



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 270

11th – 15th February 2008

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)
11 th February	1539.69	2428.09	1271.67	2410.00
12 th February	1565.25	2466.14	1283.00	2446.67
13 th February	1579.70	2493.29	1294.67	2479.33
14 th February	1590.83	2511.47	1305.00	2483.67
15 th February	1610.80	2547.24	1325.67	2527.00
Average	1577.00	2489.00	1296.00	2469.00

Do your health a favour, drink Cocoa everyday

In the News (from Newspapers worldwide)

Health and Nutrition

- Heat up your valentine with cocoa
- Chocolate health tip
- Supermarket Sleuth | Dark chocolate
- LOCAL COLUMN: Put chocolate on your to-do list
- Chocolate lovers take heart
- We love chocolate, but is it really as good for you as some say?
- Enjoy a heart-healthy Valentine's Day
- Drink that says 'Be my valentine'
- Enjoy benefits of chocolate, with moderation
- Eating chocolate linked to reduced bone density
- Chocolate can be a healthy indulgence
- For some consumers, Fair Trade chocolate a bit sweeter
- Chocolate addiction embraced on Valentine's Day
- Chocolate is Valentine's bittersweet surrender

Production & Quality

- 'Adopt measures to increase cocoa production'
- Ghana's 2008 Cocoa Crop Likely to Reach 650,000 Ton Target
- Ghana Targets 1 Million Tons of Cocoa a Year in 3 Years - Executive (DJ)
- Heat brings early end to Ivorian main cocoa crop
- Nigerian cocoa industry in a quandary

The Market

- US Cocoa at 24-Year High as Funds Buy
- Speculative push for coffee and cocoa prices
- Candy Makers Must Race to Catch Rallying
- Cocoa prices turning bitter

Processing & Manufacturing

- CPC produces more cocoa products for Valentine Day
- Cutting chocolate corners

Business & Economy

- PBC to reduce operating cost
- German Cartel Office Probes Chocolate Price Hikes (DJ)
- Regulators raid chocolate firms – business
- Hershey Hopes Bliss Will Put an End to Turmoil
- German authority suspects chocolatiers of price fixing
- Chocolate from Granada is Burdick's secret
- Ghana marks national Chocolate Day
- Is the Cocoa Industry Afraid of Commitment?
- Ghana growth to surpass 8 pct in 3 years-president
- Are chocolate-makers getting a sweetheart deal?
- Cocoa processors may lose \$5m, says COPAN

Labour Issues

- Cocoa bean harvest puts kids at risk despite chocolate makers' efforts
- Child labor, war or pesticides for your Valentine?
- Ministry assists cocoa producing districts to eliminate child labour
- 'We have to get wise'
- "Chocolate's Bittersweet Economy": Cocoa Industry Accused of Greed, Neglect for Labor Practices in Ivory Coast
- Cocoa made sweet without child labor
- 'Blood Chocolate' drive combats sexual violence

Others

- CBN counsels on CCI
- The ethical cocoa confusion
- Bitter chocolate: US, foreign regulators probe price fixing claims
- Ghana: US\$100M to Improve Roads in Cocoa Growing Regions (DJ)
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**International Financial Futures and Options Exchange (LIFFE)
London Futures Market – Summary of Trading Activities
(£ per tonne)**

Monday 11th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1242	1247	7	1248	1235	5,764
May 2008	1267	1271	6	1273	1259	2,708
Jul 2008	1293	1297	6	1299	1286	479
Sep 2008	1274	1282	6	1284	1273S	1,252
Dec 2008	1281	1290	7	1292S	1279	572
Mar 2009	1281	1289	8	1291	1279S	711
May 2009	1291	1301	7	1302S	1291S	89
Jul 2009		1312	7			0
Sep 2009		1322	7			0
Dec 2009		1337	7			0
Totals		1295				11575

Tuesday 12th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1252	1258	11	1272	1251	5,119
May 2008	1276	1283	12	1298	1274	7,621
Jul 2008	1303	1308	11	1320	1301	1,137
Sep 2008	1288	1294	12	1305S	1288S	350
Dec 2008	1295	1301	11	1313S	1294S	1,265
Mar 2009	1297	1300	11	1314	1294	784
May 2009		1312	11			0
Jul 2009		1323	11			0
Sep 2009		1333	11			0
Dec 2009		1348	11			0
Totals		1306				16276

Wednesday 13th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1264	1270	12	1284	1257	5,149
May 2008	1285	1294	11	1309	1280	3,995
Jul 2008	1310	1320	12	1334S	1306	2,487
Sep 2008	1295	1306	12	1319	1295	1,487
Dec 2008	1303	1313	12	1325S	1301	1,463
Mar 2009	1303	1312	12	1320	1303S	730
May 2009	1311	1324	12	1326	1311	165
Jul 2009	1338	1335	12	1338	1338	5
Sep 2009	1346	1345	12	1346	1346	5
Dec 2009		1360	12			0
Totals		1318				15486

Thursday 14th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1280	1278	8	1287	1,259	12,388
May 2008	1302	1307	13	1315	1,287	13,128
Jul 2008	1328	1330	10	1336S	1,311	2,832
Sep 2008	1316	1320	14	1330	1302S	745
Dec 2008	1318	1328	15	1337	1311	1,706
Mar 2009	1320	1325	13	1334	1306S	2,180
May 2009	1336	1337	13	1340S	1325	33
Jul 2009	1347	1348	13	1347S	1347S	7
Sep 2009		1358	13			0
Dec 2009		1373	13			0
Totals		1330				33019

Friday 15th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1293	1287	9	1309	1285	2,798
May 2008	1323	1312	5	1335	1310	5,216
Jul 2008	1340	1335	5	1358	1335	1,223
Sep 2008	1333	1330	10	1352	1330	539
Dec 2008	1347	1338	10	1362	1337	1,218
Mar 2009	1344	1334	9	1356	1336S	262
May 2009	1363	1346	9	1363S	1363S	5
Jul 2009		1355	7			0
Sep 2009		1365	7			0
Dec 2009		1380	7			0
Totals		1338				11261

Average for the week		1347				21904
Total for the week						87,617

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

Monday 11th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2385	2386	8	2391	2382	17408
May 2008	2419	2418	9	2423	2414	14899
Jul 2008	2426	2426	10	2426	2426	783
Sep 2008	2424	2424	11	2424	2424	141
Dec 2008	2431	2431	13	2431	2431	208
Mar 2009	2425	2425	12	2425	2425	154
May 2009	2424	2424	10	2424	2424	4
Jul 2009	2443	2443	6	2443	2443	-
Sep 2009	2459	2459	18	2459	2459	2
Dec 2009	2478	2478	14	2478	2478	-
Totals		2431				33599

Tuesday 12th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2410	2421	35	2460	2410	13791
May 2008	2447	2455	37	2468	2447	13437
Jul 2008	2464	2464	38	2464	2464	1553
Sep 2008	2462	2462	38	2462	2462	615
Dec 2008	2471	2471	40	2471	2471	649
Mar 2009	2480	2462	37	2480	2462	536
May 2009	2464	2464	40	2464	2464	1
Jul 2009	2487	2487	44	2487	2487	-
Sep 2009	2510	2510	51	2510	2510	-
Dec 2009	2544	2544	66	2544	2544	-
Totals		2474				30582

Wednesday 13th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2452	2454	33	2455	2446	18748
May 2008	2490	2488	33	2505	2481	17376
Jul 2008	2496	2496	32	2496	2496	1143
Sep 2008	2498	2498	36	2498	2498	395
Dec 2008	2507	2507	36	2507	2507	1201
Mar 2009	2502	2502	40	2502	2502	593
May 2009	2503	2503	39	2503	2503	23
Jul 2009	2519	2519	32	2519	2519	5
Sep 2009	2528	2528	18	2528	2528	5
Dec 2009	2549	2549	5	2549	2549	-
Totals		2504				39489

Thursday 14th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2470	2467	13	2489	2455	9814
May 2008	2502	2507	19	2535	2490	11458
Jul 2008	2515	2515	19	2515	2515	576
Sep 2008	2515	2515	17	2515	2515	317
Dec 2008	2525	2525	18	2525	2525	707
Mar 2009	2518	2518	16	2518	2518	304
May 2009	2522	2522	19	2522	2522	37
Jul 2009	2540	2540	21	2540	2540	-
Sep 2009	2562	2562	34	2562	2562	-
Dec 2009	2580	2580	31	2580	2580	-
Totals		2525				23213

Friday 15th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2560	2496	29	2560	2496	9003
May 2008	2561	2526	19	2585	2525	14218
Jul 2008	2526	2526	11	2526	2526	1224
Sep 2008	2529	2529	14	2529	2529	421
Dec 2008	2541	2541	16	2541	2541	1159
Mar 2009	2537	2537	19	2537	2537	171
May 2009	2539	2539	17	2539	2539	17
Jul 2009	2554	2554	14	2554	2554	5
Sep 2009	2566	2566	4	2566	2566	5
Dec 2009	2583	2583	3	2583	2583	10
Totals		2540				26233

Average for the week		2546				38279
Total for the week						153,116

Spot Prices (US\$ per tonne)

	11 th February	12 th February	13 th February	14 th February	15 th February
Main Crop Ghana, Grade 1	2826	2851	2884	2897	2948
Main Crop Ivory Coast, Grade 1	2696	2738	2771	2784	2839
Main Crop Nigerian, 1	2684	2728	2761	2774	2831
Superior Arriba	2871	2874	2907	2920	2974
Sanchez f.a.q.	2764	2784	2817	2830	2881
Malaysian 110	2379	2421	2454	2467	2526
Sulawesi f.a.q.	2588	2624	2657	2670	2729
Ecuador Cocoa Liquor	4255	4277	4335	4358	4437
Pure Prime Press African Type Cocoa Butter	6959	7085	7182	7220	7300
10/12% Natural Cocoa Press Cake	1106	1065	1080	1085	1103

Source: Cocoa Merchants' Association

News

Health and Nutrition

Chocolate health tip

El Paso Times, TX

By Ruth Taber / Special to the Times

02/11/2008

Give Valentine healthful, high-quality dark chocolate. Recent studies in *Circulation* and the *Journal of the American Medical Association* have added fuel to chocolate lovers' yearnings for their favorite food. One study noted that dark chocolate, rich in flavanoids, helped improve coronary vascular function in a small group of heart-transplant patients compared with patients taking cocoa-free chocolate controls. Another study touted the benefits of eating small amounts of dark chocolate in lowering blood pressure among people who had early-stage hypertension.

The key words are "dark" and "small amounts." Milk chocolate and "white" chocolate (which really isn't chocolate) don't make the grade. But the color of chocolate doesn't tell the whole story: Some manufacturers darken the cocoa solids and remove the bitter flavanols, so the dark-looking chocolate might be missing the good stuff. (Unfortunately, most manufacturers don't include the flavanol content on their labels.) Even the best dark chocolates are still full of fat, sugar and calories. (A higher cocoa-mass content means less sugar). Remember to factor in your chocolate food values with a healthful balanced diet. Enjoy Valentine's Day (and others) with small portions of high-quality dark chocolate.

Supermarket Sleuth | Dark chocolate

MiamiHerald.com, FL

BY GIGI LEHMAN

Feb. 12, 2008

Dark chocolate got the scientific equivalent of a big, sloppy kiss back in 2002, when studies showed that substances in cocoa could be good for cardiovascular health. (Most females of our acquaintance could testify to the broken-heart-healing properties of chocolate, but who knew the American Association for the Advancement of Science would be interested?)

Thus, our debut Supermarket Sleuth column -- just in time for Valentine's Day -- looks at the taste and nutrition profiles of several brands of dark chocolate candy.

The ebony elixir has turned researchers' heads because of its concentration of flavanols -- plant-based compounds believed to have several healthful properties. So we scanned the shelves for those candy bars with the highest proportion of cacao/cocoa, figuring the darker, the better. Alas, the health news -- and the taste results -- are bittersweet. The *British medical journal, The Lancet*, reported in December that a dark-looking chocolate might actually have no flavanol, because some manufacturers reduce it during processing to cut bitterness.

Since most candy makers, while trumpeting the percentage of cacao on the label, mention nothing about the flavanol content, there's often no way of knowing just from the packaging how "healthful" that chocolate bar really is. Undeterred, the Sleuth carried out a tasting of four dark chocolate bars with cacao levels ranging from 65 percent to 85 percent. Here are our observations:

LOCAL COLUMN: Put chocolate on your to-do list

Meadville Tribune, PA

By Rosanne Rust : www.rustnutrition.com

February 12, 2008

It is heart month. We celebrate both Valentine's Day and American Heart Month in February, so what better way to address both than by talking about chocolate.

Heart disease is the leading cause of death in the United States. In 2008, an estimated 770,000 Americans will have a new coronary attack, and about 430,000 will have a recurrent attack. About every 26 seconds, an American will have a coronary event, and about one every minute will die from one. Now chocolate, by itself, is not going to prevent these occurrences. Attention to a heart-healthy diet can help (see sidebar), weight control, exercise, taking medications properly and keeping regular appointments with your physician are all important, but including a little bit of chocolate in your diet can make living more enjoyable.

Many of my female weight-loss clients have some form of chocolate in their diets, and they are very happy to find out after my initial diet assessment that they do not have to give it all up. Chocolate can be incorporated into a healthy eating plan, just as many other types of food, as long as it is eaten in the right portion and with moderation.

Despite the evidence that dark chocolate may be beneficial to heart health, it is important to note that a small portion of dark chocolate is not a substitute for a heart-healthy eating plan if you have heart disease or a family history of it. Weight control is the single best strategy to maintaining a healthy blood pressure and reducing risk factors for heart disease. Consider these facts supported by recent research on chocolate and heart disease:

- Cocoa products contain greater antioxidant capacity and greater amounts of flavonoids per serving than all teas and red wines.
- The body of short-term randomized feeding trials suggests cocoa and chocolate may exert beneficial effects on cardiovascular risk via effects on lowering blood pressure, anti-inflammation, anti-platelet function, higher HDL (“good” cholesterol), decreased LDL oxidation (“bad” cholesterol).
- Studies of flavonoids suggest the flavonoid content of chocolate may reduce risk of cardiovascular mortality.

Studies have shown that small portions of dark chocolate are all that is needed for the health benefit. One study suggested that only one Hershey Kiss daily reduced blood pressure in participants who had mildly elevated blood pressure. Other studies have shown that the benefit would occur with one ounce (see guide at right) of dark chocolate in incorporated daily.

Before you grab a chocolate bar, or a slab of chocolate cake, keep in mind that when cocoa is processed it goes through several steps to reduce its naturally pungent taste (the flavonoids provide this taste). The more processing, the more flavonoids lost, so you do want to choose simple dark chocolate varieties for the most benefit as they contain the most flavonoids per calorie. Here is your portion guide for choosing your daily dark chocolate dose:

- Dove dark miniatures, three pieces.
- Two squares of a dark chocolate bar (about a 1 inch square).
- Hershey Special Dark Kisses, five kisses.

Keep it fat-free this Valentine’s Day and consider choosing a bar of good dark chocolate for your Valentine. For wine drinkers, adding a glass of flavonoid-rich red wine to your dark chocolate square may even provide additional heart-healthy benefits. Candles can’t hurt either. Enjoy!

For more information about heart disease, signs, symptoms and prevention, visit these Web sites: www.cdc.gov

Rust is a licensed registered dietician who has a private practice in Meadville. She is a nutrition instructor for Penn State’s World Campus and a licensed provider for Real Living Nutrition Services. For more information about her online weight loss counseling service, visit her Web page at www.rosannerust.com or contact her at www.rustnutrition.com.

Chocolate lovers take heart

Indianapolis Star, United States

By Barb Berggoetz : barb.berggoetz@indystar.com

February 12, 2008

Demand for dark chocolate is up, boosted by claims that it is rich in antioxidants and good for the heart. But don't go overboard on the sweet treat, dieticians advise

Picture the size of two domino pieces. Next time you crave chocolate, that's plenty for the day, say dietarians.



- FRANK ESPICH / The Star

It's especially tough to stick to that amount with all the Valentine's Day candy available. More is not better, though, despite the hype in recent years promoting dark chocolate's healthful properties -- good for your heart, your blood pressure, even your mood.

Demand is definitely growing for dark chocolate, which made up almost three-quarters of the new chocolate products in 2007, according to the Organic Confectionery Report.

In January, locally based Endangered Species Chocolate launched new organic chocolate bars -- most of them dark, with added health-boosting ingredients.

Zurich-based chocolatier Barry Callebaut launched a cocoa powder and chocolate in late 2006 containing about 80 percent of the flavonols found in raw cocoa, saying that as little as 2 grams has an antioxidant effect. The products are expected to be available in North America soon. Xoçai dark chocolate, sold only through distributors, is advertised as "the healthy chocolate" with antioxidant-rich açai berries and blueberries.

Even so, chocolate has taken a couple of health hits of late. One study linked regular eating of any chocolate to slightly weaker bones because it contains oxalate, making calcium harder to absorb. Another said consumers are misled because some manufacturers often remove heart-healthy flavonols due to their bitter taste and darken the cocoa anyway.

So can dark chocolate be called a health food?

"I think that's stretching the point," said registered dietitian Lucinda Miller, St. Vincent Heart Center. "Chocolate has to have fat or sugar in it, or people wouldn't eat it."

Health benefits

Still, studies consistently say cocoa powder tends to affect the body in a way similar to baby aspirin, said Deborah Murray, assistant professor of food, nutrition and hospitality at Ohio University, Athens. Dark chocolate typically is 60 to 80 percent rich in cocoa powder; milk chocolate, about 10 percent. Cocoa powder, partly because of its magnesium content, relaxes blood vessels and can help lower blood pressure, reducing heart-disease risk, said Murray. It also may help prevent blood clots because vessels expand.

Dark chocolate is more healthful than white or milk chocolate because of its high antioxidant content from the plant chemical polyphenol, Murray said. These "flavonols" block damage to the body's cells caused by free radicals and help prevent oxidative stress linked to cancer, cardiovascular disease, arthritis and diabetes. Scientists have long known that cocoa contains antioxidants, but it wasn't until more recently that researchers found that cocoa has nearly twice the antioxidants of red wine, up to three times those found in green tea, and more than in many fruits and vegetables.

Dieticians are quick to point out that other antioxidant-rich foods, like blueberries, broccoli and spinach, have more nutrients, fewer calories and less sugar. Yes -- but chocolate tastes luscious and makes you feel good. One reason: It raises the level of serotonin, the feel-good hormone, in the brain from sugar in carbohydrates, said Murray.

Extra punch

When Kelly Vaughn eats Xoçai chocolate (pronounced sho-SIGH), she feels good, but she says it's not due to sugar. This chocolate, which first appeared in 2005, is caffeine-free, lower in sugar (no processed sugar) and carbs and higher in antioxidants than most chocolate. "I don't get that sugar rush. I don't feel guilty about eating it," said Vaughn, a radio news personality on B105.7 FM who's also one of about 2,000 Xoçai distributors in Indiana (www.indyhealthychocolate.com).

The antioxidant level is higher because it contains blueberries and the Amazon-grown açai berries and is cold-processed, retaining polyphenols removed during the typical Dutch roasting method, said Sherm Smith, a retired engineer from Zionsville who has a network of 4,000 Xoçai distributors worldwide (a fraction of the total number of distributors). While Murray is not familiar with Xoçai, she said Dutch processing does diminish the cocoa content and nutrients. The stronger antioxidant punch is shown by a measure called the Oxygen Radical Absorbance Capacity, used by the U.S. government. One Xoçai nugget has nearly the minimum daily-recommended antioxidant level. But three small nuggets have 210 calories -- equivalent to most candy bars.

Cold-processing and adding açai and blueberries in Xoçai chocolate adds to its health benefits, agrees Renee Sweany, an associate with Endangered Species Chocolate. Its organic and natural milk and dark chocolate products are in health food and grocery stores and online (www.chocolatebar.com).

The flip side

Dietitians say to be wary, though, of the downside of most chocolate -- calories, saturated fat and sugar. A typical chocolate bar has 200 to 250 calories and 12 to 18 fat grams (6 to 10 grams saturated fat). Three Ghirardelli Squares, for instance, have 200 calories and the fat content of typical chocolate. A "low-fat" food has 3 grams or less of fat.

That's why they preach moderation.

"We're talking about an ounce of chocolate per day, the equivalent of a couple dominoes or two squares of a Hershey's bar," said Murray. "That's a slippery slope for a lot of people, because it's a real trigger food." If you can't stop there, she said, stay

clear of chocolate. To reduce portion size, Murray suggests shaving slices onto frozen yogurt, dipping strawberries into melted chocolate or using pure cocoa powder with low-fat milk, not sugary mixes.

Rather than deny your chocolate cravings, Miller suggests, eat small amounts with protein -- nuts, milk or peanut butter -- to slow down sugar absorption. "Eat it slowly, enjoy the mouthful. This way, the body reacts to it."

We love chocolate, but is it really as good for you as some say?

Dailyrecord.com, NJ

BY HEATHER MACLEAN WALTERS

February 13, 2008

Valentine's Day is almost here. Is eating chocolate really as good for you as they say?

It depends. Chocolate is a marvelous food for so many, many reasons. It's hard for me to discuss the "dark side." But in a minor way, there is one. Chocolate is a food that many of us indulge in, and it may be important for us to eat if our goal is long life and good health. Chocolate is great for blood pressure, cholesterol, mood, healing, and many other things. It really has amazing capabilities. Barring the following contraindications, you should eat some chocolate today.

Chocolate is sometimes also fat-rich, so care needs to be taken that we not eat too much of it. Yes, there are some pitfalls to avoid if you're a chocoholic. Chocolate has lots of caffeine and other adrenergic stimulants, which may result in overstimulation or crankiness, as if you'd had too much coffee. Chocolate, wine and cheese also contain tyramine which do not mix well with MAOs (monoamine oxidase inhibitors). The vasoactive amines found in all three of these foods can also precipitate migraine headaches, although my "chocolate" migraines always followed inexpensive milk chocolate consumption. And chocolate has allergenic components.

Chocolate contains oxalic acid, a compound featured prominently in one of our cellular energy cycles, The TCA. While this might initially sound promising, and it won't be long before someone is vending every component of internal cell energy cycles to you at the local health shop, it is not promising. In fact, if you are prone to kidney stones, you might do well to avoid dark chocolate in favor of milk chocolate because of the oxalic acid. It seems that the oxalate in milk chocolate binds to the calcium in the chocolate before it can bind in your urinary tract and cause problems.

Another possible negative about too much chocolate is that like pistachios, peanuts, walnuts and hazelnuts, it is a food rich in the amino acid arginine. While arginine is great for healing and the relaxing of blood vessels by increasing nitric oxide formation, it also is a major nutrient that Herpes simplex virus uses for replication. Herpes sufferers should avoid arginine foods during outbreaks. Those with other viral diseases might also consider avoidance during outbreaks.

Happily, there is another side to this story, one involving many antioxidant phenolics and phenylethylamine. The good far outweighs the bad in the case of chocolate.

Chocolate, it turns out, is rich in phenolic antioxidant compounds that, like red wine (which contains Resveratrol), help prevent heart and circulatory problems like atherosclerosis and the initiation of cancer. It is the cocoa that contains these compounds, so the benefit is derived from chocolates that contain the most cocoa and are often the most expensive. Chocolates that are inexpensive often have fillers like paraffin (potentially toxic and cancer-causing), which can negate the benefits.

What kinds of chocolate are good? We all can see and taste differences in types and grades of chocolate. White chocolate is very sweet and may or may not have any cocoa compounds in it. Milk chocolate has some cocoa compounds, but may have partially hydrogenated oils to make it smooth. Your best bet is dark (60 percent or higher cocoa content).

Cocoa-containing chocolate contains a large number of exciting compounds and antioxidants. In fact, there are about 400 mg of life-promoting, cancer-stopping antioxidants in every 40 grams of milk chocolate. Dark chocolate has twice the number of antioxidants and less fat. Milk chocolate has the same number of antioxidants as a glass of red wine. Dark chocolate has twice the antioxidants of milk chocolate.

New studies reveal that chocolate can lower your blood pressure and have a great effect on your blood vessels in general. It truly is a superfood in this regard. There is some evidence to suggest that chemicals which alleviate stress and provide an individual with relaxation can enhance immune function. Such chemicals, akin to the endorphins and encephalins normally found in the brain, are found in chocolate.

Phenylethylamine is one such compound. Known for several years to produce feelings of relaxation and pleasure, it has been touted as the "love" chemical by several popular magazines. While not inducive of such emotional feelings, it is nevertheless a

compound that merits consideration as a relaxation-inducing substance. The anti-inflammatory effects alone aid the immune system.

Chocolate is the feel-good candy to which some of us are actually addicted. Why does it do this to us? There are several reasons. First, the theobromine (160 mg. in 100 g), methylxanthines (5 mg. in 100g) and caffeine are adrenergic stimulants which ramp up the good feelings that come with being excited.

Opioid levels are raised in the brain when we eat chocolate. Opioids are chemicals that dull pain and increase feelings of well-being in the brain -- and hospitals are now experimenting with giving chocolate to stressed patients and seeing results. It has also been suggested by several studies that those who use caffeine (from coffee, chocolate, tea, or other substances) are less likely to suffer the ravages of severe depression.

We are constantly discovering great benefits in chocolate, so enjoy your chocolate this Valentine's Day; just eat with care.

Dr. Heather MacLean Walters is a lecturer and food safety and nutrition consultant who has taught undergraduate and graduate level courses in these subjects. She has a Ph.D. in food biology from Rutgers University. Her latest book, "Desserts That Heal," will be published March 10. Her books are available online and at major bookstores and small boutiques. She can be reached at docmaclean@embarqmail.com.

Enjoy benefits of chocolate, with moderation

Atlanta Journal Constitution, USA

By CHRIS ROSENBLOOM

02/14/08

[Comment on this story: Is chocolate a health food?]

Chocolate and Valentine's Day go together like turkey and Thanksgiving, but is chocolate the health food the media headlines would have us believe? When we first heard that chocolate contained healthy compounds with hard-to-pronounce chemical names (such as polyphenols, flavanols and procyanidins) we justified our M&M's habit by saying it was good for us. Are we fooling ourselves and letting our taste buds rule?

Early research with cocoa compounds was done in vitro — that means in cell cultures in petri dishes (remember high school biology?). Many compounds show promise in the lab, but do the benefits transfer to a real person?

Cocoa and chocolate are thought to exert an anti-oxidant effect, specifically by preventing LDL-cholesterol from accumulating in blood vessels that can clog them and lead to heart disease. Chocolate has also been found to relax blood vessels by reducing inflammation. That could help blood move more freely through the body thereby decreasing risk of heart attack.

Newer research touts that chocolate can improve our brains by helping to increase blood flow to improve concentration. Research is far from conclusive, but there is tantalizing evidence that chocolate has positive health effects. A closer look at the research, however, leaves us with more questions than answers.

For example, in studies with real people, the amount of chocolate consumed is often more than we would normally eat and would contribute to excess calories and fat. Several studies use 100 grams of chocolate and that is equivalent to slightly less than three 1.3 ounce Dove dark chocolate bars or 4 cups of hot chocolate. (I know what you are thinking: No problem eating three candy bars a day, but can you afford the 570 calories, 36 grams of fat and 21 grams of saturated fat that come with the candy bar?)

Another concern is that it is hard for consumers to know how much of the good chemicals are found in their favorite chocolate — processing can remove the healthful compounds. As a general rule, dark chocolate is higher in polyphenols than milk chocolate and white chocolate doesn't have any heart-healthy benefits. (White chocolate isn't really chocolate because it doesn't contain any cocoa.)

Unfortunately, the amount of cocoa solids (the trend in choosing chocolate) doesn't help consumers know which chocolate is better. In a 2008 review paper in the British Journal of Nutrition, the authors say, "chocolate may contain 70 percent cocoa solids but due to processing only contain the same content of polyphenols as normal milk chocolate."

There are also some reports that milk might bind the good compounds in chocolate and stop them from being absorbed. So, milk and chocolate cookies may not confer the benefit you were hoping for. If you are a real chocolate lover and can't let a day go by without a chocolate treat, consider the following:

- Dark chocolate is more likely to have the heart-healthy benefits shown in studies, so stick to dark chocolate.
- Limit the portion size to control fat and calories; buy mini-chocolate bars or small pieces of chocolate and limit to one serving.
- Chocolate of any kind contains a lot of calories in a small package, so look at the label to know how many calories are in a serving.
- Increase your activity to burn the excess calories. To burn off 100 extra calories, you need to walk a mile.
- Consider chocolate a treat that has potential health benefits, not a health food that should be eaten daily in 1-pound portions.

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Eating chocolate linked to reduced bone density

TamilStar.com, Sri Lanka

Feb 14, 2008

Eating chocolate daily may reduce bone density in older women, suggests an Australian study suggested published in the Jan, 2008 issue of American Journal of Clinical Nutrition.

Sugar-based foods are known to be bad for bone health as sugar is transformed into acids after being metabolized, which can dissolve calcium out of bone. The current study was meant to reveal the association between chocolate intake and bone density.

For the study, Hodgson JM at the University of Western Australia School of Medicine and Pharmacology in Perth, Australia and colleagues surveyed 1460 women age 70 to 85 for the frequency of chocolate consumption - less than once a week, once to six times a week and more than or equal to 7 times a week.

The researchers found the reduction of bone density was inversely associated with the frequency of chocolate consumption, showing a linear relation. Daily consumption of chocolate was linked to a 3.1 percent reduction in the whole-body bone density compared to those who ate chocolate less than once a week. The magnitude of the bone density reduction is similar in the total hip, femoral neck, tibia, and heel. When other potential factors were considered, the associations did not change.

The researchers concluded "Older women who consume chocolate daily had lower bone density and strength. Additional cross-sectional and longitudinal studies are needed to confirm these observations. Confirmation of these findings could have important implications for prevention of osteoporotic fracture."

Some chocolate lovers may argue that the study did not consider the difference between dark chocolate and white or milk chocolate, suggesting that dark chocolate containing high levels of flavonols is better than milk chocolate.

Flavonols can be found in cocoa products, which have been touted as antioxidants for its potential heart-healthy benefits. But cocoa is not the plant fruit that contains the antioxidant. Many plant foods contain flavonols or similar antioxidants including whole unprocessed, preferably organic fruits like blueberries, apples, and grapes, and most vegetables, including broccoli, greens, and onions.

Milk chocolate certainly may not be good as dark chocolate in terms of the level of antioxidants. Milk protein also is believed to be able to bind to the antioxidants to prevent them from being absorbing. But all these do not mean that dark chocolate has no fault to find with.

According to Mars, Incorporated, the chocolate company, not all cocoa products contain the same level of flavonols. In certain products such as milk chocolate, flavonols are non-existent. To gain some marketing edge, Mars has created some products with high flavonols.

The drawback of dark chocolate is that the high level of sugar. That does not mean that you cannot indulge yourself a couple of times with the food that has been claimed to please women easily, making them more feminine. But obviously eating too much of whatever type of chocolate too often does the body no good.

Furthermore, lead pollution in cocoa products may be a hidden threat. A 2005 study published in Environmental Health Perspectives showed that processed chocolate could be contaminated with extremely high quantities of lead, up to 60 times

high than the level that could be caused by pollution of leaded gasoline and car exhausts, suggesting that the processing of cocoa or chocolate may be at fault.

Although dark chocolate which contains relatively high concentrations of flavonols and other goodies has been linked to better glucose metabolism, blood pressure and cardiovascular functions, food consumers should not eat chocolate as a preventative or medicine. Too much fat and or sugar may already outweigh the potential benefit.

Chocolate can be a healthy indulgence

Florida Today, FL

BY CHRIS KRIDLER, FLORIDA TODAY

Studies show it's OK to indulge on Valentine's Day favorite

Feb 14, 2008



Sweetness. Caffè Chocolat in Titusville makes its own chocolates. Oreos dipped in dark chocolate are a favorite. A box sells for \$12. Chris Kridler, FLORIDA TODAY

It sounds like an Indiana Jones quest. Scientists find that a tribe of Indians in Panama has extraordinary heart health, thanks to a secret elixir.

What is it? Chocolate.

The catch: It's not just any chocolate. As reported in Proceedings of the National Academy of Sciences, the study of the Kuna Indians by American and German researchers discovered that the flavanol called epicatechin helps cardiovascular health, and it's found in the three to four cups of cocoa the Indians drink each day.

Usually, the ingredients that provide such benefits are eliminated from commercial cocoas during processing. But now companies are exploiting the health link to dark chocolate and funding some of the studies that suggest it.

Mars is a prime example; its CocoaVia brand touts the benefits in its "Heart Healthy Snacks" and its "Rich Chocolate Indulgence Beverage," and it helped pay for the Kuna Indians study. Other studies suggest dark chocolate's flavanols -- which also can be found in red wine, blueberries and green tea -- may improve short-term alertness, reduce blood pressure and raise antioxidants. Whether dark chocolate is good for you, on Valentine's Day or any day, it's simply good.

Cacao or cocoa?

Cocoa and other chocolate products are made from cacao beans, which come from the tropical Theobroma cacao tree. Ivory Coast in West Africa is the world's leading producer of the beans.

Customers come into Caffè Chocolat in Titusville asking which bonbons are best. "They'll ask which one's healthier for them," says manager Jennifer Hennis. The answer: dark chocolates, which Hennis says are rich in cocoa butter. Read labels, she suggests. Some chocolate brands substitute vegetable oil for cocoa butter, making them bad for you.

Caffè Chocolat sells milk chocolate and white chocolate, but among its richer treats are the dark chocolate 70 percent cacao truffle, the dark chocolate signature truffle, the dark black forest truffle, the dark raspberry truffle and the dark espresso truffle.

For Valentine's Day, chocolate-dipped strawberries are hugely popular, or a really indulgent wooer may go for the huge, \$150 heart-shaped chocolate box. Nosh and Ganache, in the old Eau Gallie area of Melbourne, sells "dipped strawberries Romanoff" for Valentine's Day, says owner Carlin Long. The berries are dipped in vanilla butter cream icing and then in dark chocolate.

Long says there are truffle people and mixed chocolates people. "Infrequently do they mix and match truffles and regular chocolates," he says. Among the darker chocolates, the black magic truffle is popular. So are dark chocolate almond clusters. Though the Chocolate Manufacturers Association says 65 percent of Americans prefer milk chocolate, about 50 percent of Nosh and Ganache customers go for dark chocolates, Long says. "People think that it's good for them." But even if truffles are enrobed in dark chocolate, "the butter cream inside is just as fattening as it ever was." So a message goes along with the potential good news about chocolate: Munch in moderation.

For some consumers, Fair Trade chocolate a bit sweeter

Daily Free Press (subscription), MA

Taylor Ferry

2/14/08

After reports of labor abuses by major chocolate corporations recently surfaced, smaller businesses and some consumers are moving to purchase chocolate that meets Fair Trade standards for worker treatment and wages.

Unlike industry giants Mars, Hershey and Nestle -- accused of using child labor to collect cocoa beans in Africa's Ivory Coast - smaller companies like Taza Chocolate, Yachana Gourmet and Equal Gourmet promote using fair trade practices to harvest their beans, reject child labor, pay fair wages and provide a sustainable income for cocoa farmers.

Fair Trade-certified chocolate began with Alternative Trade Organizations that eliminated middlemen so they could deal directly with indigenous farmers. Democratically run farmer co-ops produce fair trade chocolate in Latin America, Africa and Asia.

TransFair USA, a third-party nonprofit Fair Trade certifier, regulates working conditions for chocolate companies that want to guarantee their chocolate is harvested under ethical conditions. The organization marks the chocolate that pass the test with a "Fair Trade Certified" stamp.

Without the Fair Trade label, it is hard to tell where cocoa is from and under what conditions it was harvested, Democracy Center Director Cecilia Duran said. "We do know if it is coming from the Ivory Coast it is produced with child labor," she said. "Many of these children may have been taken from their homes and aren't paid well or at all for their services."

TransFair USA spokesman Anthony Marek said researching food is just like looking into using any other service. "We take time to research a mechanic or hairdresser and yet we walk into a grocery store and put food into our bodies without knowing where it is coming from or how it is made," he said. "We have rigorous third-party inspection by our base in Bond, Germany, and [the Fair Trade Commission] is the only label that guarantees these standards have been met," Marek said.

Companies the FTC supports continue to find success in the market in light of alleged unethical practices of large corporation counterparts, Marek said, adding he expects the trend to continue. "We feel these large companies are not working in their best interest, because eventually the quality their cocoa beans won't be around anymore if small farms in the Dominican Republic and Costa Rica are eventually put out of business," he said. "It's not a good long-term strategy."

Nestle has maintained it has not been involved in unethical dealings.

"Nestle is a strong supporter of a global, industry-wide effort to promote sustainable cocoa farming and responsible labor practices on cocoa farms," said Nestle spokeswoman Laurie McDonald. "We are working in partnership with host country governments, NGOs, donor organizations and farmer groups, and making a real, positive difference in the lives of cocoa farming families and their communities."

Some other chocolate producing companies that do not bear the FTC stamp have decided to offer their customers a better product through their own independent regulation, said Taza Chocolate co-founder Larry Slotnick. "We fund cocoa bean cooperatives ourselves and travel there to be sure they are treating workers right and are using organic products," Slotnick said. "Because the farmers don't have to choose between investing in their cocoa beans and feeding their children, you get better chocolate."

Chocolate addiction embraced on Valentine's Day

LSU The Reveille, LA

By Annie Hundley

14/02/08

Valentine's Day means more than the candlelit dinner with that special someone or even the self-pity fest with girlfriends over Bloody Marys at Chimes - believe me, I've been at both ends of the spectrum. Hands down, the best thing about Valentine's Day is the day after, when all the unsold Valentine's Day chocolate is 80 percent off.

I'm not alone in this sentiment. According to a 2007 survey by The Nielsen Company, in the United States, more chocolate is sold during the week of Feb. 14 than any other time during the year, and chocolate generates roughly \$300 million in Valentine's Day sales.

In a culture where chocolate is synonymous with love and pleasure, this isn't surprising. Americans crave chocolate more than any other food, and many claim to have an actual addiction to it.

A study by Northwestern University Medical School in 2001 reported that subjects who indulged their chocolate cravings without feelings of guilt had increased blood flow in the orbital frontal cortex and the midbrain - the same result as cocaine.

Cocaine is a highly addictive, illegal drug isolated from the leaves of the coca plant. The coca plant is in the same family as the cocoa plant that chocolate comes from. It's a scary thought, but could the cocoa found in chocolate actually have some of cocaine's addictive properties? Chocolate contains more than 300 different chemicals, many of which are widely associated with mood, emotion and addiction. Phenylethylamine is one of these chemicals. As an amphetamine - a group of substances characterized by adderall - it raises endorphin levels in the brain which cause feelings of excitement and euphoria.

Another chemical found in chocolate and naturally in our bodies is anandamine. Anandamine binds to the same cellular receptors as the chemical THC, found in marijuana. In combination with some of its derivatives also contained in chocolate, anandamine can mimic the effects of a marijuana-like "high" - but on a much smaller scale.

Chocolate also contains caffeine and theobromine, which boost mental function and alertness, and tryptophan which is a key regulator in the production of serotonin - a neurotransmitter responsible for feelings of relaxation, satisfaction and well-being.

Although these chemicals found in chocolate can induce mood-altering effects, they are present in amounts too small to fully account for chocolate's addictive appeal. In fact, you would have to eat more than 25 pounds of chocolate in one sitting to get the same "high" as marijuana.

Some scientists suggest that because chocolate is rich in magnesium - a mineral deficient in 80 percent of American diets - our bodies crave it for its nutritional value. This theory applies to women especially because their bodies need more magnesium during their menstrual cycles. It also helps to explain why women experience abnormally strong cravings for chocolate during that time of the month.

Furthermore, chocolate is rich in a type of antioxidants known as phenols. Cocoa phenols can block plaque formations that cause hardening of the arteries. The health benefits from eating chocolate are often outweighed by the amount of sugar and fat it contains. But recent research suggests that eating dark chocolate containing 70 percent or more cocoa can be significantly beneficial.

Chocolate addiction is more likely psychological rather than physiological. No doubt, chocolate is the ultimate "feel-good" food. Its melting temperature is slightly below the human body temperature, so it has that irresistible "melt-in-your-mouth" appeal. The sugar and fat alone are enough to fire up every endorphin-releasing nerve chemical in the brain. There's no denying that we eat chocolate to feed our emotions. As a self-proclaimed chocoholic, I can vouch for this.

In my diet, chocolate is the fifth major food group. It makes its way into every girls-only movie night with friends, and it is the only food I crave during those late-night study sessions before a test. More importantly, it was there to help me cope with the heartache of my first breakup.

Unlike most romantic partners, Dove never breaks its promises. Tonight, while lovers celebrate their romance and singles bitterly lament its absence, I will be eating truffles from a heart-shaped box of Russels Stovers - indulging in a love affair that endures every hardship.

Chocolate is Valentine's bittersweet surrender

Agoura Hills Acorn, CA

By Stephanie Bertholdo bertholdo@theacorn.com

February 14, 2008



January Jones

Love notes and red roses may convey a certain romance on Valentine's Day, but according to traditional lore- and even medical science- nothing matches the gift of chocolate for its physical and psychological benefits.

Dark chocolate is full of antioxidants, those beneficial chemicals that have been shown to help prevent heart disease and cancer. While the long-term benefits of consuming chocolate are reason

enough to gobble small, regular quantities of the sweet stuff, the short term effect of chocolate as an instant mood-enhancer makes it even more attractive. Chocolate is said to stimulate serotonin, a chemical in the brain that functions as the body's aphrodisiac.

January Jones, a Westlake Village author of the soon-to-be-released book, "Thou Shalt Not Whine . . . The Eleventh Commandment," is an admitted chocolate addict. In her book, Jones provides "chocolate cures" and encourages passionate lovers to embark on a "chocolate crusade." Flavonoid-rich dark chocolate promotes blood flow, which leads to romance, Jones says.

Jones says Valentine's Day is the perfect time to take advantage of chocolate's healthful qualities. "No one ever whines when they eat chocolate," she says. People often overindulge on food- especially sweets- during the December holiday season, but in January the spigot is turned off as the New Year's diet resolutions begin to take hold. By mid-February, however, "people are ready to splurge," Jones says. And splurge they do. Chocolate is a more than an \$11 billion a year industry in the U.S. and many of the purchases come on the days leading up to and after Feb. 14.

Casanova, the 18th century Italian womanizer whose name is synonymous with the art of seduction, apparently used chocolate as a "pre-seduction brew," according to Jones. "It was his drink of choice. . . ." "He was no dummy." Chocolate wasn't always so revered. In the 16th century, Pope Pius V considered the bitter-tasting cocoa liquid so horrid that he declared people could drink it without violating their communion fast.

Valentine's Day was said to have started in the time of the Roman Empire. Feb. 14 was a holiday to honour Juno, the queen of the Roman gods and goddesses. Later, it was acknowledged that the second week of the second month was the time when birds began their mating.

But the tradition of eating chocolate to spur romance is definitely not related to birds. Chocolate was harvested by ancient Aztecs, who considered the cocoa bean an aphrodisiac for kings. Some researchers claim that the Aztec king Montezuma drank chocolate throughout the day to heighten his libido.

Today, drinking hot chocolate on a cold winter's night is not only soothing, but good for you. "Consider it a health drink," said Jones, who also pointed out that according to a study by food scientists at Cornell University, cocoa has about twice the antioxidants of red wine and up to three times those found in green tea. And Chocolate is not just for desserts only.

Food Network's "Iron Chef America" recently challenged master chefs to come up with five dishes- including main courses- that use chocolate. Chefs prepared appetizers, soups, cocoa-dusted fish and meat dishes and other culinary concoctions that had judges salivating.

Food Network's Chocolate Week also featured a "Chocolate Runway" where pastry chefs had to create garments covered in chocolate. Another chocolate challenge pitted renowned chocolatiers in a contest to build three foot tall chocolate "monuments."

Chocolate clothing and chocolate statues aside, Jones suggests that couples plan a romantic evening based on chocolate and wine tasting, followed by a chocolate massage or body scrub. "Couples, friends and lovers should enjoy chocolate on a regular basis," Jones says. "It really does work."

Production and Quality

Adopt measures to increase cocoa production'

Ghana Broadcasting Corporation, Ghana

13 February, 2008



The Deputy Majority Whip in Parliament, Stephen Balado Manu, has sent warning signals to the nation to adopt effective measures for increased cocoa production to avoid importing cocoa beans. In a contribution to a statement on Ghana's Chocolate Day, to be celebrated on February 14, Valentine's Day, Mr Manu called for attention to be shifted on to the cocoa farmer to increase production to feed local processing companies.

(A sample of cocoa beans)

Mr Manu, who is also MP for Ahafo Ano South and Board Member of the Cocoa Processing Company (CPC), said the CPC is to undergo expansion and if care is not taken to increase cocoa production, the nation would be forced to import cocoa beans, the lack of which might cause a closure of the company. He said the Ghanaian cocoa farmer lives in conditions that is not the best. He urged the nation to make the cocoa farmer a focus of its attention and advocated support schemes for cocoa farmers.

Additionally, the MP said school children must be made to take chocolate drinks as part of the Government school-feeding programme. The statement on the Chocolate Day, made by the Minister of Tourism and Diasporan Relations, Stephen Asamoah-Boateng, dwelt on the therapeutic, spiritual, love and passion potencies of chocolate. He said the Ministry of Tourism and Diasporan Relations introduced the National Chocolate Day to coincide with Valentine Day to emphasise the significance of chocolate and for that matter cocoa in the expression of the spirit of love, gift giving, health and Ghana's enviable position in the global cocoa industry.

He added Chocolate remains a predominant food and health product as well as a love gift item in many cultures. He said the Ministry has themed this year's National Chocolate Day: "A Gift of Love and Health." Among the activities planned for the Day are that the Ministry, together with its partners would make a donation of chocolate and other cocoa products to the first family at the old people's day care centre at Osu on the Day. There would also be a days' trip of school children and other tourists to Tetteh Quarshie's farm at Mampong Akwapim. Tetteh Quarshie was believed to have brought cocoa to Ghana.

Ghana's 2008 Cocoa Crop Likely to Reach 650,000 Ton Target

Bloomberg

By Emily Bowers

Feb. 14, 2008

(Bloomberg) -- Ghana's main-season cocoa harvest is so far meeting expectations, even as black pod disease, insects and a shortage of rain affect the crop, Robert Kwabena Poku Kyei, a special adviser on cocoa at Ghana's Ministry of Finance, said. "So far I think the figures that I have show that the harvest is going well," Poku Kyei, who is also a member of the Ghana Cocoa Board, said in a telephone interview yesterday from Accra.

Ghana, which ranks behind Ivory Coast as the world's second-biggest cocoa grower, forecast in October it would produce 650,000 tons of the chocolate ingredient this year. The country is on course to meet that prediction, Poku Kyei. Farmers shouldn't expect much rain now as the country is in the middle of the dry season, Poku Kyei said. "The rains normally don't fall now, maybe March," he said. Some rain has fallen in the past week in parts of the western region where about 56 percent of the country's crop is grown, he said.

The majority of Ghana's cocoa is harvested in the main crop, which runs from October to May. The light, or mid crop, which produces smaller beans, runs from June to September. Dry seasonal weather known as the Harmattan brings in a wind from December through March that blows sand south from the Sahara desert to blanket cocoa-growing regions in the central part of the country. This often damages the light crop, especially if there's no rain. Rain now would also be good for the main crop, Poku Kyei said.

On Target

Charles Ntim, deputy chief executive officer of the board, last week told Bloomberg News that slightly more than 500,000 metric tons of cocoa had been harvested so far this season. Ghana is on target to meet the crop forecast of 650,000 tons, including 50,000 tons of light crop, Ntim said.

The spread of black-pod fungus early in the season has affected the harvest and caused problems for some farmers. The disease causes pods to turn black and rot. "I'll take plenty of the pods out because of the black pod," according to 37-year-old farmer Kwaku Ampofo, who says the fungicide promised by the government to fight the disease has not arrived.

Cocoa rose to a 23-year high yesterday in New York, with the May contract advancing 0.9 percent to \$2,510 a ton on the New York Board of Trade.

Yaw Dacosta, 33, says he anticipates a better harvest than last year, although he has had problems with black pod fungus and insects. "If the rain comes for us I can get more light crop than main crop," Dacosta said, adding he has harvested 10 bags so far from his four-acre (1.6-hectare) farm in the village of Kogyena-a.

Ghana Targets 1 Million Tons of Cocoa a Year in 3 Years - Executive (DJ)

Source: Dow Jones Newswires

15/02/2008

Kampala, Uganda, Feb. 15 - Ghana aims to increase cocoa output to one million metric tons a year in three years through replanting and adoption of improved crop husbandry methods, the deputy chief executive at the state-run Ghana Cocoa Board told Dow Jones Newswires Friday.

Charles Bernard Ntim said that the country is implementing nationwide programs aimed at increasing cocoa yields in order to achieve the output target, speaking at the sidelines of the fifth African Fine Coffee Conference in Kampala, Uganda. Some of the programs include provision of improved planting materials to farmers, rehabilitation of cocoa plantations, application of fertilizers to restore soil fertility and a replanting program through the country. Ntim, however, said that the main cocoa regions experienced below normal rains late last year which is likely to affect 2008 cocoa output.

Last year, Ghana produced 600,000 metric tons of cocoa and the board had earlier projected 2008 cocoa output to increase to around 700,000 tons. New estimates for this year haven't yet been released, Ntim added. Ghana's cocoa board is also in charge of the country's coffee sector and board executives are in Uganda to study the country's coffee sector in a bid to revive it. Ntim said Ghana is trying to reduce its reliance on cocoa as the country's main export crop by promoting coffee growing. Ghana's annual coffee output is currently estimated at around 5,000 tons from over 40,000 tons in the 1980s. Ntim said that coffee farmers have been abandoning the cultivation of the crop due to lack of clear government policies and volatile global coffee prices. Ghana is the world's second leading cocoa producer after Ivory Coast.

Heat brings early end to Ivorian main cocoa crop

Reuters South Africa, South Africa

By Ange Aboa

14 Feb 2008

SOUBRE, Feb 14 Reuters) - Lack of rain and hot weather in Ivory Coast's southwest cocoa growing region have brought an early end to the main crop, dashing farmers' hopes for a bumper season and reducing exporters' overall harvest forecasts. "You can see how the sun has ruined everything. The plantation has dried up because of the heat which kills the flowers and the pods. There's nothing more on the trees, everything is dead," said farmer Gervais Konan Konan. "It's all over as far as the main crop is concerned," he added, standing among trees bearing chocolate-coloured dried brown leaves and small pods prematurely matured by the heat.

Konan's farm is near Meagui in Ivory Coast's southwest region, which accounts for more than a quarter of national cocoa production in the world's top grower. Despite reports of rain now arriving in moisture-starved areas, some exporters in Ivory Coast have cut nearly 50,000 tonnes from previous forecasts that the October to March main crop would yield at least 1.1 million tonnes. "I think 1.05 million tonnes is more realistic," the director of an international export company based in Ivory Coast's economic capital Abidjan said, adding that weekly arrivals of cocoa at the ports were already down.

Upcountry buyers in the southwest Soubre district were also declaring an early end to the Ivorian main crop. "We're in the bush every day and I can tell you the main crop is already over," said Mohamed Sidibe, a buyer at Yabayo. "I don't think we'll be much over a million tonnes (for the main crop) this year. You've seen that there's nothing in the bush or even in the warehouses here in town," he added.

DOUBLE DISAPPOINTMENT

Farmers ruefully compared the dashed hopes for a record main crop with the disappointing performance of the national soccer team, the Elephants, in this month's African Nations Cup. The Elephants finished only fourth overall. "We were really happy back in September when we saw the fields producing ... but now everyone's disappointed, especially because now that prices have got better there's no more cocoa," said Daouda Konate, a grower at Lessiry, outside Soubre. "It's the same thing with our players in Ghana. We were counting on them and then there was nothing," he said, laughing, wearing a red hat and carrying a machete in one hand.

According to exporters, total exports from Ivory Coast stood at around 683,000 tonnes by Feb. 3. The figure was made up largely of cargoes which had been declared for export but may not actually yet have been shipped.

Exporters are working to clear a backlog at the country's two ports in the world's top producer after the end of a strike at marketing body BCC which hampered shipments.

Some 380,000 tonnes of cocoa beans had backed up in warehouses at the ports of Abidjan and San Pedro by the end of January after weeks of on-off strikes by staff at the Coffee and Cocoa Bourse (BCC), which registers exports.

BCC staff suspended their latest five-day-old strike last Thursday after losing a bid to remove the body's controversial director, whom they accuse of mismanagement. But the BCC employees won additional pay.

Nigerian cocoa industry in a quandary

Independent Online, South Africa

February 15 2008

By Tume Ahemba

Lagos - A longer-than-usual dry harmattan season in Nigeria's key south west cocoa farming zone has raised fears of sharp decline in the imminent light crop, the Cocoa Association of Nigeria (CAN) said on Friday. Flowers and developing cocoa pods have died in the last few weeks because lack of rainfall and humid weather in the region drained soil moisture needed to sustain them to mature for harvest from early April to September. The harmattan, named after strong dusty winds from the Sahara desert, is associated with high daytime temperatures and low rainfall.

The season usually ends in January, but the prolonged dry spell forced an early end to the main crop. The crop needs a mix of intermittent rain and sunshine for a bumper harvest, but Afun Adegbulu, president of CAN - a grouping of growers, buyers and exporters - said the region has not seen rain for weeks, dimming any hope of a good harvest. "This year's light crop in the south west will be the least ever in the last decade because there has been no rain at all," Adegbulu said.

Adegbulu said when conditions are good he gets about five tons in light crop, but this year he thinks he will be lucky to harvest one tons. "There are no pods on the trees which are dying," he said by telephone from Akure, the capital of Ondo state which accounts for over 30 percent of Nigeria's cocoa output.

A robust light crop, also known as mid crop, was expected to compensate for a decline in the 2007/08 main crop, which was hit by an outbreak of the fungal black pod disease in some farms in the south west before the start of the October to March season. The shortfall pushed the upcountry price of Nigeria's graded cocoa beans up 15 percent to 270 000 naira (\$2) per ton on average in the last month.

But farmers in the south east, Nigeria's second main cocoa zone said they are expecting a good light crop because weather conditions in the region that borders Cameroon were not as bad as in the south west belt. "There has been no rainfall in recent weeks but the weather is cool and the sun is not harsh. This has compensated for the lack of rain," farmer Bojor Ndifon said by telephone from the cocoa hub of Ikom in Cross River state.

The CAN estimates the light crop in the world's number five cocoa grower comes in at between 50 000 and 60 000 tons when conditions are good and chemicals readily available to spray ageing and diseased trees. The group, which had estimated that Nigeria's total output in the 2007/08 season should come in at around 300 000 tons, is yet to review its forecast. The government puts Nigeria's annual output at between 450 000 to 500 000 tons. Nigeria has had no credible database since its cocoa sector was deregulated 22 years ago because liberalisation has made record-keeping more difficult, officials said.

The Markets

US Cocoa at 24-Year High as Funds Buy

Source: Reuters

12/02/2008

New York, Feb. 12 - U.S. cocoa trading on the ICE Futures U.S. floor opened at a 24-year high Tuesday on fund buying in initially thin dealings, traders said. The open-outcry benchmark May contract opened up \$29 at \$2,447 per tonne, the highest for a second-position contract since mid-1984. Further buying pushed it to \$2,450 by 8:23 a.m. EST (1323 GMT).

On the electronic screen, where the bulk of the volume trades, prices soared higher as the rise triggered buy-stop orders. The key May cocoa contract surged \$49 or 2 percent to \$2,467 by 8:21 a.m. It scaled a peak of \$2,499 which likewise marked the highest level for the second-month position since mid-1984.

Funds have poured money into commodities since early January as a hedge against inflation and in preference to the stock market, buoying commodity prices across the board. This year's surge to heights not seen since the mid-1980s has pushed cocoa above more recent highs dating back to early 2003 after civil war had broken out in top producer Ivory Coast.

Speculative push for coffee and cocoa prices

Financial Times, UK

By Chris Flood

February 13 2008

Cocoa prices in New York hit a 24-year peak yesterday while coffee prices were trading close to 10-year highs, suggesting consumers will face higher prices for their morning cup and bed-time brew. ICE May arabica futures rose 0.5 cents, or 0.3 per cent, to \$1.5100 per pound after touching a 10-year high of \$1.5120 on Monday.

In London, Liffe May robusta futures rose \$6, or 0.3 per cent, at \$2,244 per tonne after hitting a 10½-year high of \$2,291 a tonne.

Although the supply and demand balance in the global coffee market is viewed as tight, the high levels of speculative and fund involvement are prompting much talk among dealers and analysts as trade houses and industry buyers appear to have been caught out by recent price strength. One dealer said that industry buyers had been expecting a price correction but were being forced to buy on any dips in the absence of more widespread weakness.

In New York, ICE May cocoa futures rose \$45 or 1.9 per cent to \$2,463 a tonne after touching \$2,499, the highest level since 1984. In London, May cocoa futures rose \$13, or 1 per cent, to \$1,284 a tonne.

On Monday, Procter & Gamble increased prices for some of its well-known Folgers coffees by six per cent and other coffee companies are expected to follow the trend.

Yesterday, both Kraft and Segafredo Zanetti, which owns the Sara Lee coffee brands in the US, followed the Folgers' move by raising prices for instant coffee.

In Minneapolis, the March wheat futures stayed locked at its new upward daily trading limit of 60 cents at a record \$16.73 a bushel but prices from May onwards fell, hinting that business flows might be returning to normal.

Candy Makers Must Race to Catch Rallying Cocoa

Source: Reuters

14/02/2008

New York, Feb. 13 - It looks close to panic time for chocolate manufacturers, who may be forced to chase a rallying cocoa market to lock in prices for the key ingredient in their confections. Some chocolate companies, which traders say have about half the usual amount of coverage for this time of year, appear to have waited too long to buy cocoa as prices in New York charged to multi-decade highs during the speculative fund frenzy in commodities this year.

Traders question how much longer manufacturers can hold out before they are forced to buy. Hershey Co, the biggest U.S. chocolate maker, has already started passing the increased cost along to candy bar lovers. Last year, many expected the world's 2007/08 cocoa bean supply would be at a surplus. But strong demand has caused the International Cocoa Organization to project a close balance between global supply and demand. This follows a 2006/07 deficit.

"Many at the start of the year were rather optimistic on production, too much so, and so they expected prices to pull back," said Judy Ganes-Chase of J Consulting in New York.

"Specs have been running with the market and not giving manufacturers an opportunity to cover comfortably."

Major U.S. chocolate companies either did not return Reuters phone calls or stated they did not comment on specific commodities. Raw sugar futures, chocolate's sweetener, also have gotten a recent boost from the bulls. They vaulted to a 17-month high in mid-January after investment buying flooded the market.

Chocolate manufacturers are usually covered nine to 12 months into the future at this time of year, but many companies have only fixed cocoa prices three to six months ahead as they have waited for prices to fall, traders estimated. "Chocolate prices will have to go up but part of this is also due to other ingredient costs rising," Ganes-Chase said.

In late January, Hershey announced an average increase of 13 percent on wholesale prices on roughly one-third of its U.S. candy products to offset rising costs. A steady flow of fund dollars has buoyed commodities across the board since early January, as investors shifted their focus away from the shaky stock market and looked to commodities as a hedge against inflation. U.S. cocoa futures are up 22 percent since the end of December. Seasonal dry weather in West Africa and quality issues also helped lift prices in January.

On Wednesday, ICE's benchmark May cocoa futures contract rose \$33 to close at \$2,488 a tonne, a level dating back to June 1984 for the second month contract. On the London International Financial Futures Exchange (Liffe), the May contract settled up 11 pounds at 1,294 pounds per tonne Tuesday, a five-year high. "Possibilities for \$2,600 are strong. I really can't believe it can (move) straight up, but the funds have the money," one trader said, referring to the spot March contract.

The U.S. highs surpass those seen in early 2003, when a civil war in top cocoa producer Ivory Coast created supply concerns and caused prices to soar. "I think it's starting to get away from some people. Even though the news out of Ivory Coast hasn't been spectacularly bullish, they've had some recent rains. Cocoa's just chugging right along," said Jack Scoville, a vice-president for Price Group, a brokerage in Chicago. "(Manufacturers) could start to reach," he said.

Cocoa prices turning bitter

ReportonBusiness.com, Canada

ROMA LUCIW

February 14, 2008

Lovers and sweethearts should savour their chocolate delights this Valentine's Day, because surging cocoa futures may soon have chocolate makers hiking prices.

Raw cocoa futures extended a week-long rally and traded at multi-decade highs Thursday, with the May contract jumping \$45 to hit \$2,533 (U.S.) a tonne on the ICE Futures U.S., formerly the New York Board of Trade.

Dan Vaught, an analyst for A.G. Edwards & Sons Inc. in St. Louis, said cocoa futures are at their highest level since June, 1984. Prices, which were sitting near \$1,600 a tonne a year ago, climbed steadily in 2007 and picked up even more steam this year as speculative investors like hedge and index funds have piled into softer commodities like cocoa. "We are seeing money just getting thrown at these markets right now," Mr. Vaught said of the recent price gains in cocoa, coffee and cotton.

Although funds have been hungry for the so-called soft commodities for several years now, the recent burst of interest is "being exaggerated by the recent weakness in the interest rate sector, the fixed income instruments, and equities," Mr. Vaught said.

Cocoa futures, up in 14 of the last 16 sessions, have jumped 22 per cent this year, according to data from Bloomberg. Merrill Lynch found that as of Feb. 6, cocoa prices had risen 42.4 per cent, year over year, outperforming gains by corn (26.5 per cent), coffee (22.2 per cent) and cotton (27.9 per cent).

Part of cocoa's rise can be attributed to intermittent strikes in Ivory Coast, the world's largest cocoa bean producer with 40 per cent of the global supply, Mr. Vaught said. A shortage of rain has raised concerns that this year's harvest will suffer.

But the fundamental situation for cocoa is actually quite solid, he said, with this year's global crop expected to be larger than last year. That should be more than sufficient to meet higher international demand for cocoa and rising chocolate consumption in developing nations. "From a purely technical standpoint, the market is extremely overbought at this level," Mr. Vaught said. Despite that, he and other analysts do not rule out further gains.

Boyd Cruel, senior softs commodities analyst at Alaron Trading in Chicago, said hedge funds have piled into the cocoa market hoping to diversify their portfolios and catch the commodity on the upswing that hit crude oil and metals prices in recent years. "The fundamentals do not jibe with this price action. But the funds don't trade on news, they trade on the technicals," he said.

Trading volume and activity in the cocoa, coffee and sugar markets are generally light, but have picked up sharply since late last year and in 2008, Mr. Cruel said. "These are markets that are now seen as being undervalued."

If the speculative fund buying continues, he expects cocoa prices could test their 1984 highs of \$2,800 a tonne in the next month or two. And that could force chocolate makers, who rely on cocoa beans to make their sweets, to raise retail prices for chocolate bars. "It could take a couple of months, depending if prices hold at these levels," Mr. Cruel said. "But if we see continued strength, don't be surprised if we hear announcements for higher chocolate prices."

Hershey Co. hiked its prices for the second time this year in January, citing higher dairy costs. The U.S. candy maker raised wholesale prices by 13 per cent for standard bar, king-size bar, six-pack and vending lines, saying it is more exposed to rising milk and coca costs than its rivals.

Prices increases are a sensitive topic right now in the chocolate industry. Canada's federal Competition Bureau is investigating price-fixing allegations against the Canadian divisions of Nestle, Mars, Hershey and others, prompting an inquiry by the U.S.

Justice Department and several lawsuits. German officials have also raided the offices of candy and chocolate makers amid allegations of a conspiracy to fix prices.

Processing and Manufacturing

CPC produces more cocoa products for Valentine Day

Accra Daily Mail, Ghana

February 12, 2008

The management of Cocoa Processing Company (CPC) have assured the nation of more cocoa products in the system to celebrate this year's Valentine day. Valentine's Day has been declared as a "Chocolate Day", by the Ministry of Tourism and Diasporan Relations to encourage more Ghanaians to patronize cocoa products as part of the nationwide campaign to urge Ghanaians to buy made in Ghana products. This year's celebration, which falls on Thursday, February 14, is expected to be held on the theme "Chocolate, a Gift of Love and Lealth".

In an interview with the Ghana News Agency in Tema, Madam Genevieve Pawar, Marketing Manager of CPC said in addition to its usual products, the Company has produced two new types of packages to coincide with the celebration of the day, which are suitable for presentation as gifts. "In addition to our normal production, we have come out with about 100 metric tones of the hexagonal package in red pyramid boxes to enable majority of the people purchase some for their pals during the Valentine".

CPC produces varieties of products including Golden tree, Vitaco, Royale, pebbles, cocoa liquor, butter and cake among others, which is exported mostly to Europe and for the local market. She said the quality of the products have won the company both local and international awards. Touching on the springing up of cocoa processing factories in the country, the Marketing Manager assured of CPC preparedness to welcome competition in the industry since that would lead to an increase in production levels and quality.

Cocoa processing factories in the country at present are the ADM Cocoa in Kumasi, Afrotropic near the Spintex road, Accra, Barry Callebaut Cocoa Processing Company and Commodity Processing Industries both in Tema, while the sod was cut for another factory, "Cargill" also in Tema in July last year.

Madam Pawar stated that the competition would not pose a threat to the CPC, since all the other companies would have to purchase the raw cocoa beans from the Ghana Cocoa Board, which has the monopoly. "The competition is not going to be much of struggle because we have clients all over the world, in Europe, Asia and North America". The Marketing Manager however, indicated that differentiation and meeting of standards rather pose a challenge to them, which we have seriously worked at.

She described the springing up of the cocoa factories as collaborators rather than competitors as they all aim at a common goal of processing more cocoa beans to feed the world with cocoa products as well as creating more jobs in the country. She said the company embarked on an expansion programme three years ago to increase its production level, which presently stands at 2,050 metric tones for all confectionary products. The production capacity, which previously stood at 25,000 metric tones per annum, has shot up to 65,000 metric tones after the renovation programme.

Reacting to criticisms that the company's products were not affordable to the common people, Madam Pawar explained that apart from the cocoa beans purchased locally all other ingredients like milk powder, sugar, flavours and others that add value to the taste are imported, saying that the foreign exchange components contributes to the supposed high price. She however, indicated that despite the price in the country, the company's products are of high quality and cheaper than the imported cocoa products.

The Marketing Manager said the company has produced "Royale", a cocoa powder product, which contains no sugar and very good for human health. Concerning the company's by-products like the cocoa shells, which hitherto were being disposed off, Madam Pawar said now they are exported to the international community to be used as mulch, while some are sold locally for the production of local soaps like "amonkye, and "alatasamina", and others, saying that, nothing goes waste at the factory.

Cutting chocolate corners

Kansas City Star, MO

By Hearne Christopher Jr

Feb. 12, 2008

Tom Bogdon of Bogdon's Candies fame laments the use of "fake" chocolate — without real cocoa butter — by the company his father founded.

Valentine's Days are bittersweet for Tom Bogdon of Bogdon's Candies fame. They remind him of his father, company founder Walter J. Bogdon, inventor of the world-famous Reception Sticks, and his younger brother, John. John fired Tom years ago in a dispute over the quality of the chocolate used to coat the hard candy straws.

"My father was a great chocolate maker like Christopher Elbow," Tom Bogdon says. "Now they use fake chocolate — it's not real chocolate — it doesn't have the cocoa content real chocolate has." Bogdon says his father's slogan was "confections of perfection." That was then.

For several years Bogdon's Chocolates, as it now goes by, has substituted a product called "compound coating" for real-deal cocoa butter, says Bogdon, who was a reporter for The Kansas City Star in the 1970s. A check of the ingredients listed on the box confirms that statement. No cocoa butter or cocoa liquor is on that list. "Palm kernel oil," however, is.

"Palm kernel oil is the replacement fat that replaces cocoa butter," explains Marcel Bollier of André's Confiserie Swiss. "As soon as you add any other hydrogenated oil, you've got a compound coating, and virtually every compound coating melts at a higher temperature than (real) chocolate does. The problem is, if you use a compound coating made with palm kernel oil and you're eating it, you will feel that you have a waxy feeling in your mouth because it melts at a higher temperature than your body temperature."

Union Confectionery Machinery of New York's Jim Greenberg concurs. "If you don't see the word cocoa butter on the ingredients statement, it's not real chocolate," Greenberg says. "If it's compound (coating) chocolate, they can't say it's real chocolate." So it is that the description on the Reception Sticks box says: "the luxurious taste of rich dark chocolate."

Dynamic Confections of Salt Lake City purchased a majority interest in Kansas City-based Bogdon's last year. Bogdon's head Mark Mitchell did not return calls for this column. John Bogdon is no longer with the company.

The reason for opting for compound coating versus chocolate? "First of all, it's cheaper," Bollier says. "Cocoa butter sells for \$4 a pound, let's say, and for palm kernel oil you might pay 60 or 70 cents a pound. And you don't have to temper it. Untempered chocolate turns whitish."

A state-of-the-art, high-volume tempering machine can run as high as \$80,000 to \$90,000, Bollier says. A decent 100-pounds-per-hour model can be had for \$20,000, Greenberg says.

And while Tom Bogdon thinks Reception Sticks buyers no longer get a confection of perfection, Greenberg says it's probably not an issue for the average choco-head. "The average American has no idea of what they're eating versus what they could be eating," Greenberg says. "You know, if (Bogdon's) can save money and still get the product out there, they don't have a problem."

Heart this

Last-minute Valentine's Day gift-givers who subscribe to the theory that chocolate is still man's best friend, can, for the first time ever, buy small heart-shaped real chocolate truffles in eight-piece (\$6.50) or 18-piece (\$13) boxes at André's. "We've never had the molds and machinery to do it before," Bollier says.

More Elbow room

Crossroads confectioner Christopher Elbow opened a new store in San Francisco this past week. The hot Valentine's Day ticket at the handmade candy maker's Crossroads location? "It's our 21-piece collection of chocolates and truffles in a (red) crocodile skin box," Elbow says. Price: \$39.

Each box has a piece made out of DeVries Chocolate from Denver. DeVries sells for \$20 a pound and is available only in limited quantities, Elbow says. "If we sold it separately we'd have to charge \$4 apiece for it," he says. "What you're tasting is this Costa Rican chocolate that does taste so different. It has a really, really deep red fruit and earthy flavor. Very much like wine."

Don't look for Elbow to introduce any compound coating into his mix, not even on a budget basis. "Absolutely not," he says. "That's not what we're about. First of all, to me, I don't like the taste or the texture. It's not a usable product. It doesn't appeal to me, even to make a buck."

Business & Economy

PBC to reduce operating cost

Joy Online, Ghana
10-Feb-2008

The Produce Buying Company (PBC), a licensed cocoa buying company, says it will continue to explore avenues to reduce operating cost and ensure quick recycling of seed fund. That, it said will help to maintain its role as the market leader among the Licensed Buying Companies in the internal marketing of cocoa.

Speaking to a cross-section of journalists Mr Anthony Osei Boakye, Managing Director of PBC, said the company was positioning itself to deliver on its mandate to shareholders after successfully coming out of serious financial predicament that had plagued it for the past two years. He said the company made significant progress by posting profit before tax of 713,605.00 Ghana cedis from the previous loss of 1.261 million Ghana Cedis.

The company was also able to purchase 186,051 tonnes, representing 31 per cent of the total national production of 614,532 tonnes for 2006/7 season. Mr Boakye said in order to improve on the fortunes of the company management had set up the Haulage and Technical Department to run as a self-financing unit. Consequently 134 new trucks had been purchased with an 8.5 million-Ghana Cedi loan secured from Barclays and Standard Chartered banks to undertake both primary and secondary evacuations of its purchases, an area which in the past was dominated by private haulers due to the company's over-aged trucks.

The company has in the 2007/08 main crop season hauled 65 per cent of its primary stocks and 17 per cent of the secondary evacuation as against 18 per cent and nine per cent respectively for the 2006/7 season. Mr Boakye said the company had also embarked on massive rehabilitation of old sheds as well as construction of large capacity storage sheds and depots mostly in the Western Region. There are also plans to diversify operations into the sheanut industry in a bid to rake in more revenue.

Mr Joseph Osei Manu, Deputy Managing Director Finance and Administration, said the company will fully exploit cheaper sources of funds to complement seed funding from Ghana Cocoa Board.

Mr Kofi Yamoah, Managing Director of the Ghana Stock Exchange, advised the management of PBC to consider offloading some of government's shareholding in the company to spark active trading in its shares on the market to serve as an attraction to investors.

German Cartel Office Probes Chocolate Price Hikes (DJ)

Source: Dow Jones Newswires
11/02/2008

Frankfurt - Germany's Federal Cartel Office and prosecutors have raided the offices of seven confectionery groups including Kraft Foods Inc., Nestle SA, Mars and Ritter on suspicion of chocolate price fixing, a press report said Monday.

Other companies received letters from the cartel office informing them they were part of an industry-wide investigation, the Financial Times Deutschland reported, citing a spokesman for the regulator. The raids took place Thursday, while the letters were received a day later, the report said.

The investigation was sparked by several companies within a few weeks of each other announcing price hikes for chocolate products, it added. Prices were raised by around 10%-12% on average, with companies citing a surge in the price of cocoa and nuts, the newspaper said.

Spokesmen for Kraft, Mars, Nestle and Ritter confirmed their German offices had been raided and said they were cooperating with authorities, it added. Swiss chocolate maker Lindt Spruengli and Sarotti maker Stollwerck, weren't part of the probe, the newspaper said.

Regulators raid chocolate firms business

BBC News, UK
11 February 2008



Chocolate producers blame the soaring price of cocoa for price rises

German officials investigating possible chocolate price-fixing have raided the offices of some of Europe's biggest confectionery companies. Nestle, Mars and Kraft confirmed that competition officials visited their German headquarters last Thursday.

Several other chocolate companies were also examined according to the Financial Times. It reported that the investigation was prompted when several firms raised their prices at around the same time. The companies said the rises were in response to a steep increase in the price of cocoa. "There have been, worldwide, hefty increases in

the price of cocoa. That naturally leads to the adapting of prices," Nestle spokesman Francois Perroud said.

Canadian investigation

It is the second recent investigation into the chocolate industry. Last November, Canadian regulators launched an investigation into allegations of price-fixing. Canada's Competition Bureau said it was looking into chocolate products but the investigation could be widened to look into other types of sweets.

Hershey Hopes Bliss Will Put an End to Turmoil

Source: Reuters
11/02/2008

Chicago, Feb. 8 - After months of turmoil, chocolate maker Hershey Co is pinning its hopes on Bliss. Bliss, a new premium chocolate candy, will be more closely watched than most product launches, as investors look for signs the largest U.S. chocolate maker can recapture market share lost to rivals such as Mars Inc. "It's key for their future in that much of the growth in the chocolate category now is in premium and Hershey really lacks a presence in that category," said Morningstar analyst Mitchell Corwin. "It's important that Hershey shows it can offer a premium product under the Hershey brand name."

Hershey's management has admitted it lacks the products to take advantage of demand for premium and dark chocolates. Missing out on growth in those segments was a key factor depressing Hershey sales and earnings last year, eventually leading to a sweeping overhaul of the board of directors orchestrated by the Hershey Trust, the company's largest shareholder. Hershey sales were nearly flat last year, while income, excluding restructuring charges, fell 15 percent. Adding to the turmoil, last October, Chairman and Chief Executive Richard Lenny unexpectedly left the company amid reports of his differences with the Trust.

Hershey is counting on Bliss and a new line of chocolates it is developing with Starbucks Corp to help it gain ground in the premium segment. "The Hershey's Bliss launch absolutely is a major launch for us and as big as any launch we have done for years in the chocolate business," Jay Cooper, vice president of U.S. chocolate brands for Hershey, said in an interview.

Bliss, a piece of chocolate with a rounded top that fits in the roof of the mouth, will be priced at \$3 to \$3.99 for a 36-piece bag. The candy will come in milk chocolate, dark chocolate and milk chocolate with a melt-away center.

SO MUCH COMPETITION

The dark chocolate and premium chocolate segments have been growing much faster than milk chocolate. In the 52 weeks ended Jan. 26, total U.S. packaged chocolate sales rose 4.2 percent, according to The Nielsen Co, but premium chocolate sales rose 28.5 percent and dark chocolate sales rose 28.9 percent. "It would be a huge step in the right direction if they can get it off the ground," Edward Jones analyst Matt Arnold said of Hershey's Bliss.

One reason for the growth of the dark chocolate and premium segments is that antioxidant-rich dark chocolate could have a health benefit, according to recent studies. Another is that there are simply more products in those segments now.

But whether Hershey -- known for mainstream products such as milk chocolate bars and Reese's peanut butter cups -- can succeed against such names as Lindt and Ghirardelli is another question, said Brian Morgan, a senior research analyst at Euromonitor International. "There's so much competition. I don't quite understand the strategy of attaching the Hershey name on those premium lines and throwing them out there on the shelves," Morgan said.

But Cooper said consumers have been asking Hershey for a product in the premium or "indulgent" chocolate segment. "Consumers were saying: 'We expect you to play a role. We have so much of an emotional connection that we expect you to be there, and why haven't you been there before?'" Cooper said. U.S. consumers will actually be inundated with bliss in the next few weeks.

Hershey's Bliss is being launched in March, while Kellogg Co's own Bliss, a Special K bar made of cereal and fruit pieces with a "chocolatey" bottom, is already hitting the shelves. But while Hershey and Kellogg have faced similar challenges, including soaring commodity costs and a weakening U.S. economy, Kellogg shares are up 1 percent over the last year, while Hershey's are down 32 percent. Kellogg's Bliss is an addition to a successful platform that is part of Kellogg's attempt to promote Special K as a weight control product throughout the day.

Hershey would probably like to see its Bliss enjoy some of the same success and it might be able to do just that. Mark Baynes, Kellogg's chief marketing officer says the body-conscious women who eat Special K products do not necessarily want to sacrifice. So while the two Blisses are different products, they could go after the same market. "We should actually be targeting the same people," Baynes added.

German authority suspects chocolatiers of price fixing

FoodAndDrinkEurope.com, France -

By Charlotte Eyre

12-Feb-2008 - The Federal Cartel Office in Germany has raided the offices of several confectionery giants over allegations of fixing the price of chocolate, according to news reports. UK newspaper The Independent said this morning that Mars, Nestle, Kraft and Ritter have all confirmed they are part of the investigation, and could face multimillion-pound fines if found guilty.

A spokesperson from the Cartel office told the newspaper that she believed that the companies in question were suspected of collusion over price rises, and that a decision is likely to be made over the coming months. Many food companies have, in recent months, increased consumer prices, as commodity costs rocketed during 2007 all over the world.

However, German cartel office alleges that the price rises by Mars, Nestle, Kraft and Ritter were higher than the increase in raw materials. The accusations come only weeks after Mars and Nestle, along with Hershey, were investigated for similar actions in Canada.

The Canadian Competition Bureau asked them to hand over documents regarding their pricing strategies in November, and the companies in question now face lawsuits filed by irate smaller competitors. Last summer, cocoa prices reached their highest levels since 2003 - averaging \$2,017 (€1,484) per tonne, up by \$12 (€8.8) on May's monthly average.

Several manufacturers blamed the rising price of milk and cocoa, at least in part, for squeezed profits in 2007, including Hershey, which suffered a massive 22.7 per cent drop in margins during its third financial quarter.

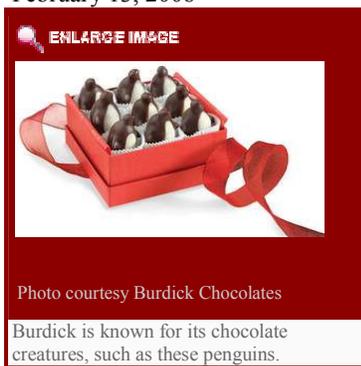
The situation is unlikely to improve any time soon, as according to the International Cocoa Organisation (ICCO), the cocoa deficit is now greater than was previously thought. The global production deficit is now estimated at 242,000 tonnes, compared with the earlier projected figure of 156,000 tonnes, the ICCO said.

Chocolate from Granada is Burdick's secret

Nashua Telegraph, NH

By ANNETTE GALLAGHER, Telegraph Correspondent

February 13, 2008



Valentine's Day is here and that means one thing: Chocolate! It's impossible to avoid with crowded store displays of brightly decorated heart-shaped boxes and treats at every turn. Looking for a different chocolate experience this Valentine's Day? Skip the mass-produced candy and check out some great handmade chocolates from Walpole's Burdick Chocolates.

Owner Larry Burdick fell in love with great chocolate more than 25 years ago during a study visit to France. He moved to Bern, Switzerland, to stay with friends and learn how to make this kind of chocolate. "I had never experienced anything like the chocolate I had in France. I saw this as an opportunity to make something no one had seen before in the United States," he said.

Burdick gets all its chocolate from Granada, which is better known for nutmeg than for

chocolate, a perception Burdick wants to change. "The 'golden cradle' for cocoa beans is Venezuela, Granada and Trinidad," he said. "Other islands, including Madagascar and Java, grow great cocoa beans, too. Granada cocoa is perfect to me, and as pure as it can get. There's an incredible ecosystem there, with rich volcanic soil. All of that contributes to the chocolate."

The chocolate Burdick gets from Granada is fair trade, meaning the farmers are paid a real living wage for it, it is organic and is farmed with environmentally friendly methods. Besides a wide range of truffles and assortment boxes, Burdick offers some unusual chocolates, including chocolate penguins and chocolate mice. "We are always looking to offer things for all year long; the penguins started as a way to sell chocolate in January, when it is typically slow between Christmas and Valentine's Day. People are tickled by them, and we were making them long before any of the penguin movies came out!"

This is the Year of the Rat on the Chinese calendar, so Burdick is offering different packages with its chocolate mice, as well. Besides traditional heart-shaped boxes for Valentine's, Burdick offers a men's gift for Valentine's Day. Packaged in a black box, it features three cigars, a chocolate penguin, hot chocolate for two, two chocolate bars, and an assortment of nuts and truffles.

Buying good chocolate is like buying any great food, Burdick said.

"Chocolate is a complex food, a fact which is often lost in the mass-produced candy bars, which are more sugar than cocoa," he said. "But even cocoa content is not an indicator of quality; a high percentage of bad cocoa is just more bad cocoa! It has less sugar, of course, so it's better in that sense, but it still may not be truly great."

To find great chocolates, Burdick recommends checking the aroma of the shop: "If the first thing you smell is sugar rather than cocoa, and if everything is in refrigerated cases, it may not be as fresh as it could be. Well-made chocolate doesn't need to be refrigerated at normal room temperatures; sugar is also a preservative. Refrigeration may be a sign that the shop doesn't have enough of a turnover to move the product quickly." "Chocolate as a complex food lagged behind the rest of the food revolution by about five years," Burdick said. "Now, in the last few years, chocolate has exploded on the food scene."

As far as the current trend of pairing chocolate with other foods, Burdick is leery.

"I think sometimes people are too quick to try to pair foods," he said. "To me, chocolate goes well with coffee and tea, and things like kirsch and whiskey. If you want to combine chocolate with wine, try a fortified wine like port. Sometimes creamy stouts will work, too, as far as beers. As long as it is something with a lot of body and fruity flavors, it will probably work. I still prefer coffee and tea!"

Burdick operates a shop in Cambridge, Mass., in addition to the main store in Walpole, which is also a full-service French restaurant and pastry shop. Hours of operation, shipping information and more recipes are available on the company Web site, www.burdickchocolate.com.

Melt the chocolate in a small bowl over a double boiler, making sure that the bottom of the bowl is not touching the water. The water should not boil. Mix the butter with 1/3 of the powdered sugar in a kitchen mixer, and add the yolks one by one. After the yolks are incorporated, add the warmed dark chocolate. Incorporate. Whip the egg whites and the remaining powdered sugar until stiff. Fold in the almond flour and all-purpose flour. Pour the batter into a butter-brushed, 9-inch cake ring.

Bake at 325 degrees (or 275 degrees in a convection oven) for 40-50 minutes. When the cake is cool, cut off a thin top crust and slice the cake through the middle into two even disks. Bring the apricot jam to a boil and spread the hot jam onto the cake layers. Reassemble the cake and start the glaze. Melt the chocolate in a double boiler to 98 degrees, and mix it with the butter. Stir well until the butter and chocolate are incorporated.

Place the cake on a small rack and pour the glaze over the entire cake so that all the sides are covered. Take a metal spatula and smooth the top of the cake from one end to the other. Shake the rack so that any extra glaze runs down the cake. Refrigerate until serving.

Ghana marks national Chocolate Day

Independent Online

February 14 2008

Accra - Ghana, the world's number two cocoa producer, in a bid to boost domestic consumption of cocoa and chocolate, is celebrating its second national Chocolate Day on February 14, better known in most of the world as Valentine's Day. The idea is to "emphasize the significance of chocolate and cocoa in the expression of the spirit of love, gift-giving, health" and to

celebrate "Ghana's enviable position in the global cocoa industry" Tourism Minister Steven Asamoah-Boateng said on Wednesday.

Ghanaians make a big thing of Valentine's Day, giving cards and gifts to their partners. Radio stations aimed at young people discuss little else for several days. Religious leaders in Ghana tend to see Valentine's day as encouraging immorality and make regular calls on young people to abstain from casual sex and for married people to remain faithful to their partners.

Ghana's only chocolate manufacturer, Cocoa Processing Company (CPC), has placed adverts on TV and in newspapers urging people to celebrate Valentine's Day with chocolate.

CPC is anticipating a boom in sales.

"The essence of the chocolate day is to take advantage of and promote what we have here in Ghana. Our brands are one of the best in terms of quality," public relations manager, James Ekow Rhule, said. "This year, we are looking at an over-production of 500 metric tons," similar to 2007's extra production for Chocolate Day, he said.

On the streets of Accra, many believe that the idea of a Chocolate Day celebration is a good one. "People have been hiding behind the celebrations to do all sort of things...You go out there and you see young girls engaging in illicit sex," computer technician James Quayson said. He said he supports the idea of chocolate day, as a way both of promoting more moral behaviour and of supporting one of Ghana's key industries.

Gina Lartey, who runs a gift shop in Tema, outside Accra, said she is selling both local and foreign chocolates but fears the foreign-made ones may attract more buyers as they are better packaged for the occasion. Buyers who are strapped for cash might settle for the cheaper Ghanaian brands, she conceded.

Is the Cocoa Industry Afraid of Commitment?

Common Dreams (press release), ME

[Advocates for Ending Abusive Child Labor and Poverty in the Cocoa Fields Call on Chocolate Company Execs to Commit to Finally Resolving Thorny Issues this Valentine's Day]

14 February 2008

WASHINGTON, DC - February 14 - In a Valentine's Day turnaround this year, it was the CEO's of major chocolate companies represented by the Chocolate Manufacturers Association (CMA) who received gifts: bouquets of fair trade certified flowers with a note attached calling on them to make a real commitment to ending child labor on cocoa farms in West Africa, from a group of organizations and chocolate companies who have already made the same commitment.

The following companies, more accustomed to selling Valentine's Day gifts than receiving them, were surprised with bouquets of fair trade certified roses: Archer Daniels Midland, Barry Callebaut, Hershey, Mars, Blommers, Nestle, Cargill, World's Finest Chocolate and Guittard Chocolate Company. The note read, "At Valentines Day, we talk about commitment. Chocolate manufacturers it's time to make a REAL commitment TODAY to 1) END abusive child labor & 2) SIGN Commitment to Ethical Cocoa Sourcing -Commitment Signatories." The "Commitment to Ethical Cocoa Sourcing" is a joint statement signed by almost 60 organizations and chocolate companies outlining steps they agree to take to eliminate harmful labor conditions from their cocoa supply chains. The document is available online at: <http://www.laborrights.org/stop-child-labor/cocoa-campaign/resources/861>.

Since the story of child labor, including trafficked and forced labor, on cocoa farms in West Africa broke in 2001, the major chocolate companies represented by the Chocolate Manufacturers Association have not taken appropriate action to stop labor abuses in their supply chains. Most recently, the major chocolate companies have distorted the definition of "certification" which they are required to implement in 50% of their cocoa supply chain by July 2008 under the Harkin-Engel Protocol.

The signatories of the "Commitment to Ethical Cocoa Sourcing" support an alternative approach which includes: providing transparency in cocoa supply chains to the farm level; sourcing from farms and cooperatives which respect core ILO labor standards and pay a price adequate for farmers to meet these standards; paying farmers a fair and adequate price for the cocoa purchased; implement or maintain structural practices to ensure farmers a consistently better price; supporting the drafting and enforcement of laws to stop child labor; and supporting social programs for children. Signatories include chocolate companies pioneering the way to ethical chocolate through Fair Trade, such as Equal Exchange and Sweet Earth, and advocacy organizations including International Labor Rights Forum, Global Exchange, Co-op America, and Oasis.

Consumers are encouraged to purchase chocolate from companies which have embraced the "Commitment to Ethical Cocoa Sourcing" this Valentine's Day.

Co-op America is a non-profit membership organization founded in 1982 with the mission to harness economic power—the strength of consumers, investors, businesses, and the marketplace—and to create a socially just and environmentally sustainable society.

Ghana growth to surpass 8 pct in 3 years-president

Reuters South Africa, South Africa

By Kwasi Kpodo

14 Feb 2008

ACCRA (Reuters) - Ghana's economy is growing at more than 6.5 percent and growth should exceed eight percent within three years as a major deepwater oil find comes on stream and yields revenue, President John Kufuor said on Thursday. "Ghana is now solvent and the economy is strong and resilient," Kufuor told parliament in his last state-of-the-nation speech before he steps down at the end of this year on completion of his second term in office.

A 35 percent surge in gold exports and a successful \$750 million debut international sovereign bond issue bolstered the economy of the West African state last year, helping to compensate for a slip in cocoa output and costly energy imports.

The world's No. 2 cocoa producer was looking forward to receiving a major economic boost from oil finds last year in two deepwater offshore blocks, which Kufuor said held "commercial quantities estimated to be over 3 billion barrels so far". "Proceeds from the find will impact the economy within the next 2-3 years," said. "GDP (gross domestic product growth) has now moved beyond 6.5 percent and it is expected to pass 8 percent in the next three years," Kufuor said. He cited last year's debut bond issue, which he said was oversubscribed by \$3 billion, as being a "litmus test" of the strength of the Ghanaian economy.

Kufuor said he had set up a presidential committee to work on measures to ensure future oil income would be a "blessing", so Ghana could avoid the kinds of "curses" -- corruption, waste and conflict -- which bedevilled some African oil producers. "It is my belief that with proper management of revenue from this oil, Ghana's dependence on external donor support would be drastically reduced and the self confidence of our economy strengthened for the looming industrialisation," he added. Future industrialisation should include the development of an integrated aluminium industry, Kufuor said.

MORE FROM COCOA

Ghana's next development stage should also include the increased transformation of the country's raw materials to create more jobs, especially in the strategic cocoa sector. Kufuor reiterated the government's target to increase the annual cocoa harvest to one million tonnes by 2010 and said measures to achieve this were already bearing fruit. For example, the government was investing \$100 million to tar roads leading to six major cocoa growing regions.

Cocoa production for the 2007/2008 year is expected to be 650,000 tonnes. The crop reached a record 740,457 tonnes in 2005/2006 and was above 600,000 tonnes in 2006/2007. Kufuor said the government would vigorously pursue a target to increase the level of local processing of cocoa beans to 40 percent of the total harvest next year, up from the current level of 30 percent. While seeking more foreign investment in domestic cocoa processing,

Kufuor said state cocoa industry regulator COCOBOD was also negotiating with world agribusiness companies to process shea nuts, which like cocoa beans, can produce a butter used in the manufacture of chocolate, as well as cosmetics. Kufuor cited Archer Daniels Midland Co. as one of the companies that would be a partner for Ghana in shea nut harvesting and processing.

Are chocolate-makers getting a sweetheart deal?

WalletPop, VA

By Anne Gelhaus

Feb 14th 2008



Pueblo Chieftain

Never mind that it's beyond cliché: That heart-shaped box of chocolates will likely set you back more than usual this Valentine's Day. The price of cocoa hit a 23-year high this week, bad news for those whose beloveds are expecting at least some of their V-Day kisses to come from Hershey.

Chocolate-lovers aren't taking the news well: According to the Associated Press, feds in three different countries are investigating price-fixing among candy-makers, sparking retailers and consumers to file lawsuits accusing the world's biggest chocolate companies of violating antitrust laws. The lawsuits allege that companies from Hershey to Mars, which have the biggest hold on

America's sweet tooth, to lesser players like Nestle and Cadbury Schweppes have formed an international cartel to decide when and by how much to raise the price of their products. The investigation into this confection conspiracy spans the globe from North America (the U.S. and Canada) to Germany.

The folks at Hershey argue that the price increases are necessary in light of the rising cost of dairy items used in their milk chocolate; the company used this argument to justify raising its candy bar prices by 13% last month. But investigators from the German Cartel Office say they suspect Hershey, Nestle and Mars of conspiring to raise their prices higher than what was necessary to cover the cost of raw materials. And investigators in Ontario claim top execs from these three companies held secret meetings to set prices.

This alleged skulking around by the folks who brought you Snickers and M&Ms hasn't soured investors on the bean from which all chocolate is created. The day before Valentine's Day, cocoa futures closed at their highest level since April 1985. How sweet it is.

Cocoa processors may lose \$5m, says COPAN

Vanguard, Nigeria

By Jimoh Babatunde

15 February 2008

The Cocoa Processors Association of Nigeria (COPAN) has expressed fears that its members may incur a loss of \$5 million between now and March. COPAN National Secretary, Felix Oladunjoye told newsmen in Lagos that the amount represents what his members will pay as duties on cocoa exports to Europe. He said Federal Government's refusal to endorse the European Partnership Agreement (EPA) would bring about the loss. Oladunjoye said the endorsement of EPA by the government would have shielded Nigerian cocoa processors from paying duty fees on their exports.

The European Union, few years ago, introduced the law which stipulates duty fees ranging between 4.2 per cent and 6.1 per cent on importation of cocoa butter, cocoa liquor and cocoa cake. "This means that sales price of Nigerian cocoa products are now discounted against similar produce from Ghana, Cote d'Ivoire and Cameroon," he said.

Oladunjoye cited the example of Cocoa Butter export from Nigeria which will now be selling at \$5,840 per ton as against \$6,100 it will fetch other countries that have partially signed the agreement. He appreciated government's resolve to protect the local industries but said the non-signing of the agreement would have a serious effect on the processing sector. The association appealed to the government to cushion the harsh effects of its refusal to sign the EPA by restoring the payment of Export Expansion Grants (EEG) to its members.

Labour Issues

Cocoa bean harvest puts kids at risk despite chocolate makers' efforts

The Canadian Press

Feb. 10, 2008

Instead of rich and creamy sweetness, chocolate's aftertaste may be stomach-turning bitterness once consumers learn that poor farmers are forced to use child labour to harvest cocoa beans. Even as the chocolate industry is trying to curb unsavoury cocoa-farming practices in Ivory Coast and Ghana, Canadian aid workers, among others, are disappointed in the industry's snail's pace at dealing with the issue.

Cadbury Schweppes announced late last month it would spend millions over the next few years to boost cocoa yields and improve the lives of cocoa farmers, a move intended to guarantee a long-term supply of the most important ingredient used in its signature candies. "It's not only the right thing to do but ... also we really rely on the quality and taste profile of Ghanaian cocoa and that is something that is really important to our brand," Alex Cole, corporate affairs director at Cadbury, said from her office in London.

David Morley, the president and CEO of Save the Children Canada in Toronto was cautiously optimistic about Cadbury's announcement. "Some of what the companies are doing is good - making the crops more sustainable and all - but we feel there should be more power put in the hands of the farmers," said Morley. "The wonderful free hand of the market is not working here."

After seeing kids working in the cocoa fields of Ghana in November of 2006, Anita Sheth, one of Morley's colleagues with Save the Children Canada, stopped to speak with them. "They talked about being hungry while they worked. They spoke about working long hours in the sun, about the spray cans of pesticides they had to use, their fear of being bitten by snakes," she said

in an e-mail after a meeting in Washington, D.C., where the chocolate industry, politicians and NGOs discussed cocoa harvesting practices. "Some of (these kids) spoke about walking for three days to arrive in cocoa farms because they needed to find work to support their families."

Cadbury said the investment will affect an estimated one million cocoa farmers. Most are located in Ghana, but some of the money will be earmarked for farmers in the other countries where Cadbury gets cocoa for its candy bars, such as in India, Indonesia and the Caribbean.

Research by Sussex University in England, which was funded by the candy maker, has shown that the average production for a cocoa farmer has dropped to only 40 per cent of potential yield and that cocoa farming has become less attractive to the next potential generation of farmers, a statement by the company indicated.

But cocoa farming was not always an exercise in poverty for farmers in western Africa. There was a time when there was enough profit from cocoa to fund farms, farmers and workers, said Carol Off, author of "Bitter Chocolate: Investigating the Dark Side of the World's Most Seductive Sweet." In the '80s the World Bank and the International Monetary Fund stepped in to rearrange the affairs of African countries that had taken on huge debt. At the same time social safety nets were dismantled, Off explained.

Africa's economies were affected and a small group of multinational corporations developed a complete monopoly over the marketing, purchase and sale of cocoa beans - controlling the profits and driving down costs, she said.

"Which is why the farmers turned to slave labour to support themselves."

In 2001 an independent study shed light on the little-known practice of child labour on African cocoa farms. That, along with sporadic reports in the media about child trafficking for labour in the cocoa bean harvest, made companies take action before consumers planned a boycott of the sweet stuff. Cadbury is following in the footsteps of other companies that decided the small price of ensuring workers' quality of life was good for the bottom line.

Last year, Starbucks said it would open a farmer support centre in Ethiopia's capital to help growers improve the quality of their coffee crops and boost production using sustainable practices. And sportswear behemoth Nike Inc. has invested in community development in countries where its products are made as a strategy intended to counteract allegations of "sweatshop" labour.

Later in 2001, U.S. Sen Tom Harkin (D-Iowa) and Congressman Eliot Engel (D-New York), worked with the chocolate manufacturers, to develop a framework for the cocoa industry to do away with the worst forms of child and slave labour in the growing and processing of cocoa beans and their derived products. The protocol laid out a series of date-specific actions, including the development of voluntary standards of certification by July 1, 2005.

Unfortunately, industry leaders did not meet the 2005 deadline but agreed to accelerate their implementation of the protocol to cover at least fifty per cent of the cocoa growing areas in Ghana and Ivory Coast by July 1, 2008. "Since the Harkin-Engel Protocol was signed seven years ago, progress to eliminate the worst forms of child labour in the cocoa supply, has been too slow," read a statement Save the Children Canada released this month.

But Off took direct aim at Cadbury's investment, saying the announced investment is "paltry" given that the company is worth billions of dollars. "Cocoa companies and chocolate companies have been doing a lot to try and improve yields... I question whether that is a benefit to the farmers at all," she said. "The more beans there are, the lower the prices, right?" "The only thing that will make any difference ... is if the farmers get a fair price for their bean. And the cocoa companies won't go for that," Off said.

While admitting he is no economist, Save the Children's Morley, couldn't help but wonder why, if cocoa bean production is down (according to reports including the one funded by Cadbury), why hasn't the price of the bars gone up? He noted chocolate bars have cost around a dollar since the '80s. "This ongoing low price is really an important part of what is causing some of the difficulties for the farmers and for their communities," he said, adding that most people would pay more for chocolate if they knew it would trickle down to the farmers. Still, Morley doesn't advocate consumers boycott chocolate products as that will adversely effect farmers. He also points to fair trade chocolate as an alternative. Fair trade is a market that reconnects the consumer with the producers who grow and harvest the products that stock grocery shelves and restaurants.

Jeff deJong is the co-executive director of La Siembra, a worker-owned, fair trade co-operative that provides certified organic cocoa, sugar and chocolate products. He finds consumers are turning to fair trade products after learning more about the plight

of farmers who are at the mercy of large multinational companies. While competing against the big chocolate companies, he said the fair trade company he works for is viable, not only for the producers who are being paid significantly better, but also for the company. La Siembra, an Ottawa-based company, started in 2002 and is approaching \$7 million in revenues this year. The company buys cocoa beans from the Americas, where the regional issues are different from Africa but still ensures the farmers are getting a fair price.

Child labor, war or pesticides for your Valentine?

Reuters South Africa, South Africa

By Diane Bartz

Mon 11 Feb 2008

WASHINGTON, Feb 11 (Reuters) - There was a time, long ago, when a lover would buy diamonds, chocolate or roses for his beloved on Valentine's Day with a clear conscience. But life has become more complicated. For some, the romance is being overshadowed by concerns that the diamonds may have financed wars, that the cacao beans were harvested by children and that the roses were kept perfect with mists of pesticides.

Let's start with roses, especially the red roses traditionally used to show passion. "Most roses sold in the U.S. are grown in Latin America. And they are grown in a way that uses a lot of chemicals," said Rene Ebersole, a senior editor of the environmental Audubon Magazine. "DDT is used," she added, saying that workers who applied the pesticides often complained of irritated eyes and other ailments that they blamed on the chemicals. And what about soft melty bonbons, dusted with cocoa powder?

Ivory Coast, which grows 40 percent of the world's cocoa, has a persistent child labor problem, according to the 2006 State Department Human Rights report, which was released in March 2007. "The controversy over child labor in the local cocoa sector continued," the report said, citing an earlier survey by the International Institute of Tropical Agriculture.

That group had found that perhaps 5,000 to 10,000 children were trafficked to or within the country to work in the cocoa sector, the State Department said. "The (institute's) research showed that approximately 109,000 child laborers worked in hazardous conditions on cocoa farms in the country in what the study described as the worst forms of child labor," the State Department said.

Then there's the problem of blood diamonds, which refers to gems mined under brutal conditions and sold to support a war effort. The problem is apparently one of the few things that Presidents Bill Clinton and George W. Bush agree on.

Clinton issued an executive order in January 2001 barring Sierra Leone from exporting diamonds to the United States. When Liberia began to be used to get around the ban, Bush acted in 2001 to bar rough diamond imports from Liberia. A mechanism called the Kimberley Process was supposed to help buyers identify conflict-free diamonds, but there is criticism that it has fallen short.

Ministry assists cocoa producing districts to eliminate child labour

Accra Daily Mail, Ghana

February 12, 2008

The Ministry of Manpower, Youth and Employment yesterday presented computers, accessories and motorbikes to 11 cocoa producing districts to assist in the elimination of child labour. The items comprised 14 LP laser jet monitors, UPS and printers and 13 motorbikes valued at over 54,000 Ghana cedis.

Mrs Frema Osei-Opore, Deputy Minister of Manpower, Youth and Employment presenting the items, said they were among efforts by the Ministry through its National Programme on the Worse Forms of Child Labour to eliminate the practice in all sectors of the economy. She said following international concerns on the use of children for cocoa production and its impact on the commodity in the international market, the Ministry was working closely with district assemblies in all six cocoa producing regions to reverse the trend.

Mrs Osei-Opore said a survey conducted by the Ministry indicated that only nine per cent of the children said to be in child labour in cocoa producing areas were not in school. She said 91 per cent assisted their parents on their farms in a manner that did not affect their education or health.

The Deputy Minister said regardless of the findings from the survey, the Ministry was not happy with the number of children out of school and was working in collaboration with development partners such as the Ghana Cocoa Board (COCOBOD), Danish International Development Agency (DANIDA) and other non-governmental organisations to eliminate the practice. The Ministry, she said, would in addition, fashion out action plans, implement pro-child activities and continue to support district assemblies to implement interventions at the grassroots. Mrs Osei-Opore commended the district assemblies for their efforts and was optimistic the computers would help enhance data collection on child labour.

Mr Antwi Boasiako Brobbey, Atwima Mponua District Coordinating Director who received the items on behalf of the beneficiaries expressed appreciation to the Ministry. He pledged their commitment to work hard to enable government achieve its objectives of human resource development under the Ghana Poverty Reduction Strategy (GPRS) by ensuring that all the children enrolled in school.

The beneficiary districts from Ashanti Region were Asante Akyem North, Asante Akyem South, Amansie West, Amansie Central and Atwima Mponua. Kwaebibirim and Suhum Kraboa Coalta districts from Eastern Region and Aowin Suaman, Sefwi Wiawso, Bia and Wassa Amenfi Districts from the Western Region.

'We have to get wise'

Global forum targets horrors of human trafficking

Toronto Sun, Canada

By TAMARA CHERRY, SUN MEDIA

February 14, 2008

VIENNA, Austria -- If you buy a chocolate bar without the words "fairly traded" or "traffic free" on the wrapper you could be supporting human trafficking.

There are at least 12,000 "cocoa slaves" who have been trafficked to the Ivory Coast in western Africa, where 43% of the world's cocoa is grown, Steve Chalk, chair of Stop the Traffik, said yesterday at the first ever global forum to fight human trafficking. "If you eat chocolate that is not fairly traded, you have blood on your teeth," Chalk said. "Somebody else is dying for your luxury. "We have to get wise to the fact that in all sorts of ways, our lifestyle is linked to the lifestyles of others," he said.

Cocoa slaves aren't the only victims of the multi-billion-dollar global flesh trade industry.

SWEAT SHOPS

There are child soldiers in Africa. Nannies in the United States. Camel jockeys in Saudi Arabia. Men, women and children working in bondage at sweat shops and plantations. Kids enslaved to beg for money on the streets of North America.

In Canada, human trafficking was most recently thrust into the spotlight when a 21-year-old woman walked into a downtown Toronto Police station saying she came from Eastern Europe on the promise of a modelling career, only to be forced into sexual slavery.

Over the last 12 months, Peel Regional Police have laid eight human trafficking charges in six cases involving seven victims. Each involves young Canadian women allegedly forced into sexual slavery by young Canadian men.

It's not only police and high-level bureaucrats who are faced with the task of fighting human trafficking, said Antonio Maria Costa, executive director of the United Nations Office on Drugs and Crime, which is hosting the three-day conference in Vienna.

Members of the general public have boycotted animal cruelty by not wearing fur; they've decried illegal logging; and they've questioned whether their jewelry comes from "blood diamonds," Costa said. "We don't have the same sort of reaction about human trafficking or the services and the goods provided by the slaves," he said.

Everyone, from the penniless observer to those who pay for sex, has a role to play in the fight against human trafficking. "It can't be just about raising money because everybody raises money until they're blue in the face," said actress Emma Thompson, founder of The Helen Bamber Foundation.

STRIP CLUBS

Randall Cowan, head of the Peel Regional Police vice squad, estimated 90% of the young women working in bawdy houses and strip clubs around Toronto are being trafficked. "We are going to have to get into a serious debate about paying for sex," Thompson said. "Without customers, trafficking for sexual purposes would not exist. They have to become part of this debate and they have to become part of the fight."

Human trafficking is a "monster ... whose shape, size and ferocity we can only guess," Costa told more than 1,000 experts, legislators, law enforcement teams and other representatives from around the world. "Its victims are too afraid to run away and speak up. Their number (is) unknown."

Fighting the monster becomes all the more difficult with common misconceptions such as, "It's only prostitution," Costa said. "Ladies and gentlemen, let's call it what it is: Modern slavery. "The criminal gangs preying on other humans can only be fought by solidarity of intent and commonality of action among all people," Costa said. "Human trafficking is a vicious violation of human rights. It has no place in our world," singer and UNICEF goodwill ambassador Ricky Martin said. "Now you know what's going on and if you don't do something about it, you're allowing it to happen."

“Chocolate’s Bittersweet Economy”: Cocoa Industry Accused of Greed, Neglect for Labor Practices in Ivory Coast

Democracy Now, NY

February 14, 2008

On Valentine’s Day, we look into two of the luxury industries that have come to expect huge profits on this hyper-consumerized occasion. We begin with chocolate. A scathing new report by veteran journalist and author Christian Parenti says hardly any progress has been made in the cocoa industry’s pledges to address child labor. We host a debate between Parenti and William Guyton, president of the World Cocoa Foundation.

Guests:

Christian Parenti, Christian Parenti is a correspondent for The Nation and writes for several other publications. His latest article appears in the February 4th edition of Fortune magazine. It’s called “Chocolate’s Bittersweet Economy.”

William Guyton, President of the World Cocoa Foundation.

JUAN GONZALEZ: Today is Valentine’s Day. Yes, it’s a time for love, chocolate, flowers, candlelight dinners and diamonds. But it’s also noted for hyper-consumerism. The National Retail Federation expects total spending across the country today to top \$17 billion. Today, we look a little deeper into chocolates and diamonds, two of the main luxury industries that have come to expect huge profits on Valentine’s Day.

Now, what’s not to love about chocolate or diamonds, particularly those that have been certified “conflict-free” by the international Kimberly process? We’ll let our guests give you some details.

We’ll start by looking at the chocolate industry. Over 70 percent of the world’s cocoa comes West Africa, and 40 percent comes from just one country, the Ivory Coast, where child labor is still widespread. Seven years ago, chocolate companies agreed to abide by a voluntary protocol to abolish child labor. But a scathing new report by veteran journalist and author Christian Parenti says hardly any progress has been made.

AMY GOODMAN: Christian Parenti is a correspondent for The Nation magazine and writes for several other publications. His latest article appears in the February 4th edition of Fortune magazine. It’s called “Chocolate’s Bittersweet Economy.”

Christian Parenti joins us here in our firehouse studio. We’re also joined in Washington, D.C. by William Guyton. He’s the president of the World Cocoa Foundation.

We welcome you both to Democracy Now! Christian, we’ll begin with you. Tell us what you found. When did you go to the Ivory Coast?

CHRISTIAN PARENTI: I went to the Ivory Coast in October with a photographer, Jessica Dimmock, and we went to investigate conditions in the cocoa industry, because for seven years there has been an international protocol called the Harkin-Engel protocol. Seven years ago, there was an attempt to pass real legislation that would regulate the chocolate industry. The chocolate industry pushed back and instead created this voluntary protocol, the Harkin-Engel protocol, which sets out to eliminate the worst forms of child labor in West Africa. So 70 percent of all cocoa, the raw ingredient for chocolate, comes from West Africa, and 40 percent of the world supply comes from one country, Ivory Coast. So we went to the Ivory Coast to essentially fact-check the claims of the chocolate industry, to see if they had made changes. And what we found was that there had been no substantive changes. There were still many children working, using pesticides, machetes, carrying heavy loads during school, unable to attend school, being injured due to their labor.

And the way the Harkin-Engel protocol works—I should say that actually the first deadline for the Harkin-Engel protocol to achieve real change in the chocolate industry, which is to say to eliminate child labor, was 2005. They missed that deadline, so they were given an extension by Harkin and Engel ’til July 2008. The chocolate industry works through an NGO that it established called the International Cocoa Initiative. They claim that tens of millions of dollars have been spent throughout West Africa to eliminate child labor. What we found in the Ivory Coast was that the International Cocoa Initiative has one employee, who shares an office in the basement of a law firm, and that the many claims of collaboration with local NGOs and development projects did not pan out. They were unable to show us anything. The only thing that they could show us was an

orphanage where most of the kids were actually not from the cocoa sector and where the head of the orphanage said that there had been about eight kids over the last several years staying for between three and four months who had been in the cocoa sector. So it seemed that the Harkin-Engel protocol was doing nothing, and what we found in the countryside were farmers working very hard and their children working hard next to them.

The way the cocoa industry is structured—

JUAN GONZALEZ: Before you go on, I would like to bring in William Guyton, president of the World Cocoa Foundation. Your response to whether the Harkin-Engel protocol and the industry's self-policing is working?

WILLIAM GUYTON: Well, first of all, I'd like to wish everyone good morning and happy Valentine's Day. This is Bill Guyton speaking. And before I get started on talking about the protocol and progress that's been made, I just wanted to spend just a minute or two talking about the context of cocoa farming.

There are about five million small-scale cocoa farmers around the world that produce this important crop. And about two million or more are found in West Africa. And as you both have mentioned, about 70 percent of the crop comes from West Africa. And Ivory Coast, or Cote d'Ivoire, is the most important producer with about 40 percent of the supply. Most of the farms in West Africa are small-scale family farms with five acres or less of land holdings, and they're located in very remote areas of the countryside. Cocoa only grows about twenty degrees north or south of the Equator, so it's a very tropical crop. It grows in association with other tree crops. It's a shade-loving tree. One of the major problems that we have in cocoa is that there are high losses from diseases and pests. About a third of the crop is lost each year to disease and pest problems. Another problem, as the Fortune article magazine pointed out, was the fact that there are difficulties with infrastructure, roads and access to education and health.

And just reading through the article, we certainly agree with many of the findings of the Fortune article report. First of all, that farmer incomes are important, we couldn't agree more on that. And our approach at the World Cocoa Foundation is to help work with farmers to improve farming techniques so that farmers can get a better yield or become more productive than they have been in the past. And we also encourage farmer organizations to form. So we do have programs on the ground, specifically on farmer outreach, improving incomes, looking at improving environmental conditions, as well as social issues, which is the main topic of the discussion today. And that includes child labor and general labor on the farm, as well as health issues, such as HIV/AIDS and malaria prevention.

JUAN GONZALEZ: Mr. Guyton, on the issue of whether you had met the goals of the Harkin-Engel protocols, why had they not been met, or what are the problems with that?

WILLIAM GUYTON: Well, the Harkin-Engel protocol is something that has never been attempted before in any agricultural sector or any sector to speak of. What we're looking at doing is trying to improve conditions across two million small-scale farms in West Africa and to do this in a way that surveys are conducted in the field, through partnerships with the public sector and the private sector, as well as experts in labor. And these surveys have already been carried out in both Ivory Coast and Ghana and publicly reported by both of those governments. And those reports are posted on select websites for people to view.

AMY GOODMAN: Let me bring Christian Parenti in to respond to that.

CHRISTIAN PARENTI: This is—you know, the key fact here is that the chocolate industry is controlled—the cocoa industry is controlled by large corporations at the ports that set the price. If the chocolate industry wanted to improve conditions by raising prices, the Harkin-Engel protocol would have attempted to set prices, and they have not done that.

What he's talking about—education, this and that—when we went out and looked and saw what was happening, there was usually nothing. And the one thing we did find was this education attempt. Really, what that translates as for the average farmer is an intimidation campaign. You go out into the countryside, you talk to them about the Harkin-Engel protocol, most people know nothing, but they will tell you, "Well, the police have told us that if we're caught using our children in the fields, then maybe there will be a boycott of our chocolate and we'll starve." But all of this stuff about education, this high-minded rhetoric does not pan out on the ground.

And what you have is a very corrupt government in Cote d'Ivoire, considered to be one of the most corrupt in the world by Transparency International, that works hand-in-glove with corporations like Cargill, ADM, that sell cocoa to the international market and make enormous profits. Cargill made \$2.3 billion profit last year, and they control a huge part of the trade.

One of the things we found were there's cocoa cooperatives that farmers are attempting to form themselves so that they can get better prices, so they can have some leverage against the chocolate industry. Cargill and other firms have, one, illegally entered the interior to set up their own warehouses, where they buy from small farmers. This is against the law in Ivory Coast, but as one person said, the illegal is normal in Ivory Coast.

The other thing that they've done is they're lending money to co-ops, which are attempting—small groups—groups of small farmers banding together to become their own middle men. They lend money to these farmers, then they—when they receive cocoa from them, they claim that the cocoa is not of sufficient quality and they don't pay them enough. The farmers fall into debt. And in several cases, we found examples of co-op members who had been illegally arrested. In this one case, on orders of Cargill, Cargill bribed police, port police, to drive into the interior and to seize these farmers, put them in jail until the rest of the co-op members could collect enough money to pay the debt. So this is—one, it's about getting money, but it's also about breaking the co-ops that might oppose—that might compete against the chocolate industry.

And, I mean, the fact of the matter is, the Harkin-Engel protocol has done nothing substantive, and they're hoping that this deadline will pass with, you know, not too much bad publicity.

JUAN GONZALEZ: Mr. Guyton, what about the issue that if you did raise the price you pay the farmers, the small farmers wouldn't need to employ child labor and others at the lowest-possible wages to be able to produce your product?

WILLIAM GUYTON: Well, I'd just like to turn back again to the fact that these small-scale farms are family farms. And what we find that children are working with their parents on the farm. These are not workers that are hired from other places. They're children working with their parents on the farms. And I'd just like to turn back again to some of the programs we have on the ground. We have a regional program—

CHRISTIAN PARENTI: You can't hide behind the fact that they're small family farmers. You completely control—the industry controls the market in Cote d'Ivoire. No one can sell without going through one of the large corporations that are members of the international chocolate organizations. And if you really wanted to improve conditions for farmers, there would be an agreement to raise prices by ten or twenty percent, and what that would mean would be that large firms like Cargill and ADM and those who buy from them, like Hershey and Nestle, would have to pay more money and would make less profits. It's that simple.

And they don't want to do that, because they're in the business of making money. They're not in the business of developing Cote d'Ivoire and keeping children out of poverty. That is fundamentally not what they're about. And it's very simple, what could happen. They could agree to regulations of their industry that would translate into price controls for farmers, and they don't want to do that. And so, they will do everything except that, because what they are about is fundamentally making as much money as they possibly can off of the people of Cote d'Ivoire. And if that forces independent farmers to take their children out of school, as happened again and again, and exploit them and work them, so be it.

JUAN GONZALEZ: William Guyton?

WILLIAM GUYTON: Well, I'd like just to explain—I started to talk about the programs that we have on the ground—

CHRISTIAN PARENTI: Your programs do not pan out. When I went to fact-check, I didn't find any. Tulane University has been contracted by the US government to investigate this. Tulane's report came out about a month ago. It found that you had no standards for your protocol. It found that you had made no progress on the ground. You have no case, really, to say that you're trying.

AMY GOODMAN: Bill Guyton?

WILLIAM GUYTON: I disagree with that. And I wanted to talk about the programs that we have on the ground. One of the ones that we're most proud of is the Sustainable Tree Crops Program, which is a program that was put into place in 2002. And to date it's reached over 55,000 small-scale cocoa farmers in West Africa. And what we've seen as a result of these programs is that farmers that have graduated are experiencing income improvements of anywhere between 25 to 50 percent, so additional income for farmers. And we're seeing also that they are following better social practices, such as labor conditions. They also learn about HIV/AIDS and malaria prevention. The results are directly from the farmers themselves. I was in Cote d'Ivoire in September and had a chance to talk with many farmers along the way that were involved in this program.

CHRISTIAN PARENTI: Why did Tulane not find the same things? Why does Tulane University not find the same things that you claim? Why did I not find—why did no journalist find this?

WILLIAM GUYTON: I read the Tulane report, and they talked very favorably about the Sustainable Tree Crops Program, which we're pleased to support. And I would be happy to go with you to visit them.

CHRISTIAN PARENTI: No, the Tulane University report says you have no standards that you're trying to meet, and it also says conditions on the ground have not changed. That's the fundamental fact in the Tulane report.

WILLIAM GUYTON: The Tulane report, which we all can read, is very complimentary of what the program has done on the ground. It has reached many farmers, and we've seen improvements in incomes, as well as social and environmental conditions for those who have graduated. We also have educational programs on the ground. We just launched a new educational program with the US Agency for International Development, as well as some NGO partners, to look at youth leadership programs and formal and non-formal education in both Ghana and Cote d'Ivoire. Those programs are pretty—

JUAN GONZALEZ: Mr. Guyton, if I can, I'd just like to get back to the issue I raised here before about the issue of price. In a world where the buyers essentially are controlling the price that they pay for a product, does the industry see any need to raise prices to assure that the way that the product is produced is not only produced as profit for the industry but also provides decent living standards for those who produce it?

WILLIAM GUYTON: Well, the world market price is determined on the global scale on commodity exchanges in New York and in London. And what we're seeing today is that the commodity—for cocoa, the commodity prices are favorable, at about \$2,500 per metric ton. So there has been an increase recently, and that's from a variety of different factors. We do—
CHRISTIAN PARENTI: That doesn't get passed on to the farmers, though.

WILLIAM GUYTON: We're seeing that, from country to country, you do see some substantial differences. In Asia, for example, you see that the Indonesian farmers capture about 80 percent of the world market price. In some West African countries, it's seventy, seventy-five. In others, it's lower. So it does vary from country to country.

CHRISTIAN PARENTI: You know, Mr. Guyton, with all due respect, this really sounds like dissembling. The fact of the matter is, 40 percent of world cocoa is produced in Cote d'Ivoire. The international cocoa firms control the ports, they control the market there. It would not be hard at all to have higher prices. In fact, until 1991—I mean, until 1999, there was a structure for ensuring minimum prices for farmers, and US firms lobbied hard to eliminate that. And due to a debt crisis, that was eliminated. And since then, prices have gone through the floor.

Now, whatever the price in London is is one thing. What matters to the farmers in Cote d'Ivoire is what the price is at San Pedro, or, more to the point, what the farm gate price is. And unless you guys make an effort to pay higher prices, that's not going to happen. And we have to be realistic: they don't want that to happen. And that's why—

WILLIAM GUYTON: Well—

CHRISTIAN PARENTI: You know, this constantly referring also—there needs to be some accountability. You can't just consistently say, oh, we partner with these NGOs, we partner with these NGOs. What NGOs? The only NGO that your one—the International Cocoa Initiative's single employee in Ivory Coast would send me to was Mesad, an orphanage, where the head of the orphanage said only a handful of children from the cocoa sector had been there. This is hardly an education program for farmers. This is hardly some sort of social welfare program. I mean, there's nothing that you can point to, but yet you continually just roll out these claims that you're partnering with this group, you're partnering with that group. And usually you don't even mention the groups.

WILLIAM GUYTON: I'll mention the groups right now, because apparently you didn't meet with them when you were there. We partner with the US Agency for International Development, and the program, the Sustainable Tree Crops Program, is being implemented by the International Institute of Tropical Agriculture. It's an organization with headquarters for this program in Accra, Ghana. In each of the countries, we have—

CHRISTIAN PARENTI: These are irrelevant facts. I met with the main development bodies there. I called USAID. What you describe does not obtain on the ground in Cote d'Ivoire. What happens in Cote d'Ivoire is, there was a war in 2002 to 2004. It's one of the most corrupt governments in the world. Farmers live at the end of beat-up dirt roads. To get their cocoa out, they have to pass through checkpoints of armed men who tax them. And the large cocoa companies do nothing to redevelop the roads, like pave roads or build schools. They make no effort to redistribute wealth. And that's the fundamental fact.

AMY GOODMAN: We're going to have to leave it there, but after break, we are going to talk a little about Fair Trade chocolate. I want to thank Christian Parenti, joining us, correspondent for The Nation. His piece on chocolate, "Chocolate's Bittersweet Economy," appears on the cover of Fortune magazine with photographs by Jessica Dimmock. And we are showing those photographs, which people can see online at democracynow.org. Bill Guyton has been with us in Washington, president of the World Cocoa Foundation. Today is Valentine's Day. We're talking chocolate and diamonds.

Cocoa made sweet without child labor

Marketplace, CA

By Gretchen Wilson

February 14, 2008

West Africa supplies much of the cocoa used by the major chocolate companies, and the region is also known for using child labor. Gretchen Wilson reports measures the U.S. and chocolate industry are taking to free child cocoa workers.



An agricultural worker prepares cocoa beans. (Issouf Sanogo)

Doug Krizner: Get set you love birds: To mark Valentine's Day this year, you'll shell out more than 17 billion on cards, flowers -- and of course, the chocolate. More than half the chocolate -- or rather, the cocoa used to make that chocolate -- comes from West Africa. It's a region where child labor -- and even child trafficking and slavery -- is well documented.

Today, activists are sending bouquets to the CEOs of major chocolate companies with a call for more transparency in cocoa supply chains. But as Gretchen Wilson reports, the industry says it's following its own process to improve conditions.

Gretchen Wilson: Activists say child labor in the Ivory Coast and Ghana gives most chocolate on the shelves a bitter taste.

Tim Newman is with the International Labor Rights Forum. He says these kids are doing dangerous work.

Tim Newman: Which means that they're handling machetes to cut cocoa pods from trees, and to cut those pods open. They're also involved with handling pesticides that are used in production.

Most West African cocoa goes to multinational firms, such as Nestle, Mars and Hershey's.

Susan Smith is with the National Confectioners Association, a trade group for cocoa processors and chocolate makers:

Susan Smith: Most cocoa farmers grow cocoa responsibly. But there are issues.

Smith says the industry supports programs that teach farmers about safe and fair labor practices. She also says it's important to understand the local cultural context.

Smith: These are farm families, and children traditionally help their families.

U.S. lawmakers aren't satisfied. They've set a July deadline for the chocolate industry to make sure half the cocoa-producing areas in the Ivory Coast and Ghana are free of child labor. Right now, the industry is working with local governments to survey farm conditions.

But Smith says monitoring the entire supply chain of cocoa beans isn't realistic.

Smith: At this point, it is not possible across 2 million small cocoa farmers.

But a few individual companies, such as Cargill and Kraft, have agreed to additional certification programs that reach the farm level. Some boutique chocolate makers do track their cocoa supply.

La Siembra Cooperative can trace the cocoa in this Cocoa Camino chocolate bar to individual farms in the Dominican Republic and Peru. Kevin Thomson is former executive director:

Kevin Thomson: Supply chain is Business 101.

Sales of the company's certified fair-trade products have climbed more than 50 percent year-on-year.

Thomson: We attributed that to consumers and their awareness of fair-trade issues and actually voting with their dollar at the till, advocating for change. He says knowing it's child-labor free makes it all the sweeter.

'Blood Chocolate' drive combats sexual violence

Yale Daily News, CT

Sam Pilku

February 15, 2008

Yalies who enjoyed chocolate treats on Valentines Day may have indirectly aided rebels in the Ivory Coast in committing sexual violence against women.

Semuteh Freeman '08 and Maggie Mapondera '09 held a "Blood Chocolate" drive in the Woolsey Rotunda on Thursday afternoon to encourage students to sign a petition against, and inform Yalies about, sexual violence against women in the Ivory Coast resulting from the sale of the cocoa beans to large American chocolate companies.

Freeman, Mapondera and other volunteers asked students to read a flier about the current situation in the Ivory Coast, where rebels who control the nation's lucrative cocoa sales stop automobiles at checkpoints, detain the women and force them into sexual submission, according to the flier.

Event organizers collected over 150 signatures from Yale students and faculty.

Freeman and Mapondera were inspired to organize the event after attending a January lecture delivered at Yale by Etelle Higonnet '00 LAW '05 of the advocacy group Human Rights Watch, entitled "My Heart Is Cut: Sexual Violence by Rebels and Pro-Government Forces in Côte d'Ivoire."

According to Freeman, after a bloody civil war from 2002 to 2004 over control of the cocoa production and sales in the Ivory Coast, the northern rebels took control of the profitable field. "When you have control over cocoa production, you have control over the revenue," said Freeman, adding that the rebels' wealth protects them from state prosecution for raping women there. Freeman and Mapondera said one of their goals in organizing the event was to introduce the issue to Yalies, most of whom are unaware of the evils behind the current cocoa trade, by exposing to the world the "organized, systematic violence" and sexual assaults committed by the rebel groups with the acceptance of the Ivorian government. They also hoped to encourage students to eat fair-trade chocolate, which comes from environmentally sustainable sources, does not fund conflict and meets labor and developmental standards.

Companies such as Hershey's and Nestle buy cocoa from the Ivory Coast, which is the world's largest producer of cocoa. The country and its rebel groups use the money they obtain from these companies to purchase weapons that enable them to rape innocent women, Freeman said. "We hope this will put pressure on chocolate companies and bring the issue to the forefront of the media," she said.

Students and faculty interviewed who signed the petition said they understood the mission of Thursday's event. "I think that this is an important issue," said Sarah Henderson, immigration specialist at the Office of International Students and Scholars. "The violence has got to stop." "For chocolate to fuel war and oppress people seems to go against everything chocolate should stand for," Morgan Robinson '08 said.

Most passersby who signed the petition said they had never heard of the violence in the Ivory Coast.

"I didn't even know anything about this," Constance Collins '11 said. Nestle, Hershey's and the other companies not engaging in fair trade practices in the Ivory Coast should be prevented from doing business in the area, she said after reading the flier.

According to Mapondera, there are currently numerous companies, such as Dagoba and Omanhene, producing chocolate that does not fund conflict and adheres to fair-trade standards. Those who have a soft spot for chocolate can still enjoy chocolate — just not from the brands that do not engage in fair trade, Freeman and Mapondera pointed out. "It's more delicious, because it's without the guilt," Freeman said.

Thursday's event encouraged students to sign petitions to chocolate companies that do not participate in fair trade, call their Congressional representatives and spread their awareness to others. The event was sponsored by Pierson College, the Afro-American Cultural Center, the Council of African Studies and the Office of International Students and Scholars. Later in the year, Freeman said, she and Mapondera hope to hold a screening of Higonnet's film on her work in the Ivory Coast and to invite Rep. Rosa DeLauro, who represents the New Haven area, and other speakers to campus to participate in a panel on sexual violence in West Africa.

Others

CBN counsels on CCI

Nigerian Tribune, Nigeria

By Sola Fadare, Lagos

February 10, 2008.



Charles Ugwu, Minister of Commerce

A director in the Central Bank of Nigeria (CBN), Mr. N.T Igba, has observed that the Clean Certificate Inspection (CCI) that the government appointed pre shipment inspection agent issued to exporters after its inspection of quality and quantity as well as the true value of goods is not an ordinary certificate.

Speaking to a group of Cocoa farmers under the auspices of Cocoa Association of Nigeria (CAN) and Cocoa Exporters Association of Nigeria (CEAN) in Akure, he said without proper trade statistics it would be difficult to formulate policies adding that “you do not know whether your trade is going down or up, statistics would enable the government of Nigeria to have an idea of, for example, cocoa trade- cocoa export from Nigeria. And if there is an issue that warrants government action, government can quickly step in and resolve the issue. He explained further that CCI is a certificate that was “created by enabling law of the land and the law states that it should be issued after inspection of the goods and after the results had been shown to be satisfactory.”

The Cocoa exporters had during series of seminars organised by Nigerian Export Supervision Scheme (NESS) in conjunction with Cobalt International Services Limited, held in Kano, Owerri, Lagos and lately Akure, said that internationally acceptable certificate for trading in cocoa is the one issued by the Federal Produce Inspection Services (FPIS), and wanted to know what roles the Cobalt would play for them.

Shedding light on the NESS , the Cobalt’s Area Manager for Port Harcourt Zone, Engr. Ifeanyi Ukachu said his company essentially under NESS ‘ is to ensure quality, quantity and proper and effective pricing.’ He added that FPIS did not actually go into appropriate pricing in international market, saying “if you look at the documentation that Cobalt supplies, we need to sight your certificate from NEPC, we need to be sure that you have certificate of incorporation, the whole thing is to ensure that you are legally qualified to transact such a business in Nigeria.

The Cobalt boss said his company would like the exporters to produce Letter of Credit, Bill of Laden in order to facilitate the entire process of exporting all non-oil items and repatriating proceeds to the economy.

The ethical cocoa confusion

ConfectioneryNews.com, France

Charlotte Eyre

11-Feb-2008

While most consumers agree that ethically-sourced cocoa is no bad thing, an ever increasing number of different schemes risks muddying the issue and puzzling chocolate fans. In this day and age Western chocolate buyers are increasingly aware of the effect our global food chain has on third world countries.

According to a 2007 UK Department for Environment, Rural and Food affairs (DEFRA), more than half of consumers in the country said that they try not to buy products whose ethics they disagree with. A slightly smaller proportion, 45 per cent, said they would be prepared to pay more for ethically-sourced food.

At first glance, companies seem to be taking these concerns on board. In the past fortnight alone, Cadbury announced its own Cocoa Partnership in Ghana, and Nestle and Mars signed up to the Good Inside Cocoa Programme, established by Utz Certified.

However, when added to Blommer's Cote d'Ivoire alliance of Farmers, Olam International and Blommer Chocolate (CIFOB), Cargill and Barry Callebaut's membership to the World Cocoa Foundation, as well as various Fairtrade certified companies such as Divine, the issue starts to become a lot more complicated. While it would be churlish to suggest that programmes which in some way protect cocoa farmers are a bad idea, the more schemes there are around the globe, the harder it is to work out what exactly each one does. Many consumers are aware, for example, that companies using the Fairtrade logo must pay the producer the minimum wage in that country or more.

But Cadbury, for example, has no such base level set in place, arguing instead that Ghanaian cocoa sells at 10 per cent above the market rate because of its high quality - a level above the Fairtrade floor. What happens, though, if one year the crop value falls because of, say, poor weather conditions? Another pertinent issue, one rarely explored, is who regulates these programmes, as Fairtrade is the only independently audited ethical trading scheme, according to Divine.

However, even if the generous-minded of us are willing to believe that these schemes often do good, as chocolate multinationals are not always as villainous as often thought, how are consumers meant to spot which products are ethical and which are not?

(Incidentally, the issue of big business and profit is almost irrelevant here; firms such as Cadbury have never denied that schemes such as the Cocoa Partnership in Ghana were established to help boost activity, despite what many disgruntled bloggers think). While consumers can read countless company statements and articles on the subject, what really screams "I'm ethical!" is a label.

Fairtrade has one, that nifty green and blue symbol that features on the side of food packets, but many of the others do not. Cadbury is currently 'working on communications', while the Utz Certified Good Inside Cocoa Programme label is voluntary.

Therefore Mars and Nestle are under no obligation to state whether the cocoa used in their products comes from farmers protected by Utz or not. Do they expect consumers just to take their word for it? In short, rather than confusing the issue further in future, industry players must therefore work with each other, as well as the farmers, to not only come up with a more consistent standard of how cocoa suppliers are treated, but also a fair way of indicating the supply chain to consumers.

It would be desperately sad if the Western consumer started to take a jaded and cynical view of the issue of ethical cocoa supply, and if a day comes when nobody has faith in how companies treat the suppliers, it will not only be the farmers who lose out.

Bitter chocolate: US, foreign regulators probe price fixing claims

International Herald Tribune, France

February 13, 2008

NEWARK, N.J.: If you feel your Valentine's Day chocolates are not such a sweet deal this year, you're not alone. Regulators are investigating price fixing among candy makers in at least three different countries. In the last week, the German Federal Cartel Office raided the offices of seven of leading chocolate companies including Mars Inc., Kraft Foods Inc. and Nestle SA searching for documents. Three months ago, Canada's Competition Bureau searched the offices of several companies, many of the same ones as in Germany.

The Canadian investigation sparked several American lawsuits accusing the world's biggest chocolate companies of violating antitrust laws.

The U.S. Department of Justice declined to confirm it is investigating, yet several companies confirmed receiving inquiries.

The retailers and consumers who filed suit allege the companies needed to fix prices because while the costs for raw materials such as milk and cacao have increased, sales of chocolate in the U.S. have remained relatively flat in recent years. Chocolate manufacturer sales grew by 2.9 percent in 2007 to \$16.3 billion, according to the National Confectioners Association.

The cases detail how informants kept letters for years, showing that Canadian executives exchanged confidential pricing information dating back to 2002 through e-mail, phone and meetings.

Marilyne Nahum, a spokeswoman for the Competition Bureau, declined to discuss the details of the ongoing investigation and said no charges have been filed. The companies could face criminal conspiracy charges, which carry penalties of up to \$10 million Canadian dollars and/or five years in prison.

According to affidavits submitted in an Ontario court to obtain search warrants, top executives at Hershey Co., Mars and Nestle met secretly in coffee shops, restaurants and conventions to set prices. The volume of commerce involved is potentially in the billions of dollars per year.

The German Cartel Office has said it suspected the companies had conspired with one another to raise their prices even higher than the increase in the price of raw materials, such as cocoa and nuts, would have demanded. If the office finds evidence of collaboration, the companies face possible fines of up to 10 percent of their annual income.

Several of the companies say they are cooperating with investigators.

Mars North America was contacted in early December by the U.S. Justice Department about a preliminary inquiry concerning pricing practices in the U.S. chocolate confectionery industry, said spokeswoman Alice Nathanson. "We will fully cooperate with any investigation that may be launched," she said.

She also confirmed German officials visited the company's offices in Viersen last week. In Canada, Mars continues to cooperate the Canadian Competition Bureau's investigation. "As the bureau has stated, it has not reached any conclusions of wrongdoing and is still at the investigative stage," Nathanson said.

Edie Burge, a spokeswoman for Nestle USA, said the company "is aware of a preliminary investigation into marketing practices in the U.S. chocolate industry being conducted by the Department of Justice," and will cooperate with any investigation, but has not been contacted. A spokesman for Hershey declined to comment.

Yet in addition to the government investigations, the companies are facing lawsuits from a gaggle of plaintiffs. A New Jersey confectionery company filed the first lawsuit in late December, charging price fixing by an international cartel of companies — Hershey and Mars, the leading chocolate companies in the U.S., along with other companies such as Nestle and Cadbury Schweppes PLC. The confectioners claim that a cartel raised prices three times since 2003 and planned another hike for 2008. German officials said the companies raided this week had agreed at the beginning of the year to raise prices.

At least 45 similar suits have been filed in eight states on behalf of more than 50 consumers and companies like CNS Confectionery Products of Bayonne, N.J. CNS, a 13-year-old company that manufactures chocolate products, sued its suppliers to get back what it called overpricing, said attorney Hollis Salzman, who represents CNS and whose firm seeks to lead the class action lawsuit. Direct purchasers like CNS often don't want to sue their suppliers because they fear retaliation, but given the Canadian investigation, CNS's owners felt they had to step forward, Salzman said.

A federal court in Newark next week is scheduled to hear a motion to consolidate the 16 New Jersey cases. Another federal court will determine which district in the U.S. will hear the consolidated cases. After an initial hearing expected in late March, a decision could take months. If the class action suit is successful, manufacturers like CNS could recover their share of the chocolate purchased, Salzman said.

Other plaintiffs would be eligible to collect damages if they purchased chocolate directly from the companies, either as manufacturers or from company-owned sites such as Hershey Park in Pennsylvania or retail outlets such as Mars's M&M stores. That could involve potentially billions of dollars for hundreds of thousands of consumers, Salzman said.

Yet consumers aren't surprised to hear about the alleged plot.

"Oil and gas prices are fixed, and diamonds," said Owen Cullimore, 37, an accountant from Long Island, N.Y. "Why should chocolate be different?" He buys about \$50 worth of chocolate per year, including Cadbury bars with nuts. He said wouldn't be bothered if he had been paying more.

"It's a nominal fee," Cullimore said.

Chocolate sales in the U.S. have been essentially flat for the last six years, hovering at just under \$16 billion annually, excluding sales from Wal-Mart, said Marcia Mogelonsky, an analyst with Chicago-based market research firm Mintel International Group. Sales of dark chocolate, which has a perceived health benefit, and premium chocolate have increased and pulled market totals up, she said. "People have been more educated about what good chocolate should taste like, and they're willing to pay for good chocolate," she said.

Ghana: US\$100M to Improve Roads in Cocoa Growing Regions (DJ)

Source: Dow Jones Newswires

15/02/2008

Accra, Ghana, Feb. 14 - Ghana's President John Agyekum Kufour said Thursday the government has released \$100 million as part of a Cocoa Roads Improvement Program, or CRIP, to improve roads in the cocoa growing regions of the country. In his sessional address to parliament, he said, "the strategic importance of cocoa is acknowledged through the CRIP)," and would involve the tarring or surface dressing of the selected roads.

Local purchase companies have complained about the poor roads in some of the regions which they say has affected the carting of cocoa to the ports. Last month, cocoa regulator Cocobod signed a 5-year agreement with KAMPAC ME of the

United Arab Emirates to convey cocoa beans on the country's central and western rails that the company is to build and operate.

KAMPAC signed a concession agreement with the Ghana Railway Company to rehabilitate, operate and maintain the Western and Central Railway lines in the country on a build, own and operate and transfer basis for 35 years. Cocobod officials expect that the arrangement with KAMPAC ME will prolong the lifespan of roads in cocoa growing areas.

First family receives chocolates on Valentine Day

Joy Online, Ghana

15-Feb-2008

President John Agyekum Kufuor and his family were the first to receive hampers of cocoa products from the Tourism Ministry on Thursday as part of activities to commemorate the National Chocolate Day fused into the St Valentine's Day celebration. Madam Theresa Kufuor received the items on the family's behalf at the President's residence in Accra.

The National Chocolate Day initiated by the Ministry of Tourism and Diasporan Relations in 2007 is aimed at making Ghana a chocolate tourist destination and to promote the consumption of locally made chocolate as a token of love on Valentine day. This year's Chocolate Day was under the theme: "Chocolate, a Gift of Love and Health."

Mr. Kofi Osei-Ameyaw, Deputy Minister of Tourism and Diasporan Relations said the gifts were to wish the first family a happy Valentine and Chocolate Day. He said, acceptance of the National Chocolate Day, though not encouraging, the Ministry hoped with time, it would become a major event in the country. He noted that Valentine's Day should not be a time to indulge in immorality, but an occasion for a sense of togetherness.

The Deputy Minister said the occasion should also be used to appreciate farmers for their contribution to cocoa production and entreated all to show love and care. Mr. Osei-Ameyaw expressed the hope that eventually wearing of red on February 14 would fade off for brown, which represented the colour of chocolate.

Madam Kufuor thanked the cocoa producing companies for the gift, saying, "I am so happy that our family has been remembered at such an occasion". "I am proud that Ghana produces the best cocoa in the world and happy to realize that cocoa was being used more currently than before", she added.

The companies which made the presentation were Cadbury Ghana Limited, Nestle Ghana Limited, Cocoa Processing Company (CPC), Ghana Chefs Association and Hords Limited, producers of Brown Gold natural cocoa powder. Others included Koala Shopping Mall and GIHOC Distilleries. The Ministry together with Cadbury, Nestle and CPC also made subsequent presentations to the aged at the HelpAge Ghana Centre at Osu.

TIT BITS

(Source: Business Recorder – www.brecorder.com)

US MIDDAY: cocoa at 24-year high

NEW YORK (February 13, 2008): US cocoa futures finished at a 24-year high early on Tuesday, after light fund buying triggered a flurry of buy stops, and on support from continued March/May spreads, traders said.

cocoa hits five-year high

LONDON (February 13, 2008): London cocoa futures hit a five-year high on Tuesday, helped by a strong New York market and favourable currency fundamentals that made prices more attractive to overseas buyers, dealers said. Coffee ended down on profit-taking from recent 10-1/2 year highs, while sugar futures fell sharply under pressure from the upcoming March contract expiry.

New York cocoa settles firm

NEW YORK (February 13, 2008): US cocoa futures settled quietly higher on Monday as participants continued to roll positions out of the spot month with light fund buying providing additional support, traders said. "(Rain) is playing a part but really the story is the rest of the roll, mainly switches trading.

London cocoa and sugar rally

LONDON (February 14, 2008): Soft commodities put in a strong performance on Wednesday, with London cocoa futures hitting a five-year high on fund and speculative buying, while sugar rallied ahead of the spot month expiry on Thursday. Speculative buying also drive robusta coffee futures up, but momentum failed to take prices above Monday's 10-1/2-year peak.

US MIDDAY: cocoa taps 24-year high, coffee slips

NEW YORK (February 14, 2008): US cocoa continued higher in early trade on Wednesday, tapping a 24-year high for the second straight day on speculative interest, while arabica coffee futures slipped on profit taking, dealers said.

New York cocoa closes at 24-year high

NEW YORK (February 14, 2008): US cocoa futures finished at a 24-year high on Tuesday, after light fund buying triggered a flurry of buy stops, and on support from continued March/May spreads, traders said. "When March broke above \$2,421, they swept it all the way up to \$2,460. It was all funds buy stops. I've heard the industry is getting very nervous and they're buying the market.

US MIDDAY: cocoa, coffee hit multiyear highs

NEW YORK (February 15, 2008): US cocoa and arabica coffee futures trading on ICE hit multiyear highs in early trade Thursday, with fund buying buoying cocoa to a 24-year high for the third straight day, traders said. Coffee hit a 10-year high on heavy March/May spreading and some roaster buying, they said.

Funds force coffee and cocoa to multiyear highs

LONDON (February 15, 2008): Funds and speculators extended their reach in soft commodities on Thursday, sending London coffee futures to a 10-1/2 year high while cocoa hit a five-year peak. Sugar prices also felt the impact of fund interest as prices rallied with focus on the London front month contract expiry.

New York cocoa settles at 24-year high

NEW YORK (February 15, 2008): US cocoa futures settled at a 24-year high for a second straight day on Wednesday, on follow-through fund and speculative buying, traders said. "The funds just continue to be active," one dealer said.

Heat brings early end to Ivorian main cocoa crop

SOUBRE (February 15, 2008): Lack of rain and hot weather in Ivory Coast's south-west cocoa growing region have brought an early end to the main crop, dashing farmers' hopes for a bumper season and reducing exporters' overall harvest forecasts.

