

COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 288

16th - 20th June 2008

ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York futures (US\$/tonne)
16 th June	1875.88	3026.59	1585.00	2982.00
17 th June	1873.15	3022.90	1587.33	2983.67
18 th June	1915.92	3090.36	1620.33	3052.67
19 th June	1919.05	3100.25	1615.00	3059.00
20 th June	1925.31	3121.91	1628.00	3075.33
Average	1902.00	3072.00	1607.00	3031.00

Up-coming Events

- 71st General Assembly and Council of Ministers Meetings, 8th – 12th September 2008, Punta Cana, Dominican Republic

In the News (from Newspapers worldwide)

Health and Nutrition

- Chocolate cancer connection
- Synthetic Cocoa chemical slows growth of Tumours in Human Cell Lines
- Chocolate-potent anti-cancer agent
- Chocolate is the world's most popular flavour
- Don't be afraid of the dark
- Cocoa bean mulch in large quantities can be toxic to dogs

Production and Quality

- Sao Tome and Principe: Cocoa is Sao Tome's main export in first quarter of 2008
- Cameroon's weekly cocoa exports fall 68% on Excess Rainfall
- Cocoa farmers appeal to COCOBOD to enforce bonus payments
- Ivory Coast's cocoa exports more than double in May (Update1)
- Ghana cocoa heads for strong Finish
- Ghana main crop cocoa purchases up 13 pct
- Cocoa cultivation getting more popular in Tamil Nadu
- INTERVIEW-Ivory Coast targets lucrative organic cocoa market
- Stakeholders in cocoa industry urged to achieve target
- Cocoa purchases go up
- "No chemical can combat swollen shoot virus" – Officer

The Market

- Indonesia Cocoa prices hit 24-Year high, rains slow delivery
- Cocoa prices at over 20-year high
- GLOBAL: Cocoa prices reach record highs
- Cocoa likely to test highs on Indonesian Disease
- Cocoa: The Sweetest Trade
- Cocoa falls from highs despite Indonesia disease

Business & Economy

- Cadbury looks to boost growth with Chocolate Gum
- Hershey sees more commodity costs pressures in 2009
- Chocolate, the latest thing in cheese platter crackers
- Check Out Line: Inflation crimps consumer companies
- DJ ED&F Man restructuring Cocoa Desk, Reviews HQ Location
- 2nd UPDATE: Cadbury 2Q Sales rise 7%, sees slower 2nd half growth
- Rising chocolate consumption boosts demand
- Hungary: Nestle's acquisition of Kraft Foods' Balaton Chocolate gets approval
- Ivory Coast cocoa farmers miss high prices
- Cadbury prepares for soaring prices

Labour Issues

- CSR News from: World Cocoa Foundation
- US/EU: Cocoa industry reports on progress of Protocol
- Cote d'Ivoire averts threat to commercialisation of cocoa

Environmental Issues

- Fungal diseases spread in Indonesia's cocoa farms

Others

- 5 things to know about Chocolate
- Ivory Coast detains three more Cocoa Executives after probe
- Ivorian BCC Chiefs Arrested on Cocoa Fraud Charges
- Ivorian Cocoa board Chair, 2 others arrested for embezzlement
- More Ivorian cocoa sector arrests, exports not hit

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

Monday 16th June 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2008	1626	1630	21	1634S	1616	3,758
Sep 2008	1616	1621	23	1624	1608	6,019
Dec 2008	1573	1583	19	1586	1573	1,380
Mar 2009	1551	1551	19	1553S	1539	325
May 2009	1543	1544	16	1546S	1543S	130
Jul 2009	1548	1545	9	1548	1543S	24
Sep 2009	1549	1551	9	1549	1549	1
Dec 2009		1559	9			0
Mar 2010		1559	9			0
May 2010		1558	9			0
Totals		1570				11,637

Tuesday 17th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1628	1636	6	1637	1602	2,926
Sep 2008	1624	1625	4	1627	1594	6,140
Dec 2008	1585	1586	3	1588	1556	1,966
Mar 2009	1550	1551	0	1555S	1526S	911
May 2009	1545	1547	3	1550	1523S	351
Jul 2009	1545	1549	4	1555	1525S	179
Sep 2009	1551	1556	5	1563	1531S	92
Dec 2009		1564	5			0
Mar 2010		1564	5			0
May 2010		1563	5			0
Totals		1574				12,565

Wednesday 18th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1673	1665	29	1688	1657S	2,155
Sep 2008	1654	1658	33	1682	1650	5,642
Dec 2008	1620	1617	31	1641S	1610	1,689
Mar 2009	1587	1586	35	1606	1580	1,403
May 2009	1579	1582	35	1598S	1578S	178
Jul 2009	1575	1585	36	1592S	1575	202
Sep 2009	1597	1589	33	1597S	1585S	13
Dec 2009		1597	33			0
Mar 2010		1597	33			0
May 2010		1596	33			0
Totals		1607				11,282

Thursday 19th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1658	1663	-2	1668	1647	1,208
Sep 2008	1653	1654	-4	1661	1641	3,737
Dec 2008	1609	1611	-6	1618	1603	1,440
Mar 2009	1577	1580	-6	1587	1577	1,075
May 2009	1583	1577	-5	1584S	1581S	40
Jul 2009	1587	1580	-5	1588	1587	5
Sep 2009	1580	1584	-5	1585S	1580S	8
Dec 2009	1585	1592	-5	1590S	1585S	8
Mar 2010		1592	-5			0
May 2010		1591	-5			0
Totals		1602				7,521

Friday 20th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1661	1688	25	1693	1650	2,015
Sep 2008	1647	1666	12	1669	1640	3,728
Dec 2008	1605	1625	14	1628	1600	2,099
Mar 2009	1575	1593	13	1596	1568	2,256
May 2009	1580	1589	12	1592S	1580	71
Jul 2009	1584	1592	12	1594S	1584	13
Sep 2009	1574	1596	12	1598S	1572S	14
Dec 2009	1580	1604	12	1584S	1578S	8
Mar 2010	1610	1619	27	1622	1610	53
May 2010	1618	1619	28	1619	1617	7
Totals		1619				10264

Average for the week	1612					10654
Total for the week						53,269

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

Monday 16th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2990	3003	30	3013	2982	10,713
Sep 2008	3004	3030	36	3040	3000	15697
Dec 2008	2952	2980	33	2989	2952	761
Mar 2009	2926	2937	36	2943	2926	142
May 2009	2928	2930	44	2930	2926	113
Jul 2009	2932	2920	40	2932	2920	23
Sep 2009		2923	40	2923	2923	54
Dec 2009		2928	42	2928	2928	1
Mar 2010		2945	42	2945	2945	0
May 2010		2945	42	2945	2945	0
Totals		2949				27504

Tuesday 17th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3000	2998	-5	3025	2943	6805
Sep 2008	3035	3026	-4	3040	2965	11451
Dec 2008	2987	2984	4	2990	2930	1323
Mar 2009	2936	2942	5	2944	2900	167
May 2009	2903	2932	2	2932	2893	24
Jul 2009	2885	2922	2	2922	2885	6
Sep 2009	2899	2927	4	2937	2887	0
Dec 2009		2933	5	2933	2933	0
Mar 2010		2953	8	2953	2953	0
May 2010		2953	8	2953	2953	0
Totals		2952				19776

Wednesday 18th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3030	3068	70	3143	3030	1,161
Sep 2008	3050	3098	72	3122	3050	7,733
Dec 2008	3015	3056	72	3070	3015	856
Mar 2009	3024	3011	69	3025	3000	299
May 2009	2992	2998	66	3007	2992	37
Jul 2009	3000	2986	64	3000	2982	20
Sep 2009	3005	2991	64	3005	2991	12
Dec 2009	3010	2997	64	3010	2997	0
Mar 2010		3017	64	3017	3017	0
May 2010		3017	64	3017	3017	0
Totals		3024				10118

Thursday 19th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3122	3163	95	3076	3095	816
Sep 2008	3091	3106	8	3110	3084	8,895
Dec 2008	3056	3062	6	3069	3045	1,529
Mar 2009	3014	3018	7	3027	3005	324
May 2009	3014	3009	11	3014	2982	220
Jul 2009	3010	3003	17	3012	2986	66
Sep 2009	3000	3008	17	3008	3000	3
Dec 2009		3014	17	3104	3014	20
Mar 2010		3034	17	3034	3034	0
May 2010		3034	17	3034	3034	0
Totals		3045				11873

Friday 20th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3131	3204	41	3215	3131	43
Sep 2008	3074	3125	19	3128	3061	4,190
Dec 2008	3045	3084	22	3089	3026	417
Mar 2009	2999	3041	23	3051	2998	197
May 2009	3000	3028	19	3032	3000	68
Jul 2009	3006	3026	23	3026	3006	32
Sep 2009	3009	3031	23	3031	3009	4
Dec 2009	3016	3037	23	3037	3013	0
Mar 2010	3030	3046	12	3046	3030	0
May 2010	3036	3046	12	3046	3033	0
Totals		3067				4951

Average for the week	3053				18556
Total for the week					74,222

Spot Prices [US\$ per tonne]

	16 th June	17 th June	18 th June	19 th June	20 th June
Main Crop Ghana, Grade 1	3467	3458	3530	3538	3557
Main Crop Ivory Coast, Grade 1	3347	3343	3415	3423	3442
Main Crop Nigerian, 1	3323	3319	3391	3399	3418
Superior Arriba	3313	3309	3381	3389	3408
Sanchez f.a.q.	3388	3384	3456	3464	3483
Malaysian 110	3003	2999	3071	3079	3098
Sulawesi f.a.q.	3272	3268	3340	3348	3367
Ecuador Cocoa Liquor	5454	5447	5576	5591	5625
Pure Prime Press African Type Cocoa Butter	8686	8675	8881	8904	8958
10/12% Natural Cocoa Press Cake	1364	1362	1394	1398	1406

Source: Cocoa Merchants' Association

News

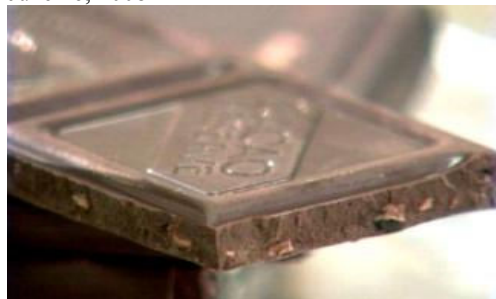
Health and Nutrition

Chocolate cancer connection

9NEWS.com, CO

By: Kim Christiansen

June 16, 2008



NBC - A sweet temptation may prove to have some cancer fighting benefits too.

Researchers at the Lombardi Comprehensive Cancer Center at Georgetown University Medical Center say a natural compound found in chocolate could lead to better treatments for cancer.

Researchers looked at what happened when they used a purified preparation of a synthetic chemical found in cocoa beans on a variety of breast cancer cells, compared to treatment on normal breast cells.

They found this chemical was able to slow down tumor growth and even destroy some tumor cells. The next step would be to study the effects in lab animals. This study was partly funded by Mars, Inc., the candy maker. The study is published online in *Cell Cycle*.

Synthetic Cocoa chemical slows growth of Tumours in Human Cell Lines

Science Daily (press release)

June 16, 2008



ScienceDaily (Jun. 16, 2008) — A synthetic chemical based on a compound found in cocoa beans slowed growth and accelerated destruction of human tumors in laboratory studies, and should be tested further for cancer chemoprevention or even treatment, say researchers at Georgetown University Medical Center. "We have all heard that eating chocolate is good for you; this study suggests one reason why that might be true," says the study's lead author Min Kim, Ph.D., a research scientist in the Department of Oncology at Lombardi Comprehensive Cancer Center.

A synthetic chemical based on a compound found in cocoa beans (shown above) slowed growth and accelerated destruction of human tumors in laboratory studies. (Credit: iStockphoto/Elena Korenbaum)

Published online today in *Cell Cycle*, the researchers describe how four different human tumor cells lines out of 16 tested were sensitive to the chemical, known as GECGC. The strongest response was seen in two different colon cancers; growth was cut in half and most of the tumor cells were damaged.

Normal cells were not affected by GECGC, which makes the chemical a candidate for cancer chemoprevention, says Kim. "This chemical seems to be safe, which makes sense because it has a structure similar to a natural product in cocoa beans - the same beans that are used to make chocolate," he says.

The researchers have long studied the beneficial effects of flavanols, which are molecules in vegetables and fruits that exhibit potent anti-oxidant and, potentially, anti-tumour properties. As part of these studies, investigators have been testing a new synthetic version of natural procyanidins, a class of flavanols, created and patented by the confectionery company, Mars Incorporated. (The company provided GECGC as a gift, and this project was funded in part by Mars Incorporated.)

In these studies, the scientists tested the effects of three different doses of GECGC on the cancer cell lines - the first time that a synthetic cocoa derivative has been used to screen human cancer cell lines. None of the doses tested were extreme, Kim points out. "The effective concentrations were considered similar to what a person might eat or use," he says.

They found sensitivity to GECGC in both colon cancer cell lines they tested, in cervical cancer cells and in one line of leukemia, tumour cells. Other cell lines were resistant, including ovarian and prostate cancer cells. Overall, GECGC showed the most effect in treating cancer cells that are normally fast growing, Kim says. And the fact that it demonstrated the most killing power in colon cancer suggests the chemical "could serve as a promising therapeutic for colon cancer," he says. "So far, these data are very convincing."

The researchers do not yet clearly understand the mechanism by which GECGC disrupts tumour growth, but they think it inhibits the physical connections between cancer cells and blocks internal cell signaling pathways.

Kim says that animal studies testing the anticancer power of GECGC are currently underway. "While this work is indeed promising, we have much more study to do before we can say with authority that GECGC has anticancer properties."

Study co-authors include the senior author Richard Pestell, M.D., Ph.D., from the Kimmel Cancer Center at Thomas Jefferson University; Maofu Fu, M.D., and Michael P. Lisanti, M.D., Ph.D., also from Thomas Jefferson University; and Xiaofang Wu, M.D., and Insun Song, Ph.D. from Lombardi Comprehensive Cancer Center.

The study was additionally funded by awards to Georgetown University Medical Center from the National Institutes of Health, a grant from the Pennsylvania Department of Health, and Dr. Ralph and Marian C. Falk Medical Research Trust. Adapted from materials provided by Georgetown University Medical Center.

Chocolate-potent anti-cancer agent

Times of India, India
16 Jun 2008



WASHINGTON: We have all heard that eating chocolate is good for you - now here's a study that tells you why.

A chemical synthesised out of a cocoa compound has accelerated the killing of human tumours in a lab environment, according to the study by Georgetown University researchers. The researchers described how four different tumour cell lines out of 16 tested sensitive to the chemical, known as GECGC. The strongest response was seen in two different colon cancers; growth was cut in half and most of the tumour cells were damaged. GECGC "seems to be safe... because it has a structure similar to a natural product in cocoa beans - the same beans that are used to make chocolate," said the study's lead author Min Kim.

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Overall, GECGC showed the most effect in treating cancer cells that are normally fast growing, Kim said. And the fact that it demonstrated the most killing power in colon cancer suggests the chemical "could serve as a promising therapeutic for colon cancer," he said. "So far, these data are very convincing."

The researchers do not yet clearly understand the mechanism by which GECGC disrupts tumour growth, but they think it inhibits the physical connections between cancer cells and blocks internal cell signalling pathways. The findings of the study have been published online Monday in the journal *Cell Cycle*.

Chocolate is the world's most popular flavour

Nova News Now, Canada

June 18th 2008

The proprietor of Ganong's chocolate company in St. Stephen, New Brunswick, said he ate a pound of chocolate a day. That amounts to 2,214 calories before food, but it doesn't seem to discourage chocoholics, who have an insatiable appetite for the world's most popular flavour.

Chocolate is head and shoulders above other confections, like sponge toffee, licorice, barley candy and peppermint, and the industry denies charges that it contributes to obesity while citing chocolate's many health-giving properties. It is a \$50 billion business, and holds its own through economic recessions and changing fads. Two things bring chocolate to mind at this moment. One is the unhappy closure of the Moir's chocolate company, once of Halifax and more recently of Dartmouth, and a new book about chocolate, *Chocolate, the Sweet History*, by Beth Kimmerle.

The flavour of chocolate and its many uses is threaded throughout thousands of years of history, and some of that history is our own. The Ganong company was once the largest producer of chocolate candies in Canada. And for many years the Yeaton trademark was seen on quality candy, including chocolates, from their manufactory in Hantsport.

I once worked in a grocery store in Wolfville where a large showcase was filled with bulk Moir's chocolates. Although they sold for 35 cents a pound, I had free access to them and gorged myself until finally I was no longer interested in them.

In the old days, chocolate producers had familiar family names – Cowan, Rountree, Fry, Cadbury, Hershey's, Nestlé and Neilson – many of them lost through the mergers over the years. Chocolate bars with names like O'Henry, Sweet Marie and Mars were popular. Laura Secord chocolates were a high class confection, wrapped in classy boxes as gifts on special days like Valentine's, Easter, Christmas and special dates.

Drank 50 cups of chocolate – a day!

Cocoa powder and chocolate are from the tropical tree called "cacao." It is a native of Central and South America, grows as high as 40 feet and has pod-like fruit resembling cucumbers. A full-grown coca tree produces annually about 6,000 pink blossoms directly on the trunk. About 40 per cent of these mature, and the average yield per tree is about two pounds of cured beans.

Montezuma, the last emperor of Mexico in the early 16th century, drank 50 cups of chocolate a day (milk and sugar were added over time to enhance the taste of the cocoa). The bean was also used as a currency by the Aztecs, as American Indians used strings of polished shells as money. It was Columbus, on his fourth voyage to the New World, who took cocoa beans back to Spain, where chocolate first became an important European commodity.

In London, a man opened a shop in 1657 where he sold solid chocolate, which only the wealthy could afford. Before the American declaration of independence, chocolates under the brand name "Baker's" was being milled in Massachusetts. (I always thought Baker's chocolate was the dark substance cooks used to make cakes and chocolate chip cookies, but the name actually derived from Dr. James Baker who, in 1794, befriended an Irish immigrant named John Hannon, who was a chocolate-maker. Dr. Baker set Hannon up as the first chocolate-maker in America. Many years later, the Baker firm was bought by General Foods and still later by Kraft).

Joseph Fry, an English physician, set up a company promoting the healthy properties of chocolate, and this company later merged with Cadbury's. Cadbury's were the sole supplier of chocolate to Queen Victoria.

In 1899, she sent half a million pounds of chocolate to the troops in South Africa during the Boer War. (After World War II ended, American troops in the American occupation forces became ambassadors of goodwill by handing out chocolate bars and gum to grateful children of liberated countries.) In 1923, Frank Mars created the Milky Way bar, with a nougat centre. Mars is now a \$14 billion company.

US largest producer, consumer now

The United States is the largest producer of chocolate products, and the largest consumer. Big names like Hershey and Lowney are known internationally. Milton Hershey offered chocolate bars for the masses for five cents, as Henry Ford had offered an automobile for every man who had a job.

In England, Rountree's was a big name in chocolate even before the war, and while it was hard to get a chocolate bar during food rationing – sugar was scarce – air force crews were furnished with a Rountree dark chocolate bar whenever they flew on

long missions. It was a great source of energy and the airmen appreciated the candy, although the chocolate often froze in the unheated aircraft, making it difficult to eat it. In 1988, Rountree's, in York City, was bought out by Nestlé's. Henri Nestlé was born in Germany in 1814. He was known for Nestlé's baby food and Nestlé's condensed milk. The Nestlé Company is today the world's largest producer of chocolate products.

Don't be afraid of the dark

A panel of local chocolate lovers challenge their taste buds

Columbia Daily Tribune, MO

By LYNN ISRAEL and Marcia Vanderlip of the Tribune's staff

June 18, 2008



Dark chocolate, once found only in the "baking supplies" aisles of American groceries, has found its way to prominence at the checkout counter. Nowadays, dark chocolate lovers fork over as much as \$6 for less than 2 ounces of chocolate containing 70 percent cocoa. The fact that the darker stuff is also good for your heart makes it all the more tempting and justifiable. So it's no wonder that even milk chocolate giant Hershey's has jumped on the way-darker-chocolate wagon with its own "Cacao Reserve" version.

We decided to test for ourselves how some of these darker bars measured up — including the Hershey's bar.

Last week, The Tribune invited food writers, chefs and card-carrying chocolate lovers to put their taste buds to the test, sampling eight chocolate bars with a 65 percent or higher cocoa content.

The bars came from manufacturers using their own, imported cacao beans grown in such places as Madagascar and Ecuador. One of the bars in this test, Patric Chocolate, is a hometown product by Alan McClure.



Another bar, Askinosie, is made by a small company in Springfield. The other bars tested were Green & Black's Organic, Chocolove, Cacao Reserve by Hershey's, Divine, Equal Exchange and Endangered Species. Each bar was rated in categories of aroma, appearance and flavor—with 1 being the lowest rating and 5 the highest.

Brand names were not revealed during the testing. There was no runaway winner in this sampling test. When the results were averaged, the overall winner was Hershey's — by a cocoa bean. Chocolove was a close second. And a higher cocoa content did not dissuade testers.

Dark chocolate usually contains more than 65 percent cocoa. The higher the cocoa content, the greater the nutritional value

In the flavor test, Chocolove and Endangered Species were rated slightly higher than Hershey's. Endangered Species contains 75 percent cocoa — the highest of the bars.

CACAO RESERVE, by HERSHEY'S



Percent cocoa: 65 percent

Price: \$2.33 for 3.53 ounces

Comments: "A nice shine ... a perfect balance of cocoa solids, cocoa liqueur and sugar and extremely smooth mouth feel and melting point" —Daniel Pliska

"Citrus kick with slight hint of marshmallow." —Brook Harlan

CHOCOLOVE



Percent cocoa: 70 percent

Price: \$2.59 for 3.2 ounces

Comments: "Head and shoulders above the rest. It had a come-hither taste."
—Jan Godfrey

"Dark, smooth and has just the right amount of sweet. I'm sold. This gets a permanent spot in my pantry." —Melinda Hemmelgarn

ENDANGERED SPECIES



Percent cocoa: 75 percent

Price: \$3.19 for 3 ounces

Comments: "The crushed cocoa nibs gave a pleasant texture contrast and natural cocoa bean flavor" —Daniel Pliska

"The color was especially good. I really enjoyed the cocoa nibs. The bitterness of the nibs counter balanced the richness of the chocolate" —Carri Risner

ASKINOSIE



Percent cocoa: 70 percent

Price: \$5.65 for 3 ounces

Comments: "Roasted cocoa with a slight crunch" —Brook Harlan

"Coffee, slightly gummy, roasted" —Carri Risner

PATRIC



Percent cocoa: 70 percent

Price: \$5.99 for 1.75 ounces

Comments: "Smelled very rich, had a nice bite and feel in the mouth. I tasted a beautiful kind of cherry finish as it lingered on my tongue." —Bernadette Dryden

"Strong cocoa with hidden sharpness and acidity" —Brook Harlan

GREEN & BLACK'S



Percent cocoa: 70 percent

Price: \$3.39 for 3.5 ounces

Comments: "Brute high in cocoa solids with a chemical aftertaste" —Daniel Pliska

"Smokey with herbaceous undertones" —Brook Harlan

DIVINE



Percent cocoa: 70 percent

Price: \$2.60 for 3.5 ounces

Comments: "A nice mouth feel and melting point, but a weak cocoa flavor"
—Daniel Pliska

"Thick, chewy and smooth with hint of nuttiness" —Brook Harlan

EQUAL EXCHANGE



Percent cocoa: 71 percent

Price: \$4.19 for 3.5 ounces

Comments: "Slightly fruity, with mellow cocoa tones" —Brook Harlan

"Floral, fruity" —Carri Risner

SCORING BREAKDOWN: (OUT OF 5 POINTS)

CHOCOLATE

	Flavor	APPEARANCE	AROMA
Chocolove:	3.5	3.3	3.8
Endangered Species:	3.3	3.7	2.8
Cacao Reserve:	3.2	4	3.5
Divine:	3.2	3	2.7
Askinosie:	2.8	3.8	2.7
Patric:	2.8	2.8	2.7
Equal Exchange:	2.3	3	2.8
Green & Black's:	2	2	2.8

Cocoa bean mulch in large quantities can be toxic to dogs

Cayman Net News, Cayman Islands

June 20, 2008

If your dog likes to spend his summer grazing in your garden, his treat-seeking nose may lead him to one danger in particular: the sweet-smelling, but potentially harmful cocoa bean mulch. Made of cocoa bean shells and considered desirable for its eventual degradation into organic fertilizer, this gardener's choice can be toxic to canines if eaten in large quantities—and some dogs have been known to eat amazing amounts!

In 2007, the ASPCA Animal Poison Control Center (APCC) handled 26 cases of cocoa bean mulch ingestion—a third originating in California. "Dogs are attracted to the fertilizer's sweet smell," says Dr Steven Hansen, ASPCA Veterinary Toxicologist and APCC Director, "but like chocolate, cocoa bean mulch can be too much for our canine companions."

Ingestion of large amounts of cocoa bean mulch, which contains residual amounts of theobromine—a methylxanthine found in chocolate and known to be toxic to dogs—may cause a variety of clinical signs. These typically start with vomiting, diarrhea and elevated heart rate, and if large amounts are consumed, they may progress to hyperactivity, muscle tremors and possibly other more serious neurological signs.

Treatment includes administering medical-grade activated charcoal, bringing tremors under control, cardiac monitoring and preventing further exposure. "One key point to remember is that some dogs, particularly those with indiscriminate eating habits, can be attracted to any organic matter," says Dana Farbman, APCC Senior Manager, Professional Communications. "Therefore, if you have a dog with such eating habits, it's important that you don't leave him unsupervised or allow him into areas where such materials are being used."

Production and Quality

Sao Tome and Principe: Cocoa is Sao Tome's main export in first quarter of 2008

Macauhub, China

16 June, 2008

Sao Tome,

Sao Tome and Principe,— Sao Tome and Principe netted some US\$463,000 from cocoa exports in the first quarter of 2008, which accounted for 97.8 percent of the country's exports in the period, according to the archipelago's National Statistics Institute (INE).

According to INE, cocoa exports saw a year on year increase of 0.9 percent between January and March of 2008, when considering nominal values in dobras, the Sao Tome currency. INE added that growth in value of cocoa exports (97.8 percent in the first quarter of 2008, against 97.1 percent in the same period of 2007) was due to the improved international price of the product.

In terms of quantity, there was a fall of 19 percent in the period with cocoa exports falling by 466 tons in 2007 to 283 in the first quarter of this year. As well as cocoa, Sao Tome also exported coconut. The list of buyers of Sao Tome cocoa in the period was headed by the Netherlands, which purchased US\$185,000, followed by Portugal, with US\$133,000 in the period.

The main exporters of cocoa on the Sao Tome and Principe archipelago are companies Agricom from the Agua-Izé plantation, in the south of Sao Tome, Sodeap, C.G.I, Bela Vista and Secabe. (macaclub)

Cameroon's weekly cocoa exports fall 68% on Excess Rainfall

Bloomberg

By Pius Lukong

June 16, 2008

(Bloomberg) -- Cocoa exports from Cameroon, the world's fourth-biggest producer of the chocolate ingredient, fell 68 percent last week as excessive rains hampered drying of the beans, the Cocoa and Coffee Board said.

Shipments from the country's main port of Douala fell to 102 metric tons in the week through June 15, from 321 tons in the same week a year earlier, the board said in an e-mailed statement from the city yesterday. Week-on-week exports declined 79 percent, it said. "It rained a lot last week making the drying of the beans difficult for farmers thereby affecting the quality," Richard Adzogo, an official at the board in charge of cocoa statistics, said in the statement. "Exporters are usually very reserved about cocoa harvested under rainy conditions. They prefer to suspend buying."

The average export price of cocoa rose to 1,224 CFA francs (\$2.86) a kilogram (2.2 pounds), from 1,153 francs the week before, Adzogo said. Cocoa for July delivery rose 12 pounds, or 0.8 percent, to 1,621 pounds (\$3,174) a ton on the Liffe exchange in London as of 11:07 a.m. local time.

Beans from Cameroon's western growing region sold at 920 francs a kilogram, from 862 francs a week earlier, Andre Lema, an official of the Cocoa and Coffee Interprofessional Council, said in a separate e-mailed statement from Douala.

Cocoa from the central region fetched 920 francs, from 861 francs a kilogram, while beans from the southern region sold at 910 francs, compared with 858 francs, the council said. Cameroon ranks behind Ivory Coast, Ghana and Indonesia as the world's biggest cocoa producers. *To contact the reporter on this story: Pius Lukong in Yaounde, Cameroon via the Johannesburg bureau at asguazzin@bloomberg.net.*

Cocoa farmers appeal to COCOBOD to enforce bonus payments

Accra Daily Mail, Ghana

By Administrator,

16-06-2008



Cocoa farmers at Duakwa and surrounding villages near Agona Swedru, have appealed to the Ghana Cocoa Board (COCOBOD) to direct Licensed Cocoa Buying Companies to release moneys meant for bonuses to cocoa farmers.

Opanin Kwaku Mensah, a cocoa farmer, told the Ghana News Agency (GNA) at Akim Oda that most of the farmers had not received their bonuses for cocoa beans sold at Duakwa for the 2005/06 and the 2006/07 main crop seasons. He said though the system for the disbursement of bonus was straight forward, the Purchasing Clerks (P/Cs) of the various societies (sheds), made it cumbersome for the farmers, especially the illiterate among them to understand the process for the payments.

Cocoa Farmers

Opanin Mensah said in the end, the farmer was cheated or given a fraction of his bonus. He said that since the bonus was only meant for the farmer, the government had to ensure that such huge sums of money was not misused by unscrupulous officials who had not worked for it or who did not have cocoa farms.

He expressed surprised that COCOBOD, who knew of such cases since long, still remained unconcerned about the plight of the farmers. When the GNA contacted Mr. Moses Ashmond, a P/C of the Cocoa Merchant Company at Duakwa, he could not disclose payments of bonuses made in respect of the 2005/06 and 2006/07 main crop seasons. He only stated that during that period, he was working with the Akuafio Adamfo Company and that the official who was in possession of the documents, which covered all payments, had left the district.

The farmers expressed surprise that COCOBOD should continue to throw moneys down the drain without putting in place transparent policies to check the P/Cs and other officials running the cocoa industry.

Ivory Coast's cocoa exports more than double in May (Update1)

Bloomberg

By Pauline Bax

June 17, 2008

(Bloomberg) -- Cocoa exports from Ivory Coast, the world's biggest producer, more than doubled in May. Shipments increased to 35,012 metric tons, compared with 14,496 tons a year earlier, according to data supplied by the ports of Abidjan and San Pedro today. Cocoa-product exports rose to 26,881 tons, from 24,810 tons a year earlier.

Exports from Abidjan increased threefold to 17,309 tons, while the western port of San Pedro shipped 17,703 tons, compared with 9,371 a year earlier, according to the data. Ivory Coast's mid-crop is collected from April through September after the main harvest is completed in February and March. The following is a breakdown of cocoa-product exports:

Port	Amount	
Abidjan	23,229	
San Pedro	3,652	
Total:	26,881	

Product:	Abidjan	San Pedro
Butter	5,362	--
Cake	2,976	201
Liquor	9,961	3,451
Powder	2,874	--
Unspecified	2,056	--
Total:	23,229	3,652

Ghana cocoa heads for strong Finish

Modern Ghana, Ghana

By Daily Graphic

17 June 2008

Cocoa purchases declared by Ghana's Cocobod, the regulator, reached 646,000 tonnes by May 29, reflecting a strong finish to the 2007/08 main season, an industry source has said. The accumulated purchases for the first 32 weeks of the 33-week season were up by 13.5 per cent on the 568,866 tonnes purchased in the same period last year, the source added.

Purchases for week 32 ending May 29 totalled 10,044 tonnes, up from 9,532 tonnes in the previous week and higher than 8,951 tonnes bought in the 32nd week of the 2006/07 main crop. This year's main season officially closed on June 5 but Cocobod continued to receive final returns on declared purchases until June 12, after which it started clearing storage space for the smaller light crop. The main season, which began in mid-October 2007, was initially forecast at 600,000 tonnes, up from 587,502 tonnes in 2006/07.

But hopes for a bigger production have risen in recent months with industry watchers predicting full-season output of 700,000 tonnes, including around 50,000 tonnes from the light crop. This compared with a light season last year of 27,000 tonnes. "The rains came at the right time and were well distributed in favour of light crop beans, some of which are already being bought," the industry source said. But he added: "Again, it's better to remain modest in order not to be overtaken by any unforeseen circumstances. So, for now, we are comfortable with the 50,000 (tonnes)."

The light season in Ghana accounts is made up of smaller cocoa beans usually processed by local grinding operations. This year's light season is tentatively scheduled to start on June 27. But it could be pushed back to July 4. "The critical requirement is the availability of funds to the licensed buying companies for purchases and this is what we are concentrating on right now," another industry official said. "Fortunately, some of them had made prior arrangements with the banks and the indications are that they will not have any problem handling the transition," he added.

Ghana has set itself an ambitious target to harvest at least 1 million tonnes of cocoa a year by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods. The country harvested 614,469 tonnes in the 2006/07 season, down from a record 740,457 tonnes the previous year.

Ghana main crop cocoa purchases up 13 pct

Source: Reuters

18/06/2008

Accra, June 17 - Ghana's 2007/08 main crop cocoa purchases as declared by private buyers to industry regulator Cocobod rose 12.9 percent year on year to 663,558 tonnes, a preliminary tally released to Reuters by an industry source on Tuesday showed.

The previous 2006/07 season's main crop in the world's second biggest grower totalled 587,502 tonnes. The 33-week season officially closed on June 5 but Cocobod continued to receive final returns on declared purchases until June 12.

The main crop, which began mid-October 2007, was initially forecast at 600,000 tonnes, but hopes for a bigger crop have risen in recent months as weekly cumulative purchases figures have pulled ahead of year-ago levels. Many in the industry have been predicting full-season output of 700,000 tonnes, including around 50,000 tonnes from the light crop which is tentatively scheduled to start on June 27.

Last year's light crop totalled 27,000 tonnes, out of a total harvest of 614,469 tonnes in the 2006/07 season, down from a record crop of 740,457 tonnes the previous year. Ghana has set itself an ambitious target to harvest at least 1 million tonnes of cocoa a year by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods.

Cocoa cultivation getting more popular in Tamil Nadu

DailyIndia.com, FL

By Jaya Kumar

June 18, 2008

Coimbatore : Cocoa cultivation is becoming increasingly popular with farmers in Tamil Nadu due to its rising demand across the country and abroad.

To meet the increasing demand of cocoa seeds, more and more farmers here are taking to cocoa cultivation as an "inter" crop along with coconut to double their incomes. "I am doing this coconut farming for the past 35 years. Few years ago, I came to know through my friend about the cocoa cultivation, which can be cultivated as an inter crop. In one acre, I had planted 192 plants. Now, I am getting three kg of cocoa seed per cocoa plant. We are selling all of it to the private buyers. I am earning Rupees. 45,000 per acre from cocoa cultivation," said O V R Somasundaram, a cocoa farmer.

To bridge the demand supply gap in cocoa seeds in the country, a major chocolate manufacturing company in the private sector has signed an agreement with the Tamil Nadu Agricultural University to identify the area for the production of cocoa and carry out other research associated with its increased yield. "Our purpose of tying up with Tamil Nadu Agricultural University is to carry out a region specific research in areas of Tamil Nadu where coconut is grown to give better planting material to the farmers so that their yields improve and their income improves. That is the reason for the tie-up, " said Magudapathy, Vice President, Cadbury India Ltd.

Acknowledging the tie up, Ramaswamy, Vice Chancellor of Tamil Nadu Agricultural University said that 5,000,000 rupees has been allocated for research. "They entered into agreement with Tamil Nadu Agricultural University to work on particularly identifying very high yielding varieties of cocoa, good quality of cocoa, cocoa, which is resistant to pest and diseases which comes under poor moisture and saline conditions. It is the responsibility of the university to identify these varieties and then promote along with cultural practices among the farmers," said Ramaswamy.

The cocoa industry's graph is slated to shoot up as the demand for cocoa products is expected to sharply rise in the coming future. Since cocoa requires 60 per cent shade to grow which is available under the coconut trees, Tamil Nadu is the most apt place for its production with more than seven hundred thousand hectares of its land devoted exclusively to coconut cultivation.

Cocoa is the chief ingredient in the making of chocolates, health drinks and even pharmaceuticals. The demand for cocoa has been increasing manifold in India. The present production of cocoa in India is around 10,000 tons meeting only half of the total demand of around 20,000 tons.

INTERVIEW-Ivory Coast targets lucrative organic cocoa market

Forbes, NY

By Ange Aboa

June 19, 2008

TOUMBOKRO, Ivory Coast, June 19 (Reuters) - A new research centre opening in Ivory Coast this month will encourage farmers in the top cocoa producer to grow organic beans, which trade at a hefty premium to standard cocoa quoted on world markets. Global sales of organic chocolate -- marketed to Western consumers as "guilt-free" -- rose 120 percent to just over \$400 million from 2002 to 2006, much of it grown in Latin America. But organic sales still make up less than 0.5 percent of the world chocolate market, leaving room for further growth.

Ivory Coast produces around 40 percent of the cocoa beans used to make chocolate, with an annual harvest of 1.2-1.4 million tonnes. At present a tiny proportion of that is grown organically -- without artificial fertilisers or pesticides. "We started small with production of around 50 tonnes a year, but it is now 100 tonnes and could in time rise to 400-500 tonnes," agronomist Andre Yao told Reuters at the heart of a 50-hectare organic nursery full of cocoa seedlings in Toumbokro. "At a national level, we should be talking 10 percent of our current overall production," said Yao, director of agriculture for the local authorities in the capital Yamoussoukro and an expert in organic farming methods.

This 2,100-ha plantation once belonged to Ivory Coast's first president, Felix Houphouet-Boigny. He invited poor farmers from drier neighbours Mali and Burkina Faso to carve out fields in his country's lush forests to grow cocoa, coffee and fruit, helping build one of West Africa's most prosperous economies. Now this tiny project could be the launch-pad for a new generation of cocoa farming thanks to a project which aims to develop organic farming methods and teach farmers how to grow organic crops, especially cocoa, on their own fields.

The project, called Agropole, is backed by Ivory Coast's ARCC regulatory body, the Coffee and Cocoa Bourse and other industry organisations, who are all keen to achieve the ambitious target of 10 percent organic production, Yao said. "We are thinking about how to free up the resources to do it, but in any case everybody is agreed we need to push ourselves to achieve that in the next five years," he said.

PREMIUM PRICES

In addition to a premium that Italian luxury chocolate maker ICAM SPA pays for its organic cocoa, Toumbokro is also Fair Trade certified, earning an extra 1 euro per kg of beans. "At the moment ordinary producers are selling beans at 400-450 CFA/kg (\$0.95-\$1.06). We are getting three or four times that price for organic beans," Yao said.

But despite higher prices, going organic is no easy option.

In order to be certified as organic, cocoa fields must be grown from scratch, without the chemical fertilisers and pesticides used to combat a range of insect and fungal infestations that attack cocoa trees each year. Instead, workers at Toumbokro crush the bitter leaves and seeds of certain trees growing in the forest to make a spray to discourage insects from attacking the cocoa trees.

Even preparing beans after harvest is more labour intensive than usual, with strict guidelines for stirring the beans as they ferment in wooden containers before being dried -- always avoiding direct human touch to minimise contamination. "What is important is the aroma and flavour, and for those we need to follow the strict instructions we have drilled into our workers, who have now changed their working routine. It has not been easy," said Yao.

Back in his Yamoussoukro office Yao proudly shows off bars of organic chocolate made from Toumbokro beans by ICAM SPA. "At first nobody believed we could do it. We've worked hard to get this far. Every time I eat this chocolate I'm proud." "Eventually, with Agropole, we hope to make our own organic chocolate here at the plantation and sell it," he said.

Until then, local people can only dream of tasting the rich, dark chocolate. At 15 euros (\$23) a 100-gram bar, ICAM is not even selling its chocolate here in Ivory Coast, where the official minimum monthly wage is 35,000 CFA francs (\$83). (For full Reuters Africa coverage and to have your say on the top issues, visit: <http://africa.reuters.com>)

Stakeholders in cocoa industry urged to achieve target

Joy Online, Ghana

Source: GNA

20 June 2008

Key players in the cocoa industry have been tasked to play their respective roles effectively towards achieving the one million tonnes cocoa production target by 2010. The target set by the management of Ghana Cocoa Board (COCOBOD) is to help Ghana reclaim her position as the leading cocoa producer in the world and increase foreign exchange earnings for the country.

Mr Mike Essuah, Plant Pathologist at Cocoa Research Institute, Ghana (CRIG) who made the call said achieving the target required diligence from stakeholders especially those at the grassroots. He was addressing a forum to sensitize supervisors of spraying gangs under the mass cocoa spraying exercise and chief farmers drawn from Asante Akim North Municipal and Asante Akim South District at Juaso on Wednesday.

The forum to sensitize participants on effective ways of spraying cocoa farms to ensure higher yield was sponsored by management of COCOBOD in collaboration with CRIG, Wienco, Dizengoff and Chemical Ghana Limited. Mr Essuah, who took the participants through modern ways of spraying called for effective collaboration between farmers and the spraying gangs to ensure all farmers were covered. He advised gang supervisors to endeavour to submit monthly reports on their activities to the district office to enable them identify challenges facing the exercise and address them appropriately.

Mr Abdul Karim Boakye-Yiadom, Asante Akim South District Chief Executive said the exercise had over the years increased cocoa production since its inception in 2001 and urged cocoa farmers to avail themselves of the exercise. He noted that the exercise was in line with the Ghana Poverty Reduction Strategy II (GPRS II), because cocoa farmers had contributed immensely to the national economy therefore government's commitment towards their farming activities.

Mr Boakye-Yiadom commended spraying gangs in the district for their dedication and urged them not to adulterate the chemicals for their personal gains to defeat purpose of the exercise. Mr Yaw Owusu Donkor, Asante Akim South District Director of Ministry of Food and Agricultural (MOFA) called for effective collaboration between the various stakeholders to ensure a successful exercise. He urged the sprayers to work closely with MOFA to achieve the target set by management of COCOBOD.

Cocoa purchases go up

Modern Ghana, Ghana

By Daily Guide - Daily Guide

20 June 2008



Ghana's 2007/08 main crop cocoa purchases as declared by private buyers to industry regulator Cocobod rose by 12.9 percent year-on-year to 663,558 tonnes, a preliminary tally released to Reuters by an industry source on Tuesday showed.

The previous 2006/07 season's main crop in the world's second biggest grower totalled 587,502 tonnes. The 33-week season officially closed on June 5 but Cocobod continued to receive final returns on declared purchases until June 12. The main crop, which began mid-October 2007, was initially forecast at 600,000 tonnes, but hopes for a bigger crop have risen in recent months as weekly cumulative purchase figures have pulled ahead of year-ago levels. Many in the industry have been predicting full-season output of 700,000 tonnes,

including around 50,000 tonnes from the light crop which is tentatively scheduled to start on June 27.

Last year's light crop totalled 27,000 tonnes, out of a total harvest of 614,469 tonnes in the 2006/07 season, down from a record crop of 740,457 tonnes the previous year.

Ghana has set itself an ambitious target to harvest at least one million tonnes of cocoa a year by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods.

"No chemical can combat swollen shoot virus" – Officer

Modern Ghana, Ghana

By GNA Akim Oda

17 June 2008

(E/R), June 17 GNA - Mr Albert Akomaning, Municipal Cocoa Officer in the Birim Central Municipality of the Eastern Region, has said no chemical had been found to combat the virus that caused the swollen shoot disease. The Municipal Cocoa Officer told the Ghana News Agency (GNA) in Akim Oda, that, the only way of combating the disease was to cut down diseased cocoa trees.

Mr Akomaning swollen shoot also attacked pepper and cassava, adding that swollen shoot was an airborne disease that reduced yields drastically. He appealed to cocoa farmers to allow the Cocoa Swollen Shoot Virus Disease Control Unit of the Ghana

Cocoa Board to fight the disease for them. He noted that years back, Oda and its surrounding towns and villages could boast of high cocoa production in the Eastern Region, whereas the trend had declined due to the swollen shoot disease. Mr Akomaning asked the farmers to adopt good agronomic practices urged them to spray their farms at the right time to increase their yield.

The Municipal Officer told the farmers to prune the branches of other trees that might disturb the cocoa tree and also to clear unwanted weeds on the farms. He said the pruning should be done during the rainy season to sustain the trees, because when done during the dry season the trees could die. Mr Akomaning advised that it was safer to pluck pod infected with "Anonom", the black pod disease, in the course of working on their farms.

The Market

Indonesia Cocoa prices hit 24-Year high, rains slow delivery

Source: Reuters

16/06/2008

Jakarta, June 13 - Soaring cocoa futures pushed Indonesian cocoa bean prices to their highest level in 24 years on Friday while rains in parts of cocoa-growing Sulawesi island slowed delivery, dealers said Friday. Sulawesi's fair-average cocoa beans were offered at 25,250-25,750 rupiah (\$2.71-\$2.76) a kg on Friday, up from 23,000-23,500 rupiah at the end of May as New York cocoa futures set contract highs at 28-year peaks on Thursday.

Spot ICE July cocoa settled up \$54 at \$2,971 a tonne, after trading as high as \$2,988 a tonne, a level last seen in early 1980. "This is the highest in 24 years for local prices. Concerns about a global supply deficit have lifted local prices and cocoa futures to multi-year highs," said Zulhefi Sikumbang, secretary general of the Indonesia Cocoa Association. "Our production doesn't have much impact on global prices," Sikumbang said.

Investment bank Fortis in a monthly report said last week it expected a third successive global cocoa deficit in 2008/09, projecting a slightly smaller shortfall of 21,000 tonnes, down from 29,000 tonnes in 2007/08.

Meanwhile, rains in cocoa-growing areas in Sulawesi island which supply 75 percent of Indonesia's cocoa bean output, have hampered delivery amid the main harvest season. Delivery of cocoa beans from plantations to Makassar, the capital of South Sulawesi province and a key port for Indonesia's cocoa beans exports, averaged 300 tonnes a day this week, falling sharply from around 700 tonnes a day at the end of May. "Rains hampered farmers from harvesting cocoa pods. It has also caused many cocoa pods to rot in the tree," said a cocoa trader in a local trading firm in Makassar. "The beans quality is not good because many cocoa pods contain flat beans," the dealer said, adding dealers still found plenty small beans measuring 120 beans 100 gram, above the national standard of 110 beans per 100 gram. Bean count is used to measure quality. Lower bean count indicates good quality cocoa bean.

The main harvest in Sulawesi normally starts in March, peaking in May-June and tapers off in July. The wet weather has sparked fears it may worsen the spread of vascular-streak dieback (VSD) -- a deadly fungal disease which attacks leaves, branches and trunks. The cocoa association has cut cocoa beans output from Indonesia, the world's third largest producer, to 500-520,000 tonnes this year from an earlier forecast of 570,000 tonnes.

Despite slowing delivery, overseas demand started flowing in although high prices have stirred little buying interest from local grinders. "With prices so high, I don't think grinders are interested in buying at the moment," another Makassar dealer said. But on exports, a vessel from Brazil is on the way to Makassar and is expected to load about 16,000 tonnes of cocoa beans, dealers said. Cocoa beans are sold to grinders for processing into butter and cake, which is later pressed into powder for making chocolate, cakes, beverages and ice cream.

Cocoa prices at over 20-year high

Reuters

By David Brough and Marcy Nicholson

June 18, 2008



LONDON/NEW YORK (Reuters) - Cocoa prices surged to their highest level in over 20 years on Wednesday, adding extra pressure to global food prices, after reports of a possible supply squeeze in the world's top grower, Ivory Coast. A report by independent analyst Hans Kilian, seen as bullish on Ivorian supplies, was the initial trigger for a fund and investor-driven surge in U.S. futures to a 28-year high of \$3,122 a metric ton.

In London, benchmark second-month cocoa futures hit a 22-year peak of 1,682 pounds (\$3,277) a metric ton, before closing at 1,658 pounds, up 33 in brisk volume of 5,641 lots.

Analysts said cocoa prices could rise further due to robust global demand and a tight supply outlook. "We haven't been at these nose-bleed prices in years," said Ralph Preston, futures analyst with HeritageWestFutures.com in San Diego. "Especially with that fundamental news coming out, that's going to really light a fire under this."

Jack Scoville, a vice-president for brokers the Price Group in Chicago, said the next key price target for second-month U.S. futures would be \$3,140 a metric ton. Benchmark ICE September futures settled up \$72, or 2.4 percent, at \$3,098 per metric ton, in dealings from \$3,050 to \$3,122, a high for the second-month dating back to February 1980.

Analyst Kilian, who is highly regarded in the cocoa market, has frequently moved cocoa futures prices with his West Africa crop reports, which he distributes to private clients only. Kilian reports on West African cocoa appeared to have sparked buying by a combination of investment funds and merchants in recent weeks, traders said.

Traders said on Wednesday they had heard Kilian had released a report on the Ivory Coast 2008/09 main cocoa crop and the conclusions were that there might be a supply squeeze. Kilian could not be reached for comment on the report. "If Kilian released a report raising concerns about next year's production, prices are going to go to the moon," Scoville said.

"THIRD DEFICIT IN A ROW"

London benchmark second-month futures surged past the previous peak of 1,650 pounds set in mid-February 1986. The next key target is 1,835 pounds, touched in October 1985. "If we have a third global cocoa deficit in a row, that's really worrying for the market," said Laurent Pipitone, senior statistician of the International Cocoa Organization (ICCO).

Based on an econometric model that strips out weather, the ICCO sees a small surplus of 71,000 metric tons in 2008/09, but that figure could easily be revised into a deficit if the outlook for West African main crop harvests deteriorates due to bad weather. The London-based ICCO sees a tight supply scenario, forecasting a global cocoa deficit of 41,000 metric tons in 2007/08 (October/September), after a 301,000 metric tons deficit in 2006/07.

In the meantime, demand for cocoa is growing steadily, with brightest prospects seen in the emerging Asian markets and eastern Europe.

The ICCO says the global stocks-to-grindings (demand) ratio stands at just 41 percent, a 22-year low, and is a key reason for cocoa's high price. Cocoa is the latest in a long list of food commodity prices to rise dramatically this year, adding to costs for the world's chocolate companies.

Confectionery groups Cadbury (CBRY.L: Quote, Profile, Research), Nestle (NESN.VX: Quote, Profile, Research) and Lindt (LISN.S: Quote, Profile, Research) declined comment on the surging cocoa prices. "Nestle has a purchasing strategy on all commodities that looks far in advance," a spokesman for the group said.

Among foodstuffs fuelling the surge in food price inflation, corn futures equaled a record high on Wednesday, bolstered by the worst floods in 15 years in the key U.S. Midwest growing region, while soybeans and wheat prices also advanced.

GLOBAL: Cocoa prices reach record highs

just-food.com (subscription), UK

Source: just-food.com

19 June 2008

Cocoa prices have climbed to their highest level in more than 20-years after concerns arose surrounding the quality and quantity of the crop from the Ivory Coast.

In New York, ICE September cocoa climbed to the highest level in 28 years after increasing 2.4%, or US\$73, reaching \$3,099 per tonne. While on the London market, ICE September cocoa futures reached a 22-year peak, increasing 1.7% to GBP1,653. The increased levels of trade came in the wake of a report by independent cocoa analyst Hans Kilian that raised concerns that the Ivory Coast crop has been damaged by insects and disease.

However, International Cocoa Organisation told just-food that it is too early to say whether the Ivory Coast's crop will be lower than expected. "It is a little early to conclude on the main crop in Côte d'Ivoire," a spokesperson for the cocoa body commented. "There are some signs that the crop will not be as large as anticipated."

In May, the International Cocoa Organisation predicted 2007-08 world cocoa production would total 3.74m tonnes and forecast a small supply surplus of 71,000 tonnes in 2008/09.

Kilian was unavailable for comment as just-food went to press.

Cocoa likely to test highs on Indonesian Disease

Source: Reuters

19/06/2008

London, June 19 - London cocoa futures edged lower early on Thursday on profit-taking but could soon push up beyond this week's 22-year highs on news of a serious fungal disease in Indonesia, traders said on Thursday.

One London trader expressed surprise that the market had failed to react immediately to news of the Indonesian disease given the importance of the Southeast Asian archipelago as the world's third largest cocoa grower.

The market looked poised technically to trigger new buy stops above Wednesday's peak in the benchmark second-month contract of 1,682 pounds a tonne, he said. "Previous highs are almost irrelevant now. We could be looking at big numbers, like 2,000 pounds," he said.

The second month touched 1,835 pounds in October 1985. "There's no reaction from the market yet. The Indonesia news has just come out. But that's a major thing and prices can potentially go higher," said another cocoa futures trader.

More than 60 percent of cocoa plantations in Indonesia's main growing island of Sulawesi have been infected with vascular-streak dieback (VSD), which threatens output and affects quality.

ICE September cocoa futures were down \$4 or 0.13 percent to \$3,094 a tonne at 0900 GMT.

Cocoa prices surged to their highest level in over 20 years on Wednesday, adding extra pressure to global food prices, after reports of a possible supply squeeze in the world's top grower, Ivory Coast. A report by independent analyst Hans Kilian, seen as bullish on Ivorian supplies, was the initial trigger for a fund and investor-driven surge in U.S. futures to a 28-year high of \$3,122 a tonne.

Cocoa: The Sweetest Trade

Trading Markets (press release), CA

By David Goodboy

June 18, 2008

Sweet chocolate is one of the most favorite candy products worldwide. It has mass appeal to both the young and old in all cultures and regions. Some even claim that chocolate has health benefits and may even be an aphrodisiac. Cocoa is the active ingredient in chocolate and is an actively traded commodity. This article will talk about how you can add cocoa to your trading portfolio and why right now is an ideal time to consider trading it.

Cocoa is traded on the ICE exchange and the contract is priced based on the physical delivery to any of five United States delivery points. Each contract represents 10 metric tons of cocoa and the ticker symbol is CC. The contract months are March, May, July, September and December and it's traded electronically.



The tick size is \$1.00 per ton or \$10.00 per contract with no exchange imposed price limits. ICE imposes fees of \$1.75 per side on screen-based transactions to non-exchange members and the margin required is \$2660.00 initial and \$1900.00 per contract to maintain the position. As is normal in the future markets, exchange members need to post less margin. In the case of cocoa, members margin is 1900.00 per contract to initiate and maintain a single contract position.

The technical and fundamental picture for cocoa appears extremely bullish right now. Fundamentally, demand is out-pacing supply. Fortis Bank is reporting that demand will out-pace supply by a huge margin of 29,000 metric tons and the International Cocoa Organization stated that they expect a deficit of around 41,000 tons for this season, per Bloomberg. Cocoa is up 61% in 2008 so far and has risen to the highest price since 1979 on the supply concerns.



Technically, cocoa has taken out the March highs and has been in a strong uptrend since April. As you can see from the daily chart, price is hugging the upper Bollinger Band and RSI is indicating an overbought condition.

Remember in a strong bull trend, markets can remain in an overbought condition longer than most people believe possible. The contract has hit new highs over the last six trading sessions and appears to be on track for additional highs. David Goodboy is Vice President of Marketing for a New York City based multi-strategy fund.

Cocoa falls from highs despite Indonesia disease

guardian.co.uk, UK

By David Brough and Chloe Fussell

June 19 2008

LONDON, June 19 (Reuters) - Cocoa futures slipped on Thursday from their highest levels in more than 20 years despite news of a fungal disease in major grower Indonesia, and analysts said the market was vulnerable to further falls. Dealers said the news from Indonesia, the world's third largest grower, was likely to provide support for cocoa prices and prevent deeper losses.

ICE September cocoa futures were down \$3 or 0.1 percent to \$3,095 a tonne at 1147 GMT. London September futures fell 11 pounds to 1,647 pounds a tonne in subdued volume of 1,526 lots.

London cocoa prices surged to their highest level since 1986 on Wednesday, adding extra pressure to global food prices, after reports of a possible supply squeeze in the world's top grower, Ivory Coast.

News broke on Thursday of a widespread incidence of vascular-streak dieback (VSD) in Indonesia, which attacks leaves, branches and trunks and was spreading rapidly in the provinces of South, Central and Southeast Sulawesi. The provinces account for 75 percent of Indonesia's cocoa output. "Even though we're getting this supportive news coming out, there is bound to be a move lower. The market has rallied too far too fast," said Abah Ofon, soft commodity analyst at Standard Chartered Bank in Dubai. "Although the news is bullish, what it might achieve is reduce any short term fall," he added. "The move so high in cocoa was probably overdone. We were looking for it to move anyway but what we've seen this last week was too strong."

Another analyst, who asked not to be identified, said a statement by Indonesian industry outlining the impact of VSD would heighten the market's awareness of the issue. "Some of the market would have known already," he said. "I think people are much more sensitive to news from West Africa than news from Indonesia."

A report by independent analyst Hans Kilian, seen as bullish on Ivorian supplies, was the initial trigger for a fund and investor-driven surge in U.S. futures to a 28-year high of \$3,122 a tonne on Wednesday. Indonesia's cocoa output will fall at least 7 percent to below 500,000 tonnes this year due to the incidence of VSD in Sulawesi, the head of the country's cocoa producers' body said. The VSD is another blow to the cocoa industry in Indonesia, which has been battling another disease, cocoa pod borer, since the 1980s. Pod borer is a worm-like pest which feeds on cocoa beans.

Business & Economy

Cadbury looks to boost growth with Chocolate Gum

Source: Reuters

16/06/2008

London, June 14 - Chocolate-flavoured gum is the latest product the world's largest confectionery group Cadbury Plc has dreamed up in Britain to keep chewing into the near-stranglehold arch-rival Wrigley once had on the market.

The London-based confectioner will launch its Trident Sweet Kicks next month as a chocolate product for "indulgence without the guilt" as it hopes to build on the 10 percent gum market share it has carved out in Britain over the last 18 months.

Cadbury introduced Trident to British gum chewers in January 2007 in a market 98 percent controlled by Wrigley and helped drive Britain's 280 million pound (\$545 million) gum market up 16 percent in the year and put Wrigley on the backfoot.

Now Cadbury is using its two biggest businesses - chocolate and gum - to produce a mint gum with a liquid-filled chocolate-flavoured centre that will hit shops in Britain along with other new Trident flavours on July 14. "The product gives a chocolate hit at the start then a long lasting mint flavour thereafter," Trevor Bond, head of Cadbury's Britain and Ireland region, told Reuters ahead of the launch. Bond added the new gum will be sugarless like other Trident products and have a similar 5 calories per pellet as other Trident gums such as its top-selling Strawberry & Lime.

Cadbury is cautious about predicting further market share gains for chewing gum which now accounts for 35 percent total sales at Cadbury, better known for its Dairy Milk chocolate. "We are clearly ambitious and would like to do more after we have turned the category into growth in Britain," said Matt Shattock, head of Cadbury's region covering Britain, Ireland, the Middle East and Africa.

The British gum market fell 4 percent in 2006 before Cadbury entered, but the success of Trident the following year helped it become the world's top gum brand ahead of Wrigley's Orbit. Growth has slowed to 7.5 percent in the 12 months to June, but Cadbury says all that growth has come from itself despite new Wrigley products, while the British group sees more growth as gum accounts for just 7 percent of the confectionery market compared to 10 percent in the United States and Australia.

Cadbury is spending 10 million pounds this year behind Trident which includes the chocolate-flavoured launch and three other Trident Fresh peppermint, spearmint and lemon flavours. Last month, Cadbury reported a strong start to 2008 and predicted its worldwide sales will top its 4 to 6 percent target range helped by continued strong growth in gum worldwide. Competitive pressures on Cadbury are set to increase after privately-owned Mars agreed to buy Wrigley for \$23 billion in April in a deal that will join together the world's biggest chocolate and gum makers and knock Cadbury off the top spot in world confectionery when the deal closes.

Hershey sees more commodity costs pressures in 2009 - business

Reuters

By Brad Dorfman,

June 17, 2008

CHICAGO, June 17 (Reuters) - Hershey Co (HSY.N: Quote, Profile, Research, Stock Buzz) expects to continue to feel pressure from rising commodity costs in 2009, even as it increases marketing spending to try to boost sluggish sales. "We expect 2009 to be another trying year for us with respect to input costs," Chief Executive David West said during a meeting with analysts in New York.

The company has been hurt by soaring prices for cocoa, energy and other commodities. Hershey has been overhauling its supply chain in an attempt to reduce costs. "We will continue to take an aggressive look at our cost structure," West said, adding that the company is also working to reap higher net prices from its products.

Chocolate, the latest thing in cheese platter crackers

Courier Mail, Australia

David Costello

June 17, 2008

CRACKERS are savoury and a chocolate crunch variety doesn't sound quite right. But dessert crackers have arrived from Tucker's Natural in Adelaide. These are made by mixing cocoa through the dough before baking. The biscuits baked by Sam Tucker and his people are not like anything else on the market. They are long wedges with a crisp finish that look good on a cheese plate.

The best and most eye-catching way to use the chokky ones is to place them in a stack with scoops of ice cream and a garnish of nuts and berries. You can use the imagination here and combine vanilla and chocolate dollops with raspberries and blueberries. Because the sweetness is quite subtle they are also fine to have with cheese, fruit or even by themselves. The crackers will be available in Woolworths supermarkets from this week.

EQUAGOLD in New Zealand keeps doing neat things with vanilla. Ross and Dianne Appleton have come up with a vanilla paste that really packs a punch. It is made using vanilla seeds, ground vanilla, vanilla extract and sugar and looks good on a creme brulee thanks to the tiny seeds.

The intensity comes from the fact no thickeners or gums are used. A little goes a long way with one-quarter of a teaspoon equal to one vanilla pod. Ross Appleton says the paste can be rubbed into a salmon fillet before baking. Mix it into strawberry jam or cream for a taste boost.

Equagold has also released an "Ultimate Indulgence" drinking chocolate which is processed in Holland from West African cocoa beans. This comes with a 15ml bottle of vanilla "pulse" and you can add a few drops to each cup. Appleton says the Aztec civilisations of Mexico treasured drinks with chocolate and vanilla. The Equagold products are widely available in Queensland. For more information, check out the website.

SIMONE Jacques of Dukes Deli at Sunshine Beach always seems to have interesting new stuff on her shelves. She showed us a range of James Road chocolate products from Lobethal in the Adelaide Hills. Their combination of chocolate and dried oranges is terrific.

Some Fossicking friends tested out a packet of fudge cookies and found the combination of cashews and chocolate with the subtle inclusion of raisins very appealing. The kids will enjoy Two by Two organic biscuits from Britain. Each pack features a pair of fable characters - the toffee bikkies have the hare and tortoise while the vanilla ones are shaped as owls and pussycats. The handmade biscuits are light and buttery and have no artificial additives.

Check Out Line: Inflation crimps consumer companies

Tags: Shop Talk, Best Buy, chocolate, economy, food prices, gasoline prices, Hershey

Reuters UK, UK

By Ben Klayman

June 17th, 2008



Check out how high gas and commodity costs are crimping Hershey and Best Buy.

Chocolate maker Hershey cut its long-term earnings growth target and said it would boost advertising as it moves to reverse falling profits.

However, the largest U.S. chocolate company, which is meeting with analysts, said the pressures it faces — soaring prices for cocoa, energy and other commodities — remain the same. “We expect 2009 to be another trying year for us with respect to input costs,” Chief Executive David West said. The price of oil has surged to \$133 a barrel and that has pushed up costs across all industries.

The government said rising energy prices sent producer prices — a gauge of costs at the farm and factory gate — up a bigger-than-expected 1.4 percent in May. Housing starts fell in May to their lowest level in more than 17 years as that industry grapples with the subprime mortgage meltdown.

Meanwhile, consumer electronics retailer Best Buy reported a lower, but better-than-expected quarterly profit thanks to market share gains in TVs, computers and video games. Like all retailers, Best Buy has faced slowing consumer spending due to rising gasoline and food prices, as well as the U.S. housing slump.

DJ ED&F Man restructuring Cocoa Desk, Reviews HQ Location

Trading Markets (press release), CA

By Sarah McFarlane, Dow Jones Newswires;

June 18, 2008

LONDON, Jun 18, 2008 (Dow Jones Commodities News via Comtex) -- LAJOF | Quote | Chart | News | PowerRating -- ED&F Man Holdings is restructuring its cocoa business and reviewing the location of the operation's headquarters, the company's chief executive of cocoa, John Laing, said Wednesday.

The company's cocoa business includes trading on the futures markets and research and analysis. It is currently headquartered in London. "We are in the middle of a restructuring," which is due to complete in the next couple of months, Laing said.

However, London cocoa market participants said that ED&F Man is closing its London cocoa operation and starting a downsized version in an alternate European location. "I've heard they will cease trading cocoa in London and New York and are looking to substantially downsize their (cocoa) operations, basing themselves in another European location by year end," a London-based broker told Dow Jones Newswires.

2nd UPDATE: Cadbury 2Q Sales rise 7%, sees slower 2nd half growth

CNNMoney.com

By Michael Carolan of Dow Jones Newswires

June 19, 2008

LONDON -(Dow Jones)- Cadbury PLC (CSG) Thursday said it was confident it would meet full-year expectations after growing second-quarter sales above its targets, though it said growth in sales and margins would be weaker in the second half of the year.

The maker of Dairy Milk chocolate and Trident chewing gum said that comparable sales in the second quarter would be "modestly higher" than the 7% reported for the first quarter. The company has a target for growing confectionery sales by 4% to 6% a year. Good progress had also been made on margins, with growth of "at least 150 basis points" expected despite increased marketing investment. "Overall, while we expect some bias in revenue and margin growth toward the first half, we remain confident of a successful outcome for 2008," said Chief Executive Todd Stitzer in a statement.

Investec analyst Martin Deboo said the update was in line with his expectations, while the guidance of a second-half slowdown is not unreasonable given the tougher comparatives last year. By 0725 GMT, the shares were up 7 pence, or 1%, at 632 pence in a flat London market.

The update is Cadbury's first as a standalone confectionery company. Cadbury split from its American Beverages division last month. The division - now called Dr Pepper Snapple Group (DPS) trades on the New York Stock Exchange. Chief Executive Todd Stitzer said on a conference call with reporters that the new Cadbury was off to a very good start with strong revenue momentum and good progress on margins.

The company said the slower rates of growth expected in the second half of the year were a result of tough comparative figures from the second half last year and a second-half weighting of commodity cost increases - which are expected to be in the 5% to 6% range for the full year. The reiterating of the input cost guidance was reassuring to the market given the recent spike in cocoa prices.

Cocoa prices hit their highest level in more than 20 years overnight Wednesday on reports of a possible supply squeeze in Ivory Coast. Finance Director Ken Hanna said on the call that he was comfortable with the full-year guidance on commodity costs. "We don't buy an awful lot of cocoa from the Ivory Coast," he said. Cadbury buys most of its cocoa from long-term partners in Ghana. Hanna admitted, however, that if the problems persist, the entire industry could be impacted in 2009. The higher second-half costs were largely related to the higher oil price, said Hanna. Oil prices impact energy, transport and packaging costs for Cadbury.

CEO Stitzer said the company had raised prices to some extent in all of its territories around the world to recover higher input costs. Price rises have averaged between 5% and 6%, he said. The company's shares are trading at similar levels to their post-demerger price. They had initially risen on consolidation hopes, though those hopes have now subsided somewhat. The

speculation followed news that Mars Inc. of the U.S. was buying gum maker Wm. Wrigley Jr. Co. (WYJ) in a \$23 billion deal.

Analysts have long speculated that a merger between Cadbury and U.S. rival Hershey Co. (HSY) would be a good fit. The two have discussed a possible combination a number of times, though Hershey's 78%-owners - The Hershey Trust - has always been reluctant to relinquish its controlling stake in the company. Cadbury is also seen as a potential target of Kraft Foods Inc. (KFT). "We don't feel we have to do a deal," said Stitzer. "We have a tremendously broad and deep portfolio," he added, we're focussed on making our model work very well."

The move to spin off the drinks division was prompted by news early last year that U.S. activist investor Nelson Peltz had taken a stake in Cadbury.

Rising chocolate consumption boosts demand

Fort Worth Star Telegram, TX

By WILLIAM BI

June 20, 2008

China's chocolate consumption is increasing 10 to 15 percent a year as living standards rise, buoying demand for cocoa, a consumer market research firm said. "Chinese consumers are demanding higher and higher quality products," which generally contain more cocoa, said Song Songyun, vice general manager of Beijing-based Sinomonitor International, citing the firm's annual study on China's consumer market and med- ia.

Tightening supplies from Africa and growing demand for chocolate in countries like China and India, where disposable incomes are rising, have helped cocoa climb in London this week to its highest since at least 1989. In the first four months of this year, China's imports of cocoa beans rose 13 percent to 15,543 metric tons, while imports of cocoa powder gained 22 percent to 6,342 tons, according to data provided by Beijing Orient Agribusiness Consultant Ltd.

Most Chinese chocolate products sold, worth about \$2.9 billion a year, are in the medium to lower range of the market, containing less cocoa, Song said. He added that China's per capita chocolate consumption ranks very low. "This is a big potential market. Chocolate is becoming important in gift items in China, like for Valentine's Day, Spring Festival and lucky candy for newlyweds," Song said.

Cocoa, heading for its best annual performance since 2001, has gained 59 percent this year on speculation that crops in Ivory Coast, the world's biggest grower, are threatened by disease.

The UBS Bloomberg Constant Maturity Commodity Index of 26 raw materials has climbed 28 percent. Cocoa for July delivery settled little changed Thursday at \$3,278 a ton on the Liffe exchange in London.

Hungary: Nestle's acquisition of Kraft Foods' Balaton Chocolate gets approval

Source: FLEXNEWS

20 June 2008

The Hungarian Competition Office (GVH) yesterday approved the sale of popular chocolate brand Balaton by Kraft Foods to Nestle. The GVH said that further to the acquisition, Nestle's share of the Hungarian confectionery market would not go over 20%. No financial data on the deal were disclosed.

The divestment of Balaton by Kraft Foods was one of the conditions set by the EU competition authorities for the US firm to buy the biscuits and cereal snack unit of France's Danone back in November last year, according to reports on FLEXNEWS.

Nestle Hungaria Kft. runs 4 plants and employs over 1,300 people. Its net sales volume increased by 8.1% year-on-year and reached 83 billion forints (330.5 million euro) in 2007.

Ivory Coast cocoa farmers miss high prices

Happyghana.com, Ghana

June 20, 2008

ABIDJAN/NEW YORK (Reuters) - An unusually harsh harmattan -- a seasonal cold, dry wind that carries clouds of dust from the Sahara -- was the first sign of trouble for West African cocoa farmers. This was followed by a drought, described as the worst in living memory by farmers in parts of top grower Ivory Coast, cutting the supply of their main crop beans short well before the end of the season.

About 70 percent of the world's cocoa, chocolate's key ingredient, is grown in West Africa, much of which is deeply impoverished. Cocoa prices have risen sharply, hitting four-year highs, because of the expected shortage due to poor rains and below-average production.

But even if prices are rising, most farmers in Ivory Coast are unable to cash in on the bull market. Many don't have any cocoa to sell. "Poverty will increase because farmers will have gone nearly six months without selling cocoa beans. They'll only start getting cocoa in July, if they are lucky," said a manager at the Kavokiva cooperative in Daloa, Ivory Coast. "The farmers have not profited from the rise in prices because they have had no cocoa for three months," said farmer Magloire Gnankan in the outskirts of the western town of Daloa.

Stiff competition between buyers for scarce beans as the October-March main crop limped to a close pushed farm gate prices in some areas over 500 CFA francs (\$1.03) per kilogram -- well above the prices they fetch in an average season. "When we had cocoa, the best price was 300 CFA francs per kilogram. When the cocoa was gone, the prices rose as high as 500," said Gnankan.

Cadbury prepares for soaring prices

Financial Times, UK

By Jenny Wiggins, Consumer Industries Correspondent

June 20 2008

Cadbury warned it could keep raising confectionery prices to counter soaring oil and cocoa costs even as it delivered a strong trading outlook. The maker of chocolate bars has increased prices by 5 to 6 per cent globally in the first half of the year to recoup higher commodity costs and Todd Stitzer, chief executive, said more rises may be necessary. "If we feel commodity costs require further price increases, we'll consider those," he said.

Cadbury's trading update yesterday was better than expected, with the company telling investors profit margins for the first six months of 2008 would rise by "at least" 150 basis points. That compared with a profit margin decline of 30 basis points in the first half of last year. Michael Steib, an analyst at Morgan Stanley, said the update was "encouraging". Cadbury said sales growth would be above a target range of 4 to 6 per cent in the same period. But it warned commodity cost growth, running at between 5 and 6 per cent, could accelerate in the second half of the year, leading to weaker revenue and margin growth. Cadbury profit margins rose 80bp in the second half of 2007, creating a tough comparison for the second half of this year.

Ken Hanna, chief financial officer, said higher oil prices would add to transport, packaging and energy costs in the second half of the year. "Dairy and oil are the two big swing factors," he said. Cadbury had taken account of the recent surge in cocoa prices before yesterday's trading update, Mr Hanna added. Cocoa prices have risen more than 50 per cent this year to more than \$3,000 a tonne in New York, amid concerns of a poor crop from the Ivory Coast, the world's biggest cocoa producer. Cadbury gets most of its cocoa from Ghana. Mr Hanna said the impact of a poor Ivory Coast crop on Ghana would not be clear until Ghana harvested its own crop in September. "Until that harvest comes in, the supply-demand equation will be uncertain." Cadbury shares rose 3p to 628p.

FT Comment

* It is heartening to see Cadbury providing hard data on margin forecasts instead of generalising about "meaningful" progress, as it has done in the past. Its move to cheaper headquarters in west London on Monday shows it is serious about cutting costs, and it is continuing to innovate, developing a new chocolate-mint chewing gum for the British market. But like other food companies, it faces a challenging year as agricultural raw materials and oil prices keep rising. With its share price trading at 21.5 times expected 2008 earnings, Cadbury is more expensive than other food companies. This is reasonable, as long as it delivers on those more detailed forecasts.

Labour Issues

CSR News from: World Cocoa Foundation

The Africa Society of the National Summit on Africa and World Cocoa Foundation Honor Two West African Women for their dedication to Child Labor Issues in Cote d'Ivoire and Ghana

CSRwire.com (press release)

June.16.2008

(CSRwire) WASHINGTON, DC,. - June 16, 2008 - The Africa Society of the National Summit on Africa and World Cocoa Foundation (WCF) paid tribute on Monday, June 16th to Akosua Frema Osei-Opere of Ghana and Amouan Acquah Assouan of Cote D'Ivoire, whose efforts on behalf of child labor have led to historic governmental and social change in their region.

At an event held in Washington, D.C., Mrs. Frema and Madam Acquah were honored for having led their countries in the development of policy initiatives and timelines that would end the worst forms of child labor. Mrs. Frema was introduced by

his Excellency Ambassador Dr. Kwame Bawuah-Edusei of the Republic of Ghana and Madam Acquah was introduced by Deputy Chief of Mission Christophe Kouakou. The Monday event was attended by leaders from the U.S. Department of State, U.S. Department of Labor, Congress, non-governmental organizations, WCF member companies, and other dignitaries.

As part of today's recognition event, Mrs. Frema and Madam Acquah each received a financial donation to the charities of their choice courtesy of The Africa Society and World Cocoa Foundation. Mrs. Frema chose Child Rights International for their leadership in protecting the rights and improving the lives of children while Madam Acquah selected the Fraternite Sans Limite for designing a health care program that addresses community and hazardous work activities. These needs were identified during Cote d'Ivoire's certification pilot data collection efforts in July 2007 and illustrate how cocoa certification is making a difference.

Currently, Mrs. Frema serves as the Deputy Minister of Manpower, Youth and Employment for the Republic of Ghana, Member of Parliament since 2005, and Director of the National Program for the Elimination of the World Forms of Child Labor in Cocoa. Formerly, she held senior positions for more than ten years with ActionAid Africa and SNV/Netherlands Development Organization. She has also served as an economic development consultant for United Nations programs in Malawi and Nigeria.

Madam Acquah is the Executive Secretary of the Child Labor Monitoring System Cocoa Certification and Special Advisor to the Prime Minister for the Republic of Cote D'Ivoire. Since May 2004, she has been twice appointed as the Director of Cote D'Ivoire's Cocoa Task Force, formed to combat child labor in Cote D'Ivoire's cocoa sector. She was formerly the Special Advisor in charge of Cocoa Certification.

About The Africa Society

The mission of The Africa Society is to be the premiere entity that engages and educates Americans about Africa and to create, through partnerships a better understanding of its peoples, diverse cultures, histories and economies. For more information about The Africa Society, visit: <http://www.africasummit.org>.

About the World Cocoa Foundation

Established in 2000, the World Cocoa Foundation is a leader in promoting economic and social development and environmental stewardship in 15 cocoa-producing countries around the world. With nearly 70 member companies from the Americas, Europe, and Asia, the Foundation actively supports a range of farm-level programs harnessing sustainable agriculture practices to improve the quality of life for the millions of smallholder farmers growing this unique crop. For more information about the World Cocoa Foundation, visit: www.worldcocoafoundation.org. For more information please contact: Susan Smith (703) 790-5750

US/EU: Cocoa industry reports on progress of Protocol

just-food.com (subscription), UK

18 June 2008

A coalition of confectionery groups has said it is on target to meet the terms laid out under the so-called "Harkin-Engel Protocol", aimed at addressing the worst forms of child labour and forced adult labour in West African cocoa cultivation.

Various groups in the US and EU, including the National Confectioners Association in the US (NCA) and the EU Association of the Chocolate, Biscuit & Confectionery Industries (CAOBISCO), have committed to the Protocol.

Under the terms of the Protocol by 1 July 2008, both Côte d'Ivoire and Ghana will have a certification data collection process in place across an area that produces at least 50% of their cocoa; both countries will have released reports, based on data collected from the above process, that provide a frank, detailed assessment of labour conditions (and related issues) on cocoa farms and in cocoa farming communities; industry will have substantially exceeded the US\$15m financial commitment it made in 2005 funding a wide range of programmes to help cocoa farming families and to support the implementation of certification; and an independent verification effort will be in place and active - with independent verifiers on the ground in West Africa evaluating survey findings and visiting cocoa farms.

The coalition confirmed that all these stipulations would be met by the 1 July deadline, with the exception of the setting-up of the independent verification system, which will not be fully completed until the end of the year.

The data collection element of the certification process is being undertaken by the two producer country governments. Joanna Scott, a spokesperson for the cocoa industry in Europe, said that the coalition expected the reports to be published by those governments on or before the 1 July deadline.

In a statement, Representative Eliot Engel, who along with Senator Tom Harkin pushed for the setting-up of the Protocol and the International Cocoa Initiative (ICI), which runs programmes in the producer countries aimed at tackling child and forced adult labour, expressed satisfaction with the progress that had been made.

"During my recent trip to Ghana and Cote d'Ivoire, I was impressed by the work being done by the International Cocoa Initiative (ICI). The ICI is not only sensitising communities about the hazards of child and forced adult labour, but is also working to promote the important role of quality education in childhood development," Representative Engel said. However, he called for the work of the ICI to be scaled up in order to build on the progress that had been made. "If we are to make real progress in eliminating the worst forms of child labour and forced adult labour in the cocoa industry, I believe that the ICI must now substantially scale up its efforts in both Ghana and Cote d'Ivoire. I look forward to working with all of the stakeholders to ensure that ICI efforts are deepened over the next year."

Senator Harkin said he was hopeful that the industry would "redouble its efforts to increase its contributions to the ICI to effectively deal with remediation needs".

In the next two to three years, further commitments on the part of the cocoa industry are to include working with the governments of Côte d'Ivoire and Ghana to have a sector-wide independently verified certification process fully in place across each country's cocoa-growing sector by the end of 2010; working closely with and assisting the governments of Côte d'Ivoire and Ghana as they target and coordinate remediation efforts, based on the results from the certification data reports; deepening corporate support for the ICI as the foundation expands to additional communities in Côte d'Ivoire and Ghana; and further strengthening government capacity at the national level, and educating key stakeholders in the cocoa supply chain on safe, responsible labour practices.

Cote d'Ivoire averts threat to commercialisation of cocoa

Afrique en ligne, France

Pana

20/06/2008

The Centre for Government Information and Communication (CICG) and the Centre for Monitoring Child Labour in Cocoa Production Thursday announced the threat that loomed over the commercialisation of Cote d'Ivoire's cocoa had been averted.

The PANA reports the announcement was made at a joint press conference by the Director of CICG, Mrs. Anne Marie Konan-Payne, and the Executive Secretary of the CMCLCP, Mr. Youssouf Ndjore. "On 16 June 2008, two senators, Harkin and Engel, made a joint statement indicating that Cote d'Ivoire's efforts to ensure the country's cocoa production certification process was seen as a problem of development, yielded positive results. "The country is grateful its effort in this regard has finally paid off," the CICG director said.

Since 2004, a steering committee of the CMCLCP undertook some steps in order to avert the threat hovering over Cote d'Ivoire from 1 July 2008. The international workshop, held here from 10 to 12 June, with the theme "Cote d'Ivoire's Cocoa Production Certification Process - a development factor", also played an important role.

According to Mr. Ndjore, the workshop enabled Cote d'Ivoire to outline four years of working on the document, studying its flaws and considering its prospects. "All representatives of the cocoa sector participated in the workshop. International participants included consumer nations, the International Cocoa Organisation and other producers. National participants included producers, government establishments and other stakeholders," Ndjore said.

Cote d'Ivoire is the number one producer of cocoa in the world. "The best way to continue to work was to view the certification process as a problem of development and to work along three major thrusts: education and training, access to health and potable water; and improvement of the producers' economic environment," he said. Ndjore announced that, in addition, a national investigation on Cote d'Ivoire's cocoa production had been carried out and the results would be made public 26 June.

Environmental Issues

Fungal disease Spreads in Indonesia's cocoa farms

Source: Reuters

19/06/2008

Singapore, June 19 - More than 60 percent of cocoa plantations in Indonesia's main growing island of Sulawesi have been infected with a deadly fungal disease, which threatens output and affects quality, industry officials said on Thursday.

Vascular-streak dieback (VSD) attacks leaves, branches and trunks and was spreading rapidly in the provinces of South, Central and Southeast Sulawesi which account for 75 percent of Indonesia's cocoa output, they said. "I believe more than 60 percent of plantations in Sulawesi have been affected by the VSD. This is scary. Definitely output will be below 500,000 tonnes this year," said Halim Razak, chairman of the Indonesian Cocoa Association.

Indonesia, the world's third-largest cocoa producer after Ivory Coast and Ghana, produced 520,000 tonnes of beans in 2007. Cocoa plantations in Sulawesi cover 800,000 hectares. "We've been hearing a lot more of the VSD and the quality has not been very good. I guess output below 500,000 tonnes is very well possible," said a dealer in Singapore.

Others

5 things to know about Chocolate

Columbia Daily Tribune, MO

June 18, 2008

1 How is chocolate made? Chocolate is made using beans harvested from the cocoa tree, *Theobroma cacao*. The beans, or nibs, are removed from their pods, fermented, dried, roasted and then ground to produce a cocoa mass or cocoa liquor. This mixture is then pressed to yield cocoa butter — the fat removed from the bean — and cocoa cake, which is ground up into cocoa powder.

2 What's in chocolate? Chocolate contains more than 500 chemicals including antioxidant catechins, flavanoids and phenols, which are found in red wine. Studies have shown they are expected to help to prevent cancer and heart disease and boost the immune system.

3 What is dark chocolate? True dark chocolate usually contains higher than 65 percent cacao. However, some chocolate can contain different proportions of cocoa butter and cocoa solids while still sharing the 65 percent cacao designation. Typically, the remaining percentage can be sugar, vanilla to help round out the flavor and sometimes a bit of emulsifier, such as soy lecithin. Premium chocolatiers use a longer fermentation process to mellow the chocolate while still preserving the valuable antioxidant.

4 Is it healthy? The higher the percentage of cacao, the more benefits and better nutritional value the chocolate contains. Dark chocolate, not white chocolate, lowers high blood pressure, medical researchers at the University of Cologne in Germany said.

5 What does the Fair Trade symbol mean? The symbol indicates that you're buying higher quality cocoa produced using sustainable practices without slave labor that is shade-grown and bird-friendly. Fair Trade chocolate is profitable for farmers and their families.

Sources: The Journal of the American Medical Association, University of Michigan Integrative Medicine, "Cooks Illustrated" magazine, Amino Artisan Chocolate, FLO International, bestnaturalfoods.com

Ivory Coast detains three more Cocoa Executives after probe

Bloomberg

By Pauline Bax

June 19, 2008

(Bloomberg) -- Ivory Coast, the world's largest cocoa producer, detained three executives of a cocoa-industry agency following an investigation into alleged misappropriation of funds.

Henri Amouzou, chairman of the semi-private cocoa and coffee farmers development fund, known by its French acronym FDPCC, faces charges of fraud and embezzlement along with two other executives, Fernaud Koffi, a spokesman for the fund and Amouzou's aide, said in a telephone interview late yesterday from the commercial capital, Abidjan.

Amouzou also heads the West African nation's main cocoa- farmers' group, Anaproci, and has been outspoken on the issue of corruption, accusing other agencies of squandering money destined for farmers. A call to Amouzou's mobile phone today seeking comment didn't connect.

On June 13, Ivory Coast's state prosecutor charged 23 senior employees of cocoa agencies with fraud and embezzlement following a probe ordered by President Laurent Gbagbo. The investigation found that four semi-private and one state-run body were dysfunctional and failed to share cocoa revenue and profit with farmers.

The World Bank and the International Monetary Fund have called for more transparency in Ivory Coast's cocoa industry and non-governmental organizations including Global Witness say millions of dollars collected in taxes and levies have disappeared since the liberalization of the industry in 1999. *To contact the reporters on this story: Pauline Bax in Abidjan via Johannesburg at pmrichardson@bloomberg.net.*

Ivorian BCC Chiefs Arrested on Cocoa Fraud Charges

Source: Reuters

19/06/2008

Abidjan, June 19 - Police in Ivory Coast arrested top officials of the Coffee and Cocoa Bourse (BCC) marketing body on Thursday in a widening crackdown on fraud in the cocoa sector, court and police sources said. The West African country is the world's top cocoa grower, producing more than a third of world supply.

BCC President Lucien Tape Do and Managing Director Tano Kassi Kadio were arrested on Thursday morning, a day after two other leading cocoa sector officials were arrested. The four are among 23 leaders of Ivorian cocoa and coffee industry bodies facing charges in an anti-graft investigation ordered by President Laurent Gbagbo.

The investigation followed allegations in the local media of the embezzlement of more than 100 billion CFA francs (\$236 million) meant to help develop the sector, whose murky finances have become even less transparent since a 2002/03 civil war.

"Tape Do was arrested a few minutes ago over the accusations contained in the chief public prosecutor's report. He was questioned briefly by the investigating judge who then had him arrested," a court source told Reuters. Shortly afterwards, the same source said Kadio had also been arrested. Police said the pair would be transferred to the main jail in the commercial capital Abidjan.

Henri Kassi Amouzou, head of the Fund for the Development and Promotion of the Activities of Cocoa and Coffee Producers (FDPCC), and the fund's Director General Theophile Kouassi were already at the jail after being arrested on Wednesday.

PRISON TERMS

Gbagbo, who is widely expected to seek another term in post-war elections on Nov. 30, told Reuters last week the investigation would lead to prosecutions and jail terms for those found guilty.

Since years before the war started, foreign donors have complained about reports of corruption in the cocoa sector administration, which levies hefty charges on each kilogram of cocoa exported. Cocoa smuggling is rife on the borders of Ivory Coast and foreign diplomats and analysts say Gbagbo's government has been slow to tackle persistent reports of corruption.

A joint World Bank and International Monetary Fund mission to the former French colony in 2006 called for more transparency on how revenues from the cocoa sector are spent.

Farmers' representatives have repeatedly called for the leaders of the cocoa industry bodies to be replaced and have staged numerous strikes and demonstrations in past months, some of which have temporarily disrupted cocoa exports.

Ivory Coast liberalised its cocoa sector in 2000, ending a system of guaranteed prices and scrapping the state-run Caistab which controlled the sector, but leaving in place a system of agencies and subsidies to promote and regulate production. Ivory Coast usually produces more than 1 million tonnes of cocoa beans a year and cocoa accounts for around 40 percent of export revenue and around 15 percent of gross domestic product.

Ivorian Cocoa board Chair, 2 others arrested for embezzlement

Afrique en ligne, France

19/06/2008

Abidjan

Abidjan, Cote d'Ivoire - The Chairman of the board of the Coffee and Cocoa Producers' Fund (FDPCC) in Cote d'Ivoire, Henri Kassi Amouzou, and two of his colleagues have been arrested and detained for an alleged embezzlement of funds.

PANA learnt from reliable sources that Amouzou was detained Wednesday along with Kouassi Theophile, Executive Secretary of FDPCC, and Mrs. Obodji Houssou, a former Finance Director of the organisation. Their arrest followed an investigation into the coffee-cocoa sector by the country's director of public prosecution Raymond Tchimou Fehou.

At a recent press conference, Mr. Fehou unveiled a list of 23 persons who will be put on trial for "embezzlement of funds, abuse of office, mismanagement of public property, fraud and forgery, use of forged commercial bank documents".

The ongoing investigation into the cocoa sector began after the Ivorian leader Laurent Gbagbo called on the director of public prosecution 11 October, 2007, to brief the nation about "serious allegations of embezzlement of public funds in the coffee-cocoa sector". The amount of funds embezzled has not been made public yet. Cote d'Ivoire is the world largest producer of cocoa.

More Ivorian cocoa sector arrests, exports not hit

guardian.co.uk, UK

By Ange Aboa

June 20 2008

ABIDJAN, June 20 (Reuters) - Police in Ivory Coast made further arrests of cocoa sector leaders accused of fraud and embezzlement on Friday, but exporters said they did not see the anti-corruption crackdown affecting their operations. Police in the world's top cocoa grower said they had so far arrested seven leading figures from cocoa sector organisations under an investigation ordered by President Laurent Gbagbo.

In all, 23 leaders of cocoa and coffee industry bodies face charges in an inquiry that followed allegations in local media of the embezzlement of more than 100 billion CFA francs (\$236 million) meant to help develop the sector. Those arrested on Friday included Firmin Kouakou, director general of the Control and Regulatory Fund (FRC), police said. On Thursday, two top officials of the Coffee and Cocoa Bourse (BCC) marketing body, which carries out registration of Ivory Coast's cocoa and coffee exports and other administrative duties, were detained under the same investigation.

Cocoa exporters in the West African state welcomed the anti-corruption campaign and said they saw no impact from it on their operations. "I don't think these arrests are going to affect our activity ... It's only the leaders involved at the moment, not those who do the real work (of registering exports)," the sales director of one international export company said. Another Abidjan-based European exporter called the anti-graft crackdown "surprising but welcome." "We hope that it will follow through to the end and that political pressures and reality will not break the momentum of this," he added.

CALLS FOR TRANSPARENCY

Since last year, Ivory Coast's media had been reporting numerous cases of alleged corruption, particularly in the 2004 acquisition by the FRC of a cocoa processing plant in Fulton in the United States which formerly belonged to Nestle. Even before Ivory Coast's 2002/2003 civil war, which divided the country and disrupted financial controls, foreign donors had complained about reports of corruption in the cocoa sector administration, which levies hefty charges on each kilogram of cocoa exported to fund development of the sector. Cocoa smuggling is rife on the borders of Ivory Coast and foreign diplomats and analysts say Gbagbo's government has been slow to tackle persistent reports of widespread graft.

Gbagbo, who is widely expected to seek another term in post-war elections on Nov. 30, told Reuters last week the investigation would lead to prosecutions and jail terms for those found guilty. A joint World Bank and International Monetary Fund mission to the former French colony in 2006 called for more transparency on how revenues from the cocoa sector are spent.

Ivory Coast liberalised its cocoa sector in 2000, ending a system of guaranteed prices and scrapping the state-run Caistab which controlled the sector, but leaving in place a system of agencies and subsidies to promote and regulate production. The country usually produces more than 1 million tonnes of cocoa beans a year and cocoa accounts for around 40 percent of export revenue and around 15 percent of gross domestic product.

TIT BITS

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

US MIDDAY: cocoa taps 28-year high

NEW YORK (June 17, 2008): cocoa on ICE Futures US rose to a 28-year high on index fund buying in early trade on Monday, while arabica soared nearly four percent on the heels of a general commodity rally. September arabica contract was up 4.50 cents at \$1.4130 per lb by 9:33 am EDT (1333 GMT).

London cocoa sets new high

LONDON (June 17, 2008): London cocoa futures hit a fresh 5-1/2-year peak on Monday while sugar and coffee also climbed on investment fund short-covering spurred by a broad-based advance in commodity markets including crude oil, corn and gold. "All the shorts are getting very, very nervous," said Lars Steffensen, managing director of commodities fund Ebulio Capital Management.

Ivorian cocoa arrivals seen up

ABIDJAN (June 17, 2008): cocoa arrivals at ports in top grower Ivory Coast reached around 1,200,000 tonnes from October 1 to June 15, exporters estimated on Monday, up from 1,116,135 tonnes in the same period of the previous season. Exporters estimated around 19,000 tonnes of beans were delivered to the West African state's two ports between June 9 to June 15, up from 16,130 tonnes in the same week a year ago.

US MIDDAY: cocoa retreats

NEW YORK (June 18, 2008): cocoa futures on ICE Futures US eased on profit-taking after tapping a 28-year high for the fourth straight day early on Tuesday, while coffee was range-bound after Monday's heavy-volume session. September arabica coffee contract was up 1.15 cents at \$1.3985 per lb by 9:31 am EDT (1331 GMT), spanning \$1.3805 to \$1.4065. Back-month contracts up 0.35 to 1.50 cents.

US MIDDAY: cocoa soars to 28-year high

NEW YORK (June 19, 2008): cocoa futures on ICE Futures US soared to a 28-year high early Wednesday, following talk of a bullish crop report by an independent analyst, while coffee headed lower. September arabica coffee fell 1.90 cent, or 1.3 percent, to \$1.3985 per lb by 9:1531 am EDT (131531 GMT), dealing from \$1.39 to \$1.4275.

London cocoa at 22-year peak

LONDON (June 19, 2008): London cocoa jumped 3.5 percent to a 22-year high on Wednesday on heavy investment fund buying after a bullish crop report on top grower Ivory Coast, while white sugar rose to a 14-week peak on investor buying. Robusta coffee futures, trapped in a range for the past few months, finished largely unchanged.

US MIDDAY: cocoa and coffee firm

NEW YORK (June 20, 2008): cocoa on ICE Futures US inched quietly higher early Thursday to near Wednesday's 28-year high on light investor buying, while coffee rose but remained within its recent range. September arabica contract rose 1.10 cents to \$1.4045 per lb by 9:32 am EDT (1332 GMT), dealing from \$1.389 to \$1.4195. The rest up 1.05 to 2.50 cents.

London cocoa slips

LONDON (June 20, 2008): cocoa futures eased on Thursday after this week's steep climb to a 22-year peak and could retreat further in the short-term while sugar slipped from a 3-month high as crude oil prices tumbled, dealers said. Robusta coffee ended flat with the market still rangebound.