



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 251

1<sup>st</sup> – 5<sup>th</sup> October 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)
1 <sup>st</sup> October	1298.74	2024.38	1005.67	2003.33
2 <sup>nd</sup> October	1259.00	1957.94	975.00	1934.33
3 <sup>rd</sup> October	1231.38	1916.10	964.67	1876.33
4 <sup>th</sup> October	1238.95	1922.27	969.00	1878.00
5 <sup>th</sup> October	1229.34	1909.59	960.33	1865.67
Average	1251.00	1946.00	975.00	1912.00

## Up-coming Events

- ICCO Round Table of a Sustainable Cocoa Economy  
3<sup>rd</sup> – 6<sup>th</sup> October 2007  
Accra, Ghana
- COPAL General Assembly and Council of Ministers' Meetings  
8<sup>th</sup> – 12<sup>th</sup> October 2007  
Accra, Ghana

## In the News (from Newspapers worldwide)

### Health and Nutrition

- ✓ Dark chocolate might help ease chronic fatigue syndrome
- ✓ Cocoa Farmers' Glory

### Production & Quality

- ✓ Indonesia's 2007 cocoa output to fall to 500,000 T

### Business & Economy

- ✓ Cocoa Industry Meeting Aims to Help Impoverished Farmers
- ✓ President Kufuor announces increase in cocoa producer price
- ✓ Sri Lankan chocolate maker expands, plans cocoa exports to Cadbury
- ✓ Ghana: Cocoa Farmers to Enjoy "Good Conditions" of Service

- ✓ Phila.-area cocoa processor to be sold to Swiss company
- ✓ Barry Callebaut to acquire cocoa factory from Food Processing International
- ✓ Cocoa Futures: A BIG Move

### Labour issues

- ✓ Solidarity asks for stricter steps against child labour on cocoa plantations

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Do your health a favour, drink Cocoa everyday

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

**Monday 1st October 2007**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2007	998	995	-5	1002	985	4317
Mar 2007	1008	1006	-4	1012	997	2893
May 2008	1010	1016	-3	1020	1007S	1000
Jul 2008	1026	1022	-4	1026	1013	520
Sep 2008	1023	1030	-4	1032	1021S	202
Dec 2008		1041	-4			0
Mar 2009		1050	-5			0
May 2009		1060	-5			0
Jul 2009		1066	-5			0
Sep 2009		1075	-5			0
<b>Totals</b>		<b>1036</b>				<b>8,932</b>

**Tuesday 2nd October 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	991	962	-33	1026S	950	10429
Mar 2007	1003	977	-29	1010	966	5015
May 2008	1010	986	-30	1016	974	1004
Jul 2008	1022	993	-29	1022	982S	561
Sep 2008	1029	1002	-28	1029S	990S	424
Dec 2008	1035	1014	-27	1035S	1002S	112
Mar 2009	1023	1023	-27	1023S	1023S	2
May 2009		1034	-26			0
Jul 2009		1040	-26			0
Sep 2009		1049	-26			0
<b>Totals</b>		<b>1008</b>				<b>17,547</b>

**Wednesday 3rd October 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	962	951	-11	967	944	8306
Mar 2007	978	967	-10	982	961	4445
May 2008	980	976	-10	989S	970	527
Jul 2008	990	984	-9	996S	978	770
Sep 2008	1005	994	-8	1005S	988	336
Dec 2008	1001	1006	-8	1006S	1000	91
Mar 2009		1015	-8			0
May 2009		1026	-8			0
Jul 2009		1032	-8			0
Sep 2009		1041	-8			0
<b>Totals</b>		<b>999</b>				<b>14,475</b>



**Spot Prices (US\$ per tonne)**

	<b>1<sup>st</sup> October</b>	<b>2<sup>nd</sup> October</b>	<b>3<sup>rd</sup> October</b>	<b>4<sup>th</sup> October</b>	<b>5<sup>th</sup> October</b>
Main Crop Ghana, Grade 1	2493	2380	2329	2328	2311
Main Crop Ivory Coast, Grade 1	2350	2237	2198	2197	2180
Main Crop Nigerian, 1	2327	2214	2184	2183	2166
Superior Arriba	2505	2392	2403	2402	2385
Sanchez f.a.q.	2362	2249	2184	2183	2166
Malaysian 110	2023	1910	1876	1875	1858
Sulawesi f.a.q.	2210	2097	2056	2055	2038
Ecuador Cocoa Liquor	3505	3310	3333	3331	3301
Pure Prime Press African Type Cocoa Butter	5907	5578	5478	5475	5425
10/12% Natural Cocoa Press Cake	920	869	850	850	842

Source: Cocoa Merchants' Association

# News

## Health and Nutrition

Dark chocolate might help ease chronic fatigue syndrome

USA Today - Oct 1, 2007

New research finds that high-cocoa dark chocolate may ease symptoms of chronic fatigue syndrome, which affects about 1 million Americans. The results surprised British researchers, who believe that dark chocolate might be affecting serotonin, a key brain chemical involved in mood changes. The BBC cautions that Experts said patients should consume chocolate in moderation.

Medical News Today (not related to USA TODAY) also is reporting the findings and provides more information about chronic fatigue, a debilitating condition that is generally characterized by severe muscle fatigue after physical exertion.

## Production & Quality

Indonesia's 2007 cocoa output to fall to 500,000 T

By Miriam Imrie

Fri 5 Oct 2007

ACCRA, Oct 5 (Reuters) - Indonesian cocoa output this year will fall to around 500,000 tonnes, down from 590,000 tonnes in 2006, due to floods and delays to the main crop, the chairman of the Indonesian Cocoa Association said on Friday. "This year (production) will probably be about 500,000 tonnes," Halim Razak said on the sidelines of a cocoa conference in the Ghanaian capital Accra, cutting his previous 2007 forecast of 530,000 tonnes.

Indonesia's main crop usually runs from April to July but it was delayed this year until May. The mid-crop harvest normally runs from October to December in the main Sulawesi cocoa producing province. "This year was different. The main crop was delayed until May ... The mid-crop now may be delayed until December. This is partly because of weather."

However, Razak said he remained confident that Indonesia, the world's third-largest producer, would overtake Ghana in the next five years to become the world's second-largest producer. Ivory Coast tops the table of cocoa exporters. "If you are talking about the next five years Indonesia will become the second-largest producer. We have the opportunity to increase productivity. I do believe we will be second."

Razak said use of field facilitators, who oversee crops in demarcated areas, had helped to increase productivity since 2003. He also said exercises to help rehabilitate fields would also boost output in coming years.

## Business & Economy

Cocoa Industry Meeting Aims to Help Impoverished Farmers

By Phillip Wellman

Voice of America - Oct 2, 2007

Cocoa buyers, sellers, producers and other industry stakeholders are meeting this week in Accra, Ghana to discuss the future of cocoa business. In West Africa, where millions depend on the trade for their livelihoods, analysts say that important price fluctuations impoverish farmers and need to be controlled. Phillip Wellman reports from our West Africa bureau in Dakar.

The International Cocoa Organization says the three-day conference will focus on preserving the environment, improving production, and boosting prices paid to cocoa farmers. West Africa produces about 70 percent of the world's cocoa, bringing in millions in revenue, but most farmers in the region remain poor.

Secretary General of the Lagos-based Cocoa Producers' Alliance Sona Ebai says he believes a special organization should be created through which West African farmers would sell their cocoa and receive fixed prices. Now farmers in many countries sell to intermediary companies that then resell to cocoa processors for a profit. He says an organization would help farmers receive better prices and also spread sales throughout the year.

"Most of it [cocoa], at least 80 percent of it, comes out in the first cocoa quarter of the year: October to December," he said. "So definitely the market is flooded and prices cannot be good. But if we had a system where we could purchase the cocoa from the farmer and take care of his interests, and then supply the market regularly [it would be better]. Because when it comes to March, April, May, June, the market is getting stronger in price, but the producers do not have any cocoa to sell."

Ebai says that a similar system exists in Ghana, where the government helps negotiate prices cocoa processors pay to farmers. Experts say because of this system the average Ghanaian contract is higher than the contracts in most neighboring cocoa producing countries, where there is less state intervention. One of those states is Ivory Coast, which produces roughly 40 percent of the world's cocoa. The International Monetary Fund says that half of the country's population depends on the cocoa industry.

Spokesman for the Ivorian Farmers' Federation Gnan Fever says he believes Ivory Coast would benefit from a system like the one in Ghana. In 2002 the sector was semi-liberalized and five private bodies replaced a state-run cocoa board. The bodies have since been accused of fraud. Fever says that creating a body to help sell farmers' cocoa directly to processing companies would make the country's cocoa industry more transparent. He says then farmers would know exactly what price their cocoa was being sold at and what percentage the government would be taking. He says fixed prices would make earnings more stable for farmers.

Maria Lopez of London-based Global Witness watchdog group says farmers in Ivory Coast make on average 50 cents a kilogram for their cocoa, which she says is much less than in Ghana. But she says establishing a growers group in Ivory Coast would be difficult. "The way it looks, it is not very likely to happen quickly in Cote d'Ivoire because there is some legislation that forbids it, so unless they reverse legislation they will not be able to do it," she said. In both Ivory Coast and Ghana, the cocoa industry rests mainly on small-scale farmers. Analysts say they have had little leeway in improving their work conditions, both in regards to powerful, private operators who buy their cocoa and governments who set the rules. The International Cocoa Organization says it hopes this week's conference will help change this pattern.

President Kufuor announces increase in cocoa producer price  
Joy Online, Ghana - Oct 1, 2007

President John Agyekum Kufuor on Monday announced an upward adjustment of the producer price of cocoa from GH 9,015 cedis (9.15 million cedis) per tonne to GH 9,050 cedis (9.5 million cedis), effective from the 2007/2008 main crop season. With this, the Ghanaian farmer's share of the FOB now stands at 72.11 per cent up from the less than 50 per cent, they were receiving seven years ago. The increase comes at a time when the price of cocoa on the international market had dropped from 1,900 dollars to about 1,500 dollars.

Addressing this year's Cocoa Day at Bibiani in the Western Region, President Kufuor said the Government has also directed the Ghana Cocoa Board (COCOBOD) to ensure that bonus to farmers was paid in two installments every year. The first would be in July and the final payment before the end of the year. The arrangement is meant to help them with funds, in the absence of micro-credit schemes, to support their children's education at the start of the academic year.

President Kufuor said other interventions introduced include the increase of the COCOBOD scholarship award beneficiaries from 2,500 students to 7,500, tarring of a total of 531 kilometres of roads linking cocoa growing communities in the six cocoa farming regions, distribution of 1,000,000 treated mosquito nets and the provision of solar street lights and solar torch lights.

These, he said, were aimed at making sure that farmers would not only enjoy tangible benefits of their hard work but also discourage the drift of the youth to urban areas. He said the Government's policy measures since the year 2001 had not only rejuvenated the cocoa sector but improved the real returns to farmers.

President Kufuor used the day to convey the nation's gratitude to the Ghanaian cocoa farmer for the invaluable contribution to the economy.

The Finance and Economic Planning Minister, Mr Kwadwo Baah-Wiredu, said the Government was determined to ensure that loans were given to farmers at reasonable interest rates. He said they wanted to see agricultural interest rate pegged between 5-10 per cent with a maturity period of between 5 and 10 years.

Mrs Frema Opare Osei, Deputy Minister of Water Resources, Works and Housing, advised the farmers not to use children for labour-intensive and any other jobs on their farms likely to pre-dispose them to hazardous chemicals.

Mr Isaac Osei, the Chief Executive of COCOBOD, warned that the Board would not allow cheating of the farmers through the adjustment of weighing scales by unscrupulous Purchasing Clerks. He said achieving the twin vision of increasing cocoa production and processing of 40 per cent of the output required hard work and encouraged the farmers to take advantage of the various interventions such as the mass cocoa spraying and hi-tech fertilizers to boost their output.

Nana Yaw Gyebi, Omanhene of Anhwiaso, appealed to the Government to see to it that cocoa processing factories were sited closer to the cocoa producing areas. The Western Region produces 57 per cent of Ghana's total cocoa output. There were fraternal messages from the Cocoa Producers Alliance and the International Cocoa Organisation. The theme for the Day was "Process and Consume more cocoa for good health and Economic Growth".

Sri Lankan chocolate maker expands, plans cocoa exports to Cadbury  
Lanka Business Online, Sri Lanka - Oct 1, 2007 (LBO)

Sri Lankan chocolate maker Edna plans to increase its market share to 60 percent within the next two years with over a billion rupees being invested in new plants, an official said.

In 2008 close to 300 million rupees will be invested in a plant that would process powder that will be sent to Cadbury mills, Edna group director Lal Ekanayake said. Edna says its chocolates currently hold around 48 percent market share in Sri Lanka, followed by Ritsbury with 22 percent and Kandos with 21 percent. The firm has a 38 percent share, in the overall confectionary market. The group invested around 125 million rupees in 2005 and a similar amount last year.

Edna's says it is hoping to invest over 1.75 billion rupees from 2007 up to 2010. With exports to countries such as India, Maldives, Canada, USA, France, Italy, Germany and Austria, the group makes its own raw material to keep production costs low. "That is why we have not increased the price of our chocolates even when the prices of sugar and other products are increased in the markets," Ekanayake said. The group turnover for last year was 5.1 billion rupees and Ekanayake says the company can achieve a 6.6 billion rupee target this year. Edna re-launched its economy chocolate range with new flavours on Monday.

The local chocolate manufacturer that started its business over 50 years ago has now diversified into engineering with business interests in Chocolates & Confectionery, Engineering and Industrial Packaging. The home business from Mawanella now employs around 3,000 workers. The group is also investing in a new tractor assembly plant.

Ghana: Cocoa Farmers to Enjoy "Good Conditions" of Service  
Ghanaian Chronicle (Accra)  
Stephen Odoi-Larbi  
5 October 2007

The Minister of Finance and Economic Planning, Hon. Kwadwo Baah Wiredu, has noted that as part of government's initiative to make life easy and enjoyable for cocoa farmers to give off their best to improve the nation's economy, it would maintain its policy of increasing the cocoa farmer's share of the net FOB price as a reward for their continuous hard work, and contribution to the development of the economy.

He said it was in this regard that President John Agyekum Kufuor, at the just ended COPAL Cocoa Day Declaration last Monday at Bibiani, announced an increment in the price of cocoa by 4% for the coming season. That meant, cocoa farmers would enjoy € 9,500,000 per metric tonne instead of the current €9,150,000 per metric tonne.

He added that cocoa farmers would as well enjoy payment of bonuses to help facilitate their activities. At a round table conference towards a 'Sustainable World Economy' in Accra yesterday, Hon. Baah Wiredu emphasised, "Cocoa, over the years, continues to generate more and more dividends economically and

producing countries, the improvement of knowledge available on cocoa resources in producing countries, the compilation of an inventory on the health and nutritional values of cocoa and chocolate and the generic promotion of cocoa and chocolate consumption in emerging markets.

He explained that the concept of sustainability encompasses social, economic and environmental dimensions in both production and consumption. Mr. Wiredu said, as part of government's initiative aimed at achieving sustainability in the cocoa sector, it had instituted a number of measures, including increasing remuneration of farmers, adopting diseases and pests programmes under which cocoa farms in all six cocoa producing regions of Ghana would be treated against Capsid and Black Pod diseases. They would also adopt responsible production methods through good agronomic practices, provision of high-yielding and disease-resistant planting materials, reducing post harvest losses and committing resources to the eliminate the worst forms of child labour on cocoa farms.

Another initiative would be the tarring of roads in cocoa-rowing areas to facilitate the efficient evacuation of cocoa, for which he said, US \$50million has been earmarked for the start of the programme, which covers approximately 531 Kilometers of roads. The government would also start a programme to provide decent accommodation for cocoa farmers in their areas of operation, and promote value addition through research and development in the cocoa processing business to ensure that the potentials of the "Golden Pod" are fully utilised. The establishment of cocoa processing factories so as to reach a 50% processing capacity and the promotion of the production of cocoa by-products, using cocoa waste and sub-standard beans would also be encouraged.

In his welcome address, the Chief Executive Officer of the Cocoaoboard, Mr. Isaac Osei, noted that the question of sustainability was quite serious in the country, and that was why in its effort to increase production, the country had mounted a strategy on yield-enhancing schemes to increase farmers' income, efficiency in logistics and enhancement of quality assurance systems.

He added that Accra, immediately after the round table conference, would again play host to the 70th General Assembly and Council of Ministerial Meeting of the Cocoa Producers' Alliance (COPAL) from the 8th to the 12th of October, this year.

Phila.-area cocoa processor to be sold to Swiss company  
Philadelphia Business Journal  
Friday, October 5, 2007

A Swiss cocoa and chocolate manufacturer said Friday that it has agreed to buy Philadelphia-area cocoa company Food Processing International Inc. from the private investors who own it. Barry Callebaut of Zurich said it will double annual production capacity at Food Processing's Eddystone, Pa., plant to 110 million pounds of the unsweetened, liquid chocolate known as cocoa liquor. Hardened, it's known as baking chocolate.

Barry Callebaut said its total investment in Food Processing International, including expansion, will be \$51 million, but did not break out what it is paying for the Delaware County company. "The cocoa processing factory in Eddystone will allow Barry Callebaut to further optimize its factory network and supply chain in North America," the acquiring company said. Information on the number of employees at the plant, which began operations in 2006, and how that number might be impacted by Barry Callebaut's plans, was not immediately available.

Barry Callebaut to acquire cocoa factory from Food Processing International  
AFX News Limited  
10.05.07,

ZURICH (Thomson Financial) - Swiss cocoa and chocolate manufacturer Barry Callebaut AG announced plans to acquire a cocoa factory based in Philadelphia, Pennsylvania, from US company Food Processing International Inc. Financial details of the transaction were not disclosed.

Barry Callebaut said it plans to double the factory's capacity to 50,000 metric tons annually and to install pressing, grinding and deodorizing equipment.

## Cocoa Futures: A BIG Move

By Morgan Lee

10/2/2007

If you even glanced at Cocoa futures today (Oct. 2), you know this particular market experienced one of its biggest down days of the year. As you can see from the chart below, Cocoa futures plunged on Tuesday. It was a move that EWI's Daily Futures Junctures editor Jeffrey Kennedy expected – but it also surprised him.

Huh?

You see, Jeffrey was calling for a sell-off – but its magnitude caught even him by surprise: “I do realize that my short-term wave count in Cocoa called for a decline this week, and as it stands, [my] interpretation is still applicable. However, as I have mentioned before, prices moving in one direction is only half of a successful trading equation. The other half is that prices must unfold or develop in the manner expected. And considering the manner and extent of today's drop in Cocoa, I think it is prudent to alter our labeling as a result.”

Now you have a chance to see in action one of the reasons why the Elliott Wave Principle is such a useful market analysis tool. You see, with many other types of analysis – including fundamental analysis (the kind employed by much of the financial world) – an unexpected move like Tuesday's might have totally disrupted your forecast.

But an Elliott wave trader who's been expecting a minor correction doesn't need to panic – because he or she can “alter” their wave count, which is exactly what Jeffrey has done. He knows that Cocoa is still in a correction. That has not changed. He just has to determine the correct degree of that correction. Could Cocoa still follow Jeffrey's original wave count, one calling only for a minor correction? Absolutely. But if Cocoa continues to defy that count, he now has another one at hand.

Cocoa wasn't the only commodity that surprised on Tuesday. Corn futures also displayed an interesting move, and in Tuesday's Daily Futures Junctures, Jeffrey breaks down that market's future as well. To see which direction the wave counts in Cocoa and Corn futures are likely headed over the coming days, weeks – and even months -- and get an objective analysis risk-free for 30 days, simply follow the steps below.

## Labour issues

Solidarity asks for stricter steps against child labour on cocoa plantations

05 October 2007

Solidarity

Solidarity sent a letter to South Africa's largest chocolate manufacturers today in which it asks them to inform the union and consumers about their sources of cocoa, as well as their policy regarding child labour on cocoa plantations.

While cocoa plantations in Africa persist in the use of child labour, South African consumers continue to buy cocoa products that have their source in forced labour. Solidarity recently investigated the extent of child labour on cocoa plantations, which employ more than 280 000 children.

“The South African government has ratified two international conventions dealing with forced labour, meaning that government has committed itself to act immediately and effectively against all form of child labour. In the meantime, no pressure is being exerted on chocolate manufacturers in South Africa,” according to Ilene Barrie, co-ordinator of Solidarity's gender committee. “Government is failing in its duty to protect children and to ensure that consumers are fully informed about the products that they purchase.”

In the Ivory Coast in West Africa, boys of as young as nine years are sold into slavery to work on cocoa plantations. The Ivory Coast is one of the world's largest cocoa producers and supplies approximately 43% of the world's cocoa. This cocoa is sold to large international chocolate manufacturers.

“Government must prevent role players in the industry from continuing the use of child labour on the plantations,” Barrie said. “Consumers must have guarantees that the base ingredients of products are not harvested by child or forced labour. Such products are admittedly more expensive, but in view of the fact that poverty lies at the core of chocolate slavery, higher prices offer the best option to eradicate poverty and slavery.”

In terms of the Fair Trade system, plantations are subject to annual inspections to determine whether they are guilty of employing slave labour. If it is found that the plantation does not use slave labour, a better price is paid for the beans. "In this way the chocolate manufacturers get the message that consumers would rather pay more for products than to tolerate child labour," Barrie said.

"Although the world seems happy to turn a blind eye to the trade in children, legislation was proposed in the USA a few years ago to combat this practice," according to Barrie. The legislation – that was not adopted – would only allow chocolates product marked "slavery free" to be sold in the US.

Chocolate giant Nestlé, together with other chocolate companies, the ILO, and other non-profit organisations like Anti-Slavery International, Save the Children and Unicef, have signed an agreement to work on a joint solution to child slavery on cocoa plantations. In terms of the agreement, proof must be provided that minor or indentured labour, child smuggling and forced labour are not used in the manufacture of chocolate. The project, which has to be fully implemented by 2005, had to rehabilitate and train child labourers. The agreement has achieved little success. In the meantime Nestlé has been sued by non-profit organisations Global Exchange and the International Labour Rights Fund, as well as other US companies, for misleading the American public by giving out that child and slave labour have ceased on cocoa plantations.

## Others

### Agriculture Funds Ready To Roll

Solomon Islands Government

Tuesday, 2 October 2007,

The Ministry of Agriculture and Livestock will soon release funds for successful applicants for "The Support to Rehabilitation of the Copra and Cocoa Industries" following the closure of the application process on Friday 28 September.

Permanent Secretary to the Ministry Edward Kingmele said over 200 farmers from five provinces including Malaita, Makira, Isabel, Guadalcanal and Central Islands will be assisted from a total funding of 3 million dollars. He said other remaining provinces will be included in the 2008 budget for the same project.

The National parliament this year have approved the first five provinces with Malaita, Makira and Isabel being allocated \$750 thousands dollars each, while Guadalcanal was given an allocation of \$500 thousand and Central islands Province \$250 thousand.

Mr Kingmele said there were hundreds of applications from the first five provinces which makes it impossible for the government to fund all application projects from the present funding allocation of \$3 million. "All the project proposals received were thoroughly checked and appraised by the Agriculture Field Officers from these provinces. "These project proposals were all sent back to the Ministry of Agriculture Planning Office for final consideration before the application period closed on Friday," he said.

The National Project Committee had approved the first lot of projects for each of the five provinces which were then documented for the first tranche payment. "It has been a very difficult exercise to accommodate every location but we pleased that all efforts have been made to ensure each constituency is represented in this allocation," Mr Kingmele said. The funds will cover different components of cocoa and copra production which include construction of new driers, tools and materials for rehabilitation of plantations, trading and storage, expansion and replanting and the processing of coconut into copra and coconut oil and other cocoa products.

Mr Kingmele said preparations of funding documents will take at least two weeks before payments are made to successful farmers. "It is expected that the funding process will continue and should be completed by November," he said. The names of successful farmers will be published shortly in the print media for clarification purposes. Mr Kingmele further explained that successful farmers will sign and MOU to assure the government that the funds are for the purposes of the project. "Should there be misappropriation, the farmer may be required to refund the whole amount of money," he said.

Agriculture field officers in the provinces will monitor the implementation of the projects. "Should farmers need technical assistance and advise the officers will be there to help them," Mr Kingmele said. The Ministry of Agriculture will also be monitoring the production of both copra and cocoa to ensure that the funds were spent

for their intended purpose. "We expect to see an increase in production from December and whole of next year," Mr Kingmele said. Mr Kingmele was thankful for the generous assistance of the Republic of China (Taiwan) for funding the project

Cocoa Farmers' Glory  
Source/Credits: Daily Guide  
04-10-2007

President Kufuor's directive to the Ghana Cocoa Board (COCOBOD) to pay cocoa farmers' bonuses in two installments every year shows how the government is committed to the welfare of the cocoa farmer. The President further directed that the first payment should be made in July while the second should be paid before the end of the year.

The arrangement is designed to help farmers support their children and wards' education at the beginning of the academic year since that was the period farmers needed money most. The period for the second installment is to enable farmers respond to the needs of their wives and the entire family in preparation for Christmas.

These are two important obligations for any responsible cocoa farmer, but many of them could not fulfill them because the time for payment of bonuses was not fixed. Cocobod paid the bonuses as and when money was available, and the unavailability of money drove farmers to shylock money-lenders. Farmers must therefore be grateful to the government for talking steps to alleviate their problems and work harder to produce more for export to enable the country also earn more. In this particular case the cocoa farmer could be likened to the proverbial hen which lays the golden eggs. It has to be properly cared for to continue to lay the eggs. In the absence of that the laying of the eggs would be irregular. For these reasons the government must introduce new incentives for cocoa farmers and their dependants so as to keep more farmers in the industry and also attract more youth into it.

It is necessary also for the research unit of the board to intensify its research and come out with a variety of high-yielding products. At the moment, the long period of between five and seven years for cocoa trees before they start fruiting does not encourage the youth to venture into cocoa farming. The threat is that farmers in the industry are becoming old and if efforts are not made to replace them, a time would come when the country would not have sufficient number of farmers in the cocoa industry. We have to remind cocoa farmers to send their children to school. This is the reason why the government has arranged that the payment of the first bonus should coincide with the beginning of the academic year.

Cocoa farmers must encourage their children and wards to study hard to qualify for the Cocobod scholarships. The facility was primarily meant for children and wards of cocoa farmers, but if those children do not qualify for them they would have to be given to other qualified children who might not be children of cocoa farmers. Indeed, Ghanaians owe cocoa farmers a huge debt of gratitude for their continued contributions to the national economy, but there is more to be done.

DAILY GUIDE congratulates the government on its commitment to the welfare of cocoa farmers, but reminds it that solutions have not been found to problems of all farmers in the country.

## TIT BITS

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London coffee and cocoa down; sugar up

LONDON (October 06, 2007): London robusta coffee futures settled lower on Friday on rolling of positions, while white sugar futures edged up on arbitrage and cocoa eased under pressure from the 2007/08 West African main crop. London November finished down \$8 to \$1,914 as funds continued to roll forward long positions out of November into January.

US MIDDAY: coffee and cocoa down

NEW YORK (October 06, 2007): Arabica coffee futures trading on ICE Futures US was mostly lower Friday, with prices below Thursday's near eight-year peak, while the exchange's new robusta contract dealt within a narrow range in its debut, traders said. cocoa was seen slipping on chart-based weakness.

New York cocoa closes little changed

NEW YORK (October 06, 2007): US cocoa futures ended little changed on Thursday, after a rangebound session in which origin sellers moved to the sidelines after two straight sessions of lower trade, traders said. "After the action over the last two days, you've got to expect some choppy activity, and that's exactly what we had today," one trader said.

**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: