said. "So we organised this seminar to sensitise stakeholders -- farmers, buyers and exporters -- on the risks of using these methods and introduce them to improved drying methods that avoid contamination by these chemical compounds."

Cameroon tightens cocoa rules as season starts

Aug. 1, 2007, By Tansa Musa

YAOUNDE (Reuters) - Cameroon tightened its cocoa industry regulations as the 2007/2008 season got under way on Wednesday in an effort to boost the quality of its exports and improve profits for its struggling farmers.

Among a series of measures announced by the government, buyers and exporters were banned from imposing a fixed price for cocoa on farmers, from buying door-to-door from undeclared middlemen and from mixing different qualities of beans. "Cocoa is bought from producers according to a price based on quality, negotiated and fixed by the parties on the basis of publicly available reference prices," Trade Minister Luc Magloire Atangana Mbarga said in a statement. "Agreements between buyers or their organisations with the aim of fixing a set price imposed on producers and the practice of mixing qualities in warehouses are banned," he said. Anyone violating the directives could be suspended or dismissed from operating in the sector and face fines.

In recent years Cameroon has been the world's fourth-biggest cocoa grower. Output is expected to have reached some 180,000 tonnes in the 2006/07 season, up from 164,301 tonnes the previous year. The central African country has been on a drive to enforce quality rules and revive its stagnant cocoa industry. The latest directives were basically a resume of legislation adopted over more than a decade to ban buyers from forming cartels. They also detailed quality control criteria from maximum levels of moisture and mould to guidelines on how to

Under quality rules grade 1 cocoa may have up to 3 percent mouldy beans, 3 percent slaty beans and 3 percent of beans otherwise defective, while grade 2 may have up to 4 percent mouldy, 8 percent slaty and 6 percent otherwise defective. Humidity levels for exports are set at 8 percent maximum. Cameroon's cocoa output has risen in recent years as higher world prices fed through to local farmgate prices, luring farmers back to a crop many had abandoned. But previous plans to raise quality and output have run into problems of under funding.

Nigerian Cocoa: Stakeholders deliberate on challenges
Vanguard

By Jimoh Babatunde with agency reports
August 03, 2007

Amidst claims that Nigerian cocoa beans are characterised as low quality compared to that of neighbouring countries with reasons that ranged from poor extension service, aging farmers and cocoa trees, use of adulterated chemicals, unstructured and poor role of players in the supply chain, stakeholders in the sector recently met in Akure, Ondo State, on how to resolve challenges facing the Nigerian cocoa industry.

The Deputy Governor of Osun State, Mrs Olushola Obada, and OLAM Nig. Ltd., Country General Manager, Mr. Moorthy Satiya, speaking at the event, expressed concern over the inappropriate pricing and discounting of Nigerian cocoa at the international market. Erelu Obada said that the development had robbed cocoa farmers substantial part of their income. The deputy governor, who is also the Chairman, Committee on Alternative Use of Cocoa Products, said the Federal Government was already taking steps to mitigate the effects of inappropriate pricing of cocoa on farmers and production.

Obada, in her paper titled "Achieving Sustainable Cocoa Consumption in Nigeria", said that world cocoa trade was worth about \$30 billion annually with a growing rate of about five per cent a year. "It is among the world's highest valued agricultural commodities and accounts for about 57 percent of West Africa's agricultural export," Obada said. According to her, government's effort in Nigeria has increased cocoa production from 17,000 tonnes in 1990 to more than 400,000 tonnes in 2007, adding that the target is to achieve 600,000 tonnes per year. She also said that options were being considered on how to boost local consumption of cocoa, saying that one of the strategies to achieve this was the plan to give free cocoa drink to school children.

Cocoa consumption and usage of other cocoa products in Nigeria is very low. Cocoa-producing countries have traditionally been suppliers of cocoa to the consuming industrialized countries. Recent evidence from research has indicated the potential health and nutritional benefits of cocoa due to its antioxidant properties. It also contains theobromine, butter and magnesium all of which have immense benefits. Local utilization will also lead to wealth creation (farmers and economy) through the reduction of supply of raw cocoa beans to the world market. This will consequently help improve the price of cocoa and put producing countries in a commanding position. A combination of the above issues accounts for the low productivity in Nigeria. Resolving these issues will ultimately address the issue of low productivity.

Also speaking at the forum, the country's General Manager of OLAM Nigeria Ltd., Mr. Moorthy Satiya said low quality of cocoa beans and high cost of production were the main problems affecting the pricing of Nigeria's cocoa at the international market. As a result, Satiya said that Nigeria had been losing \$200 on each ton of cocoa being sold at the international market, saying that fellow African countries like Ghana and Cote d'Ivoire were not affected due to high quality production. To solve the problem, he suggested that cocoa farmers be educated on the need to adhere to best practices, calling on government to include the private sector in the ongoing efforts at reviving production.

The OLAM boss also recommended that a vigorous campaign to educate farmers on good agricultural practices must be undertaken. This could be undertaken through technology transfer programmes with an enhanced extension service. A spraying regime programme which focuses on reducing residues of agrochemical on cocoa could be incorporated. Satiya said that his company which commenced operation in Nigeria about 20 years ago, had so far trained over 5,000 farmers on the best farming practices, thereby enhancing their capacity.

He said that OLAM had also established 120 demonstration farms in Ondo, Ekiti and Osun states to teach cocoa farmers best practices in cultivation, harvest, post-harvesting and packaging. According to him, four million cocoa seedlings are donated yearly to farmers in cocoa-producing states by OLAM which also gives interest-free loans to them.

On the allegation that Nigeria's cocoa beans are contaminated with copper sulphate, Satiya said that there were laid down rules on application of chemicals in cultivation and processing of cocoa which farmers and exporters must be conversant with. "The global trend now is for exporters or manufacturers to indicate on the label the chemical contents of their products," he said.

Rainfall Boosts Main Crop Cocoa Devt In Southwest Nigeria

By Obafemi Oredein, Dow Jones Newswires;

July 28, 2007

IDANRE, Nigeria (Dow Jones)--Numerous flowers and pods of various sizes on cocoa trees in Nigeria's key southwestern region indicate that the 2007-08 main crop is developing well, farmers and traders said Saturday. "The crop will be plenty, and harvest is expected to begin before October," said Olu Akintunde, a farmer in the Owena area of Idanre, Ondo state, adding that the crop was helped by rainfall in the region in recent weeks. Akintunde said this week's copious rainfall was providing adequate moisture for the main crop, and harvest should begin in September.

Harvest of the main crop cocoa usually starts in the southwest cocoa belt in September-October, peaking in November-December before tailing off and ending in January or February. A survey by Dow Jones Newswires showed that trees were brimming with flowers and pods of all sizes on a dozen cocoa farms in the villages of Adofure, Omodara, Akinoro, Ita Orun and Teju Camp, surrounding Idanre. Idanre, located in southwestern Ondo state, produces an average crop of more than 30,000 metric tons each season. It is the single biggest cocoa producing area in Nigeria. "I will begin to harvest some of the cocoa pods in September," said Tijani Okikiola, a farmer at Teju Camp, who added that if the rains are not too heavy in September and October, "my main crop might be a bumper crop." He said his trees presently were free of black pod disease.

Idanre and surrounding villages, he added, have very fertile land and good rainfall, and most of the cocoa trees in Idanre are of the high-yield hybrid variety. Traders in the town said the harvest of the area's 2007-08 main crop should be a good one, if there's no excessive rainfall in September that would lead to a black pod outbreak. A visit to cocoa farms in Ondo town, Ondo state, the largest cocoa producing state in Nigeria, showed that trees there were also carrying green, healthy-looking pods of various sizes and numerous flowers. "We have had very good rainfall in the past two months, this has helped the development of next season's main crop," said Titus Idiaye, another farmer in Ondo town. He said, however, he's worried that main crop pods would be maturing in September, when the rainfall is likely to be heavy and the chances of widespread black pod outbreak very high.

Black pod disease, according to Cocoa Research Institute of Nigeria estimates, destroys 40%-60% of Nigeria's cocoa output a year if not adequately treated. Black pod disease thrives in wet and damp conditions caused by excessive rainfall. An official of the Tree Crop Unit in Akure, Ondo state, said there is usually a dry period of about three weeks in August. This should stem any outbreak of black pod, improve main cocoa pod development and pod ripening. Farmers interviewed in a dozen farms surveyed in Ile-Ife area of Osun state, the second-largest cocoa producer in the southwest after Ondo state, on Friday also said the outlook for the 2007-08 main crop was looking strong at present. The southwest cocoa belt accounts for 70% of Nigeria's annual cocoa production of 242,000 tons. Nigeria is the world's fourth largest cocoa producer after Ivory Coast, Ghana and Indonesia.

Cocoa Grading Resumes In Nigeria's Oyo State As Strike Ends

By Obafemi Oredein, Dow Jones Newswires;

July 30, 2007.

IBADAN, Nigeria (Dow Jones)--Cocoa grading resumed on Monday in Nigeria's south-western Oyo state after a month-long strike by the state's public-service workers, traders said. The strike began in late June to protest changes to the minimum wage of 9,400 naira (\$73.82) a month.

The new government, formed in the state after the April 14 governorship election in Nigeria, said it would only pay the wage to workers on grade levels one to six while the salaries of those on level seven and above would be scaled down. This infuriated the workers leading the Nigeria Labour Congress to declare an indefinite strike to force the state government to pay all its workers the minimum wage.

An NLC official said the strike was called off at the weekend after the intervention of the traditional ruler of Ibadan in the dispute between the workers and the state government. He said the state government agreed to pay NGN9,400 to all workers. "Officials of the Produce Department, who grade cocoa before it is sold, are back at

work, cocoa grading has started again today (Monday)," a trader told Dow Jones Newswires. He said the strike held up "quite a lot of cocoa in stores and warehouses" as the cocoa could not be sold without being graded.

Graded cocoa has been certified fit for export and it is illegal to export ungraded cocoa from Nigeria. A trader in Egbeda cocoa producing area of the state, said the farmers cooperatives in the area had about 50 tons of cocoa that couldn't been graded during the strike. This he said would be taken to grading centers as from Monday. He added that some farmers and traders had transported cocoa to neighbouring states for grading while the strike lasted. He could not say how many tons were taken to other cocoa-producing states. Local buying agents and traders pay a grading fee of NGN3,000 a ton of cocoa. Oyo is one of the five cocoa-producing states in the southwest cocoa belt, which accounts for 70% of Nigeria's annual cocoa production of 242,000 tons.

Business & Economy

Ghanaian envoy lauds relations with Guyana -sees cocoa possibilities

Saturday, July 28th 2007

The relations between Guyana and Ghana are expected to become more fruitful with the accreditation of new Ghanaian High Commissioner to Guyana Samuel Kofi Dadey. According to a Government Information Agency (GINA) press release Dadey presented his Letters of Credence to President Bharrat Jagdeo on Thursday at the Office of the President. In his address after the ceremony, Dadey lauded the longstanding ties that exist between Guyana and Ghana commenting that "Right from the independence of Ghana relations existed between Ghana and Guyana. On the 6th March 1957, when Ghana declared its independence, (late President Cheddi) Jagan and (late President Forbes) Burnham were in Ghana to celebrate the event with Ghanaians and that has been the basis of relations between our two countries ever since."

The high commissioner also said new vistas of cooperation are also a priority under his watch. "We have to explore new areas of cooperation between Ghana and Guyana especially in the area of South-South cooperation because the countries of the south need to cooperate more with each other in today's globalised world to be able to keep ourselves afloat," Dadey said. "I heard from His Excellency that cocoa is already produced on a small scale but there is a lot that Ghana can impart to Guyana," he said, pointing out that his country stands among the

Recent reports of improving crop conditions in the Ivory Coast, the world's largest cocoa producer, have prompted aggressive fund selling which could continue longer term, analysts say. 'The improving outlook for Ivory Coast's main 2007/08 crop is certainly undermining the market's bullish posture,' said analysts at Hightower Research. 'Ivory Coast farmers are expecting a bumper main crop for the 2007/08 season due to good rains and growing conditions over the last few months there seems to a consensus view that the harvest will start early in mid-August'.

Cadbury New Zealand Chocolate Crumb Plant Expected to Be Completed in 3 Months

Source: FLEXNEWS

31/07/2007

Construction work on Cadbury Confectionery Ltd's NZD 20 million chocolate crumb plant in Dunedin is expected to be completed in about three months. According to the local press, the new plant will bring a 200% increase in production of its chocolate crumb ingredient. The company forecasts an increase from 5,000 tons per year to as much as 15,000 tons, worth NZD 30 million. Most of the product will be exported, mainly to the Asia Pacific region. Cadbury Confectionery Ltd. announced the investment in its Dunedin plant in November 2006.

Softs - Cocoa rebounds above the 1,000 stg mark on physical buying

August 2, 2007

LONDON (Thomson Financial) - Cocoa rebounded slightly after dipping below 1,000 stg per tonne yesterday, as physical buying on the dips supported the market, despite analyst predictions for prices to continue to decline in the medium term.

Cocoa fell sharply yesterday, weighed on by falling global equity markets and profit-taking by investors spooked by the bean's recent decline. You're seeing buyers stepping in when it drops below 1,000 stg,' said Redtower Research analyst Elizabeth Miller. 'There's nothing out there that's particularly positive (for the cocoa price) but there's a big psychological level around 1,000 stg, and if it should drop below that, we'd expect to see support around 970 stg per tonne.'

At 2.06 pm on the Euronext Liffe, cocoa for September delivery was up at 1,008 stg a tonne against 997 stg at the close yesterday. Cocoa has fallen recently as investors banked profits following a fresh four-year high earlier this month. They have been spurred on by expectations that a buoyant harvest in West Africa will increase supply, pushing prices lower. Key producers Ivory Coast, Ghana and Nigeria have all reported regular rain over the last few weeks, which should aid pod development for the West African main crop next season.

Among other commodities traded on Euronext Liffe, Robusta coffee for September delivery was up at 1,823 usd a tonne against 1,806 usd at the close yesterday.

Labour issues

Sabah looks into farmers' claims

The New Straits Times

31/07/2007

KOTA KINABALU:

The state government will look into claims by 314 farmers that they were not allowed to harvest cocoa and oil palm fruits on the land they had worked on for over 10 years in Kunak. Chief Minister Datuk Seri Musa Aman said yesterday he had directed both the Forestry and the Land and Survey departments to investigate the claims of the farmers from Sungai Mantri, Ulu Kalumpang. The farmers, out of frustration, had staged a peaceful demonstration at the Forest Department's Ulu Kalumpang control post recently to highlight their plight.

Speaking after launching Sutera Harbour's Merdeka celebration, Musa said the government would try to resolve the problem as soon as possible. "The government is aware that there are people who have crops like cocoa and oil palm on government land. "However, we will discuss the matter with them, along with the Forestry and Land and Survey departments. We will find a solution to the problem," he said.

Yesterday, a local daily reported that the farmers had begun opening some 1,890ha of state land by planting cocoa, and later oil palm, and subsequently applying for ownership of the land. They did not face much problems till about a year ago when told that they had trespassed on land meant for the Ulu Kalumpang forest reserve project. A year on and the project has yet to begin. The farmers are disheartened that they are not allowed to harvest their

Cocoa Stigma, Chocolate Giants and US legislation
American Chronicle
Rizwan Ghani
August 1, 2007

The 'frozen-prices' of Cocoa beans for last 34 years dubbed as Cocoa Stigma by the international media has reached Capitol Hill. Reportedly, Democrat Congressman Eliot Engel has called for measures including sanctions against chocolate giants to end exploitation of Cocoa farmers and child workers in Western Africa. Engel while talking to the press said that he saw no real progress on the promises made by chocolate industry concerning their input in improving living condition of the Cocoa farmers in last six years.

It is opined that chocolate industry will not get another waiver until 2008 to undertake the development programs. Reportedly, the international chocolate industry has failed to uphold 2001 promises to build schools, improve health care and roads in African cocoa communities. Independent reviews have also shown little or no progress in those areas in last six years. The incomplete and abandoned projects in cocoa communities reflect industry's indifference towards fellow beings. Reportedly, American chocolate giants refused to discuss the issue.

Cocoa stigma involves three basic issues: employment of children and slavery in cocoa industry; resolution of the issue of 'fair price' versus 'market price'; and plugging of loopholes in US child labor laws to control child slavery and exploitation at the global level.

Reportedly, twelve-year-old Mark working in Abli-Bonikro village near Yamoussoukro, capitol of Ivory Coast is a typical example of child slavery in cocoa industry. Since two, he has been working on the farm and has not met his mother in last ten years. Unfortunately, country's PM refused to acknowledge that problem of child labor and slavery exists in the cocoa industry. It leaves little hope for country's 48 percent illiterate population mostly ending up in cocoa slavery.

In terms of fair price versus market price, the cocoa farmers are demanding replacement of 'market price' payment system with 'fair price' system. They are currently paid the same amount for a sack of cocoa beans that their ancestors were paid 34 years ago. Cocoa growers insist that they want increase in cocoa prices because prices of things have gone up by 300% in American. However, reportedly chocolate industry including warehouses is unwilling to yield ground and share the profits with the farmers despite the reports that a sack of cocoa beans is fetching some 914 dollars in the international market. Reportedly, growers' exploitation starts from the farm where the buyer gets to decide the price because the farmer is unable to take his produce to the market because of lack of transport. The worst part is the grower while "pushing" the produce from the farm to the warehouse has to bribe six to eight tax and security check posts, also.

The cocoa farmers claim that due to unjust 'market price' they are unable to educate their children, get health care or diversify. The fear that due to the non-profit farming sector their children like their ancestors will also end up as slaves in the industry. They believe that without support of international community they may never be able to break the cycle. In this regard, a Boston warehouse by displaying 'fair price' logo and honoring 'fair price' system has shown strong hope for these cocoa producers. In wake of chocolate industry's refusal to budge over the issue the little chance Mark had to change his life will end. Despite getting all the cuts and bruises from the machete as he works on the cocoa fields, he like his ancestors will remain powerless to change his fate for better. There can't be a worst example of enslaved humanity in 21st century.

One wonders how all concerned sleep while poor cocoa slaves like Mark are robbed of their hard work and worst no one is ready to accept the responsibility for maintaining the 'market price' instead of 'fair price'. May be these statistics will help understand daily challenges of cocoa children. In Ivory Cost approximately 16,000 people share on physician, the average life expectancy is 42.5 years. A ten percent of total roads are paved and the average per capital income is \$710 as compared to \$ 36,010 for an average American.

A brief look at the US and British Child labor laws explains why it is difficult to nail chocolate giants. In 18th Century British cotton industry collected orphans and minors throughout the country, obtaining their services merely for the cost of maintaining them. In some cases, children five and six years of age were forced to work from 13 to 16 hours a day. Despite attempts by the social reformers in 1802 things did not change until 1878 when minimum age for employees was raised to ten years and work day was brought down to 12 hours for children between 14-18 years of age.

In US, children between 7 to 12 years made up one third of work force in US factories. The process of enacting child labor laws that started in 1836 is still incomplete. The state and federal law has failed to define a single law to end child labor. The National Industrial Recovery Act, passed by Congress in 1933 led to the Supreme Court ruling rendering New Deal act unconstitutional in 1935 followed by the Walsh-Healey Act passed by the Congress bringing the age to 16 years also maintained in the Fair Labor Standards Act of 1938, better known as the Federal Wage and Hour Law, declared constitutional in 1941 by the Supreme Court later amended in 1949, applies to all workers engaged in interstate or foreign commerce. Under the child-labor provisions of the act,

conditions to those of today. OUTLOOK...Scattered showers and thundershowers tracking from east to west this period. Temperatures near to below normal.

WEST AFRICA COCOA

CROP IMPACT- Heavy storms hit the major cocoa areas of Ghana and Ivory Coast late last week. This may be considered unfavorable if there is more rain and less sunshine during the coming weeks.

Brazil Cocoa Weather - Jul 30 - others
Dow Jones Newswires
BAHIA, BRAZIL
July 30, 2007

SUMMARY- Mostly dry conditions west, scattered showers east, amounts 0.10-0.25 inch (3-6 mm) during the weekend. Temperatures 77-87F (25-31C).

FORECAST- TODAY...Mostly dry conditions or a few light showers. Temperatures 75-85F (24-29C).
TONIGHT...Mostly dry conditions or a few light showers. Temperatures 55-64F (13-18C).
TOMORROW...Mostly dry conditions or a few light showers. Temperatures 75-84F (24-29C).
OUTLOOK...Mostly dry or a few light showers Wednesday through Friday. Temperatures near to above normal.

BRAZIL COCOA PROSPECTS...

Generally favorable conditions for the developing main crop. The mid crop harvest continues.

Ivory Coast Seeks to Adapt Crops to Climate Change

Source: Reuters
03/08/2007

Abidjan, Aug 2 - World top cocoa grower Ivory Coast is researching ways to maintain output from the wide range of crops it produces amid rainfall levels it says are decreasing due to climate change, state researchers said on Thursday. Farmers in Daloa in the centre-west of Ivory Coast said drought-like conditions, which lasted for months earlier this year and killed younger cocoa plants, were the worst in living memory.

Rains have been good in the cocoa zones since late March when the tropical country's rainy season began, but cotton farmers in the arid north say rains they were awaiting in June, to enable their seeds to germinate, failed to arrive on time. "Crops' water needs are less and less satisfied," said Brou Kouame, agro-meteorologist at the National Agronomic Research Centre (CNRA) at a joint press conference on climate change held with the United Nations Development Programme (UNDP) and national weather agency Sodexam. "For the cotton in the north these last few years, the sowing periods are less respected. Harvests are late and there are serious insect problems. There is a prolonged drop in cocoa output in some zones," Kouame said.

Experts at the news conference proposed the development of plant species more resistant to dry conditions, shifting sowing and harvesting periods according to weather conditions, irrigation, and planting of perennial producers such as rubber. "We can't stay here doing nothing. Since we can't change the climate, we can adapt our agriculture to the climate," said Amoncho Adiko, head of research at the CNRA.

TIT BITS

(Source: Business Recorder – www.brecord)

London cocoa, coffee and sugar fall

LONDON (August 02, 2007): London cocoa, robusta coffee and white sugar futures all posted losses on Wednesday in nervous trading as speculative selling drove down prices in both soft commodities and metals, dealers said. Fears of a US credit crunch sparked losses in stocks and bonds on Wednesday, with selling spreading to commodity markets.

New York cocoa settles firm

NEW YORK (August 02, 2007): US cocoa settled firm on Tuesday, on support from the London market after dipping to a seven-week low on pressure from speculative liquidation, traders said. "I think (there's) more attention on London," one trader said, calling the New York session routine.

New York cocoa declines

NEW YORK (August 03, 2007): US cocoa fell to a lower close but failed to make a new low on Wednesday, with fund and commission house selling seen weighing on prices, traders said "I was really surprised that it didn't push down below \$1,900 (basis September). Some are saying there were some funds that had squared up and now are going short," one trader said.

London cocoa and sugar set three-month lows

LONDON (August 04, 2007): London cocoa futures fell to a three-month low on Friday with improving main crop prospects in top producer Ivory Coast weighing on the market, dealers said. London white sugar also fell to a three-month low, depressed by a huge global supply surplus while robusta coffee ended slightly higher.

New York cocoa inches down

NEW YORK (August 04, 2007): US cocoa edged down to settle lower on Thursday in rangebound dealings on two-sided speculative moves, continuing the sideways trend that followed a sharp drop late last week, traders said. "You had a sell-off underneath \$1,917 (basis September), it hit some stops and just got pressured lower. Spec-to-spec action," one trader said.

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