COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 293 **21st – 25th July 2008**

Cocoa Producers' Alliance

ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tone)	ICCO daily price (US$/tone)	London futures (£/tone)	New York futures (US$/tone)
21st July	1743.35	2852.41	1463.33	2820.00
22nd July	1724.76	2825.59	1453.33	2791.67
23rd July	1728.37	2814.26	1446.33	2771.00
24th July	1722.29	2798.52	1452.00	2755.33
25th July	1763.16	2873.28	1490.33	2822.67
Average	**1736.00**	**2833.00**	**1461.00**	**2792.00**

Up-coming Events

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

In the News (from Newspapers worldwide)

Health and Nutrition

- Cocoa mulch dangerous for dogs
- Delicious 'Brown Gold': Cocoa and Chocolate
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- Chocolate can be good for you

Production and Quality

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- DJ Ivory Coast FDPCC Cocoa Fund to spray 12% of cocoa trees
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- World Cocoa Foundation and Partners announce innovation challenge grants to improve cocoa sustainability
- Cameroon: ICCO prescribes best practices in cocoa production
- Nigeria Cocoa belt affected by Black-Pod Disease, Industry Says
- Ghana Board Says Smuggling to Slash Light Cocoa Crop (Update1)

The Market

- ICCO Monthly Review of the Cocoa Market Situation - June 2008

Processing & Manufacturing

- Nigerian bourse lists first cocoa processing firm

Business & Economy

- Single-Origin Chocolate Syrup a market first perfectly geared to Specialty Coffee retailers
- The Quest for Great American Chocolate
- Callebaut rebounds as Hershey eats rising costs (Update1)
- Hope for bigger cocoa harvest this year derailed by smuggling – COCOBOD
- Training workshop for cocoa sprayers
- Ghana to miss cocoa target due to smuggling
- Business : Cocoa farmers receive bonus
- Cocobod, Indian company sign MOU for jute-stitching factory
- Smuggled cocoa beans impact supplies from Ghana
- Tiger Brands to buy Chococam from Barry Callebaut
- Cocoa Giant Ivory Coast targets biofuel production
- DJ Barry Callebaut Cameroon buys 20,293 tons cocoa beans Aug-Jun

Research & Development

- Mars maps the cocoa genome

Others

- Nigerian farmers want government to buy off banned pesticides
- WTO: 2008 News Items - WTO News — DDA July 2008 Package: Summary 21 July

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Do your health a favour, drink Cocoa everyday
'it's natures miracle food'

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International Financial Futures and Options Exchange (LIFFE)

London Futures Market – Summary of Trading Activities

(£ per tonne)

Monday 21st July 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep 2008	1436	1463	20	1496	1436	8,314
Dec 2008	1454	1467	10	1492	1451	5,171
Mar 2009	1449	1460	10	1481S	1444	1,475
May 2009	1453	1462	9	1471S	1448	233
Jul 2009	1469	1465	9	1469	1456	65
Sep 2009		1465	9			0
Dec 2009		1469	9			0
Mar 2010		1479	9			0
May 2010		1480	9			0
Jul 2010		1471	9			0
Average/Totals		**1468**				**15,258**

Tuesday 22nd July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1455	1452	-11	1473	1450	3,377
Dec 2008	1461	1457	-10	1477	1455	2,283
Mar 2009	1451	1451	-9	1470	1450	864
May 2009	1453	1454	-8	1469S	1453	51
Jul 2009	1462	1458	-7	1462	1460	35
Sep 2009	1482	1459	-6	1482	1461	16
Dec 2009	1475	1457	-12	1475	1457S	105
Mar 2010		1467	-12			0
May 2010		1468	-12			0
Jul 2010		1459	-12			0
Average/Totals		**1458**				**6,731**

Wednesday 23rd July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1454	1445	-7	1455	1439	4,142
Dec 2008	1459	1452	-5	1460	1445	3,153
Mar 2009	1453	1442	-9	1453	1435	597
May 2009	1454	1445	-9	1454S	1439	240
Jul 2009		1445	-13			0
Sep 2009	1439	1443	-16	1439	1438	9
Dec 2009	1456	1446	-11	1457	1450	124
Mar 2010		1451	-16			0
May 2010		1452	-16			0
Jul 2010		1443	-16			0
Average/Totals		**1446**				**8,265**

Thursday 24th July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1445	1461	16	1482	1443	3,773
Dec 2008	1453	1454	2	1478	1449	2,016
Mar 2009	1457	1441	-1	1463S	1442	202
May 2009	1466	1444	-1	1466S	1446S	103
Jul 2009	1457	1447	2	1457S	1457S	10
Sep 2009		1444	1			0
Dec 2009		1447	1			0
Mar 2010		1452	1			0
May 2010		1453	1			0
Jul 2010		1444	1			0
Average/Totals		**1449**				**6,104**

Friday 25th July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1465	1502	41	1502	1461	2,879
Dec 2008	1460	1491	37	1490	1458	1,527
Mar 2009	1449	1478	37	1474S	1446	564
May 2009	1461	1481	37	1461	1456S	75
Jul 2009		1485	38			10
Sep 2009	1467	1487	43	1467	1467	13
Dec 2009	1468	1490	43	1471	1461S	102
Mar 2010		1495	43			0
May 2010		1496	43			0
Jul 2010		1487	43			0
Average/Totals		**1489**				**5170**

Average for the week	**1489**				**8306**
					41,528

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

Monday 21st July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2799	2825	26	2879	2785	10968
Dec 2008	2811	2834	24	2886	2797	4895
Mar 2009	2850	2832	29	2850	2812	608
May 2009	2850	2834	27	2850	2820	150
Jul 2009	2823	2831	31	2833	2818	52
Sep 2009		2836	39	2836	2836	1
Dec 2009		2841	36	2841	2841	1
Mar 2010		2837	35	2837	2837	
May 2010		2850	35	2850	2850	
Average/Totals		**2836**				**16675**

Tuesday 22nd July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2829	2782	-43	2854	2775	5760
Dec 2008	2815	2798	-36	2858	2790	3331
Mar 2009	2832	2796	-36	2854	2794	932
May 2009	2835	2798	-36	2849	2793	170
Jul 2009	2835	2797	-34	2855	2797	49
Sep 2009	2833	2802	-34	2833	2802	52
Dec 2009	2843	2817	-24	2843	2817	6
Mar 2010		2814	-23	2814	2799	
May 2010		2829	-21	2829	2829	
Average/Totals		**2804**				**10300**

Wednesday 23rd July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2779	2754	-28	2787	2734	6,969
Dec 2008	2794	2773	-25	2804	2755	4,700
Mar 2009	2800	2778	-18	2810	2762	1,018
May 2009	2796	2778	-20	2796	2769	979
Jul 2009	2812	2777	-20	2812	2772	131
Sep 2009	2770	2780	-22	2780	2770	62
Dec 2009	2771	2794	-23	2794	2771	69
Mar 2010		2791	-23	2791	2791	
May 2010		2806	-23	2806	2806	
Average/Totals		**2781**				**13928**

Thursday 24th July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2766	2744	-10	2782	2735	7,715
Dec 2008	2780	2764	-9	2799	2755	6,147
Mar 2009	2802	2768	-10	2802	2759	1,870
May 2009	2775	2770	-8	2791	2762	2054
Jul 2009	2773	2768	-9	2786	2768	978
Sep 2009		2775	-5	2775	2775	555
Dec 2009		2788	-6	2788	2788	3
Mar 2010		2785	-6	2785	2785	
May 2010		2800	-6	2800	2800	
Average/Totals		**2774**				**19322**

Friday 25th July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2757	2813	69	2825	2753	6,616
Dec 2008	2788	2828	64	2842	2772	5,358
Mar 2009	2790	2829	61	2836	2777	809
May 2009	2788	2831	61	2832	2788	753
Jul 2009	2803	2828	60	2833	2803	3
Sep 2009	2831	2836	61	2836	2831	1
Dec 2009	2825	2843	55	2843	2825	2301
Mar 2010		2846	61	2846	2846	
May 2010		2861	61	2861	2861	
Average/Totals		**2835**				**15841**

Average for the week	**2835**				**19017**
Total for the week					**76,066**

Spot Prices [US$ per tonne]

	21st July	22nd July	23rd July	24th July	25th July
Main Crop Ghana, Grade 1	3270	3227	3199	3209	3278
Main Crop Ivory Coast, Grade 1	3135	3092	3064	3069	3138
Main Crop Nigerian, 1	3110	3067	3039	3061	3130
Superior Arriba	3133	3090	3062	3064	3133
Sanchez f.a.q.	3073	3130	3102	3096	3165
Malaysian 110	2807	2764	2736	2731	2800
Sulawesi f.a.q.	3082	3039	3011	2984	3053
Ecuador Cocoa Liquor	5076	4998	4948	4829	4951
Pure Prime Press African Type Cocoa Butter	8117	7994	7913	7839	8036
10/12% Natural Cocoa Press Cake	1149	1131	1120	1024	1050

Source: Cocoa Merchants' Association-

News

Health and Nutrition

Cocoa mulch dangerous for dogs
Lawrence Journal World, KS
July 20, 2008
How sweet it isn't: Homeowners need to be aware that spreading cocoa-bean mulch in their gardens can be toxic to dogs. "Dogs are attracted to the fertilizer's sweet smell, but the mulch is too much for them to handle," says Greg T. Rinckey, deputy chief for law enforcement of the Schenectady County SPCA in New York.

Cocoa-bean mulch, a by-product of the chocolate-making industry, contains residual amounts of theobromine, the same type of cardiac muscle stimulant and diuretic found in chocolate and caffeine. It's the same chemical that can make eating a chocolate bar toxic to dogs. Ingestion of large amounts, the SPCA says, can lead to hyperactivity, muscle tremors and possibly more serious neurological signs. Even amounts as small as 2 ounces can cause gastrointestinal upset. "It is best to avoid contact with cocoa mulch at all," Mr. Rinckey says. "Consider using a nontoxic alternative instead," such as shredded hardwoods or compost.

Delicious 'Brown Gold': Cocoa and Chocolate
The Epoch Times, NY
By Johann Fleck
Jul 21, 2008

"Never before has nature imbued such a small space with such a cornucopia of valuable nutrition as in the cocoa bean."—Alexander von Humboldt, (1769–1859)

What child does not relish a cup of hot cocoa in the evening or a piece of chocolate in between meals? What would the Sachertorte be like without its shiny, dark-brown glaze?

The slightly bitter flavor nuance and the benefits of the cocoa bean have made it a fixture in European cuisine. The bean, with its incomparable flavor, has conquered pastry shops, sweet shops, and confectionaries the world over. My aim is to bring you, dear readers, a brief glimpse into cocoa's lengthy history.
Cocoa fruit (Issouf Sanoga/AFP/Getty Images)

A Tradition Since 1,500 B.C.

The Olmeks, who settled in the Mexican lowlands, were the first people to make use of the cocoa bean. How they prepared the beans and made chocolate or cocoa beverages will forever remain a mystery, since no archeological relics or oral accounts are available. One thing is for sure, though—their language from 1,000 years B.C. contained the word cacao (spelled different from our modern "cocoa"), originally pronounced "kakawa." One might assume that their trades with neighboring nations had brought those in contact with cocoa.

The Mayans consumed chocolate from 300 B.C., but primarily in liquid form. They often added spices such as chili and consumed the beverage without sugar! Much favored was the foam that rose to the top of the container when the beverage was poured back and forth from one container to another.

Consuming cocoa during the reign of the Aztecs was a privilege reserved for nobility. Cocoa was so highly prized in Aztec culture that it also served as currency. One turkey, for instance, was valued at 200 cocoa beans, and in A.D. 1,200, one cocoa bean "bought" one large tomato. Land for cocoa farming was in such high demand that Aztec ruler Ahuizolts (1486–1502), conquered the Xoconocho region—an area between Mexico and Guatemala, along the Pacific Ocean-—to assure cocoa production.

How Cocoa Conquered Europe

Following the Spanish conquest of Europe in the 1500s, the invaders lacked appreciation for cocoa. The bean's bitter taste actually repelled them, so much so that in 1575 an Italian named Benzoni called chocolate, "a beverage more suitable for pigs than humans."

But many other typically South American foods were subjected to similar prejudice, maize being one of them. Only once the Spaniards had assimilated with the locals did the two cultures find common ground. The Spaniards drank the chocolate hot like the Mayans, and not lukewarm or cold, like the Aztecs. Many native spices were replaced with others the Spaniards had brought, such as black pepper.

The most important break-through in chocolate consumption came from the Spaniards, who sweetened the beverage with cane sugar. Europeans objected primarily to the bitter flavor of the traditional Mayan and Aztec chocolate concoctions. The first shipload of cocoa arrived in Spain in 1585, but it wasn't until almost a century later that chocolate consumption took a foothold in Europe. Even then, chocolate consumption was reserved for nobility, and for society's wealthy citizens.

Chocolate became an almost national beverage in Spain where even now hot chocolate is part of a classic breakfast. Jesuit priests/fathers had much to do with the dissemination of chocolate consumption. They had cloisters all over Europe and a well-organized trade system all over the continent.

Beverage or Food?

Church nobles in Catholic nations deliberated whether to consider chocolate a beverage or a food—a relevant consideration when dealing with proscribed fasts—and if such consumption would break the rules. According to the Jesuits' lively trading in this commodity, chocolate is a beverage, meant to be drunk, and not a food. The opponents argued that chocolate is way too nourishing to be considered a beverage. The popes decided in favor of the "beverage camp," thus consuming chocolate does not break the fasting rules.

Health Benefits

Your dentist would probably not reply positively when asked if eating chocolate is healthy. Due to their high sugar content, chocolate candy bars are high in energy, and over-consumption leads to weight gain and promotes tooth decay. But the chocolate's theo-bromine and caffeine content stimulate the central nervous system and the blood vessels. That is the reason for chocolate's ability to banish fatigue and tiredness, to encourage the production of digestive enzymes, and to be mildly diuretic.

Two other substances in chocolate—anadamid and phenylehtylamin, which are also present in hashish and morphine—influence the brain's pleasure center. No reason to fear addiction because the quantities of these substances are too minute to cause euphoria.

Many studies have shown that chocolate consumption can lower the cholesterol level and even out the relationship between good and bad cholesterol (LDL and HDL) in favor of HDL. The effect is greater the higher the percentage of cocoa in a candy bar, making dark chocolate the better choice (dark chocolate is also a powerful antioxidant). I think all of us know enough ways to eat and drink chocolate, so I won't overwhelm you with recipes but merely present classic preparation, which in the age of "instant everything," is easily ignored or forgotten.

Those 'bad' things in your cupboard might not be bad, after all

Some foods we consider "bad" actually are good for our health

Hutchinson Leader, MN

July 24, 2008

Pistachios lower your cholesterol, honey heals wounds and chocolate, well, it's the perfect food. You name it and you'll find that your favorite indulgence foods have taken on a healthful aura. Ingredients you were once told to eat sparingly may have the potential to reduce your cholesterol, moderate your glucose levels and more.

This means you can enjoy some of your favorite treats instead of banishing them, says David Grotto, Chicago, a registered dietitian and author of "101 Foods That Could Save Your Life" (Bantam Books, 2008).

So, if you think a food can't be both a splurge and nutritious, here are four that might change your mind:

1. Chocolate
Dark chocolate with a high percentage of cocoa may reduce your blood pressure, according to several studies. However, processing can reduce the beneficial antioxidants in this treat. Grotto recommends selecting dark chocolate with a high percentage of cocoa for greater antioxidant levels. Look for 70 percent on the label.

2. Coffee
Along with caffeine, the beverage contains plant chemicals that may improve your glucose metabolism. Some studies show that women who drink coffee, especially decaffeinated types, have a reduced risk of developing type 2 diabetes.

3. Honey
Have trouble staying asleep during the night? Taking a spoonful of honey before bed can help your body store the carbohydrate glycogen so your sleep isn't disrupted, says Ron Fessenden, M.D. and co-chairman of the Committee for the Promotion of Honey and Health, Haddam, Kan.
Coffee

Keep a jar of unfiltered honey that wasn't heated beyond 110 degrees (the kind of honey you'll find in farmers' markets) in your medicine cabinet and spread it on scrapes.

"Honey is an effective anti-microbial against a broad spectrum of bacteria," says Dr. Fessenden, Denver.

4. Pistachio nuts
The lime green flesh of this nut indicates the presence of antioxidants including beta-carotene and lutein, according to Sarah K. Gebauer, a graduate student at Penn State University, University Park.

Pistachios' double whammy of antioxidants and monounsaturated fat may reduce your total cholesterol and LDL cholesterol, (the bad kind), provided you include the nuts in a low-fat diet, according to Gebauer's research.

Chocolate can be good for you
Cold-pressed chocolate is considered only healthy chocolate
Times and Transcript, Canada
By John Pollack
July 25th, 2008

VIKTOR PIVOVAROV/TIMES & TRANSCR
A cocoa pod is photographed next to chocolates made from cold-pressed cocoa powder, açai berries and blueberries.

No worry, studies show most people like chocolate -- the average North American eats 12 lbs (5.5 kgs) of it each year. But with all the processed sugar, preservatives, fillers like waxes and trans fats most commercial chocolate is anything but healthy. That's what makes one type of chocolate available locally sound like more of a miracle. Though it can be hard to find, some nutritional experts would even describe it as healthy.

Want to know more?

So Simone Melanson when she heard about it. Simone was diagnosed with diabetes 12 years ago. Like many diabetics she had to take insulin injections because her body wasn't producing enough to counteract the sugar in her diet. Sweets like chocolate are generally off limits for diabetics because they will only make things worse. Ironically, it was chocolate that helped lessen the severity of Simone's diabetes. "I was taking 100 units (of insulin) per day," she says. "Within three months it came down to 24 units a day."

Then after a visit to the doctor Simone was told she doesn't need to supplement her insulin anymore. The doctor told Simone the improvements were likely a combination of her eating healthily, avoiding fast food and MSG, and eating "healthy chocolate" regularly. In early April, Simone started eating Xoçai, a cold-pressed chocolate made from unprocessed cocoa powder, açai berries and blueberries.

Natropath Charlotte LeBlanc says it's the only healthy chocolate available right now. Though she also says dark chocolate of at least 70 per cent cocoa can be good for you in small doses, it often still has added sugar along with a slew of other possibly undesirable ingredients, and is heated, which kills many of the antioxidants."Pure cold-pressed cocoa has the highest antioxidant count in the world," she says.

Antioxidants are molecules that slow down the damaging of human cells. "When you're talking about antioxidants you're talking about something that's going to help people age better," says Charlotte. She has seen the results of the healthy chocolate both personally and with some of her patients. Some who have had pains for years will report back within a few weeks of eating the chocolate regularly that the pain is gone. Though the chocolate has worked well for some, Charlotte stresses that chocolate's not the answer to everything. "It's not a pill that cures everything," she says, "it's chocolate."

Kelly McCarthy, a manager at local natural foods store the Corn Crib, is skeptical of the chocolate. Xoçai is recommended to be taken three times a day, something Kelly questions. "That's the way it's being marketed (similarly to a supplement)," she says. "I don't think it carries more benefits than any other kind of organic dark chocolate."

But Charlotte disagrees, pointing out that one 12 gram (0.4 ounce) nugget has the antioxidant equivalency of half a pound (0.2 kilograms) of raw spinach. While she has seen amazing results from the chocolate she says it should be treated as what it is, and not as a supplement. She also points out that a healthy chocolate is no replacement for healthy diet and regular exercise and says some may not see results without the two others.
A box of 100 12 gram (0.4 ounce) nuggets costs about $170 at retail, or customers can buy a $39 membership with the company and order it whole sale from the company at $110. The product can come in smaller portions as well as a drink. Michele Despres' asthma was getting worse before she tried Xoçai. She had two puffers she was taking three or four times a day, more than the doctor had recommended. She's been eating the chocolate since February and has barely used her puffer since then. "It's like you're coming out of an oxygen tank," says Michele of her reaction to the chocolate. "It was really amazing because who would think chocolate could assist you to breath," she says contrasting it with sugary milk chocolate that makes her feel guilty.

Elsie Nowlan, a full time independent distributor for Xoçai in Moncton, lost a lot of weight in the five months she's been eating the chocolate. "I've lost eight inches around my waist, six inches around my chest and four inches around my arms," she

Production and Quality

Nestle, UNAAB collaborates to boost Cocoa, other farm produce
Nigerian Bulletin!, Nigeria
July 20, 2008
Owing to the need to boost agricultural produce in Nigeria, the University of Agriculture in Abeokuta, has collaborated with one of the beverage producers in Nigeria, Nestle Nigeria Plc, to boost the production of Cocoa, Soybeans and others. At his maiden visit to the agricultural institute, Mr. Matin Woulnough, Managing Director of Nestle, said the company is glad to partner with the institution in order to enhance the production of cocoa, soybeans, sorghum, maize and millet as well as improve employment in the industry.According to him, the collaboration will also enable farmers' realize their dreams and that Nestle would like to contribute to the institution's agriculture when its planting season is ripe. Woulnough noted that Nigeria has the largest market for Maggi while the country was noted as the second largest in Milo beverage after Malaysia.

Prof. Olufemi Balogun, Vice Chancellor, UNAAB, lauded the company for its financial support in the execution of the project named Agricultural Media Resources and Extension Centre (AMREC) which it also supports in Ogun, Ekiti, Osun and Ondo States. He also called on other corporate organizations to emulate Nestle. Prof. Kunle Salako, Director of AMREC, said Nestle gave a sum of N5.95 million to AMREC in 2004 for the support of sound health farms in the four states

DJ Ivory Coast FDPCC Cocoa Fund to spray 12% of cocoa trees
Trading Markets (press release), CA
By Vincent t'Sas,
July 21, 2008
ABIDJAN, Jul 21, 2008 (Dow Jones Commodities News via Comtex) -- SYCP | Quote | Chart | News | PowerRating -- Ivory Coast's Coffee and Cocoa Farmers' Development Fund, or FDPCC, will start spraying 200,000 hectares of cocoa plantations, or about 12% of total acreage planted with cocoa trees, Tuesday, the fund said Monday. Spraying with pesticides and fungicides, if done in August-September, typically boosts production by 10%-30%.

Ivory Coast is the world's top cocoa grower with an average annual output of around 1.3 million metric tons but production per hectare is low at around 500-600 kilograms a hectare, as many farmers lack money to buy farm chemicals. The bulk of the cocoa crop, around 1 million tons, is harvested in October-March, the first six months of the cocoa season. Large scale spraying of cocoa plantations in neighboring Ghana, the world's second cocoa producer, is probably the main reason why production there more than doubled in the past eight years to over 700,000 tons.

Nigerian cocoa farms
World 21 July 2008
LAGOS (July 20 2008): A good mix of rain and sunshine in Nigeria's main cocoa growing areas in the last month has prolonged the mid-crop and raised hopes of a robust main crop, farmers said on Friday. "So far, rainfall has not been too much or too little, it has been in the right volume and sunshine has been equally good," Afun Adegbulu, president of the cocoa Association of Nigeria (CAN) told Reuters.

The ideal weather conditions have prolonged the mid-crop, which traditionally runs from April to September in the world's No 4 grower, but oftens ends earlier due to inadequate rain. Steady showers have also maintained soil moisture for trees, while the sun has facilitated flowering and rapid growth of pods for the upcoming main crop. "The trees are also doing well, they are flowering and pods are developing fast. We are expecting a bumper main crop harvest if things continue like this," Adegbulu said from Akure, capital of southwest Ondo state, Nigeria's biggest cocoa grower.

Former Peru coca farmers produce and export cocoa around the world
Living in Peru, Peru
Israel J. Ruiz
July 21, 2008

One hundred fifty five farmers that used to cultivate the coca plant for a living exported in July their first batch of cocoa to countries around the world.

With help from Sierra Exportadora, a social program that helps poor people in the Andes make their way out of poverty by exporting their goods, these farmers have exported forty tons of cocoa to Argentina, Chile, Colombia, Spain, The United Kingdom, France, Italy, Switzerland, Sweden, Germany, Japan and Indonesia. "With technique assistance in pruning, plague control and new harvesting techniques, Sierra Exportadora managed to help improve the technological package," said Gastón Benza Pflucker, the executive president of the program.

According to Pflucker, production of cocoa was raised from 350 kilograms per hectare to 450 and in some cases up to 500 kilograms per hectare. Sierra Exportadora also involved Romero Trading, one of the country's largest agricultural companies, which agreed to purchase 40,000 kilograms of the farmer's cocoa. Farmers were pleased when they realized that it was more profitable to produce cocoa than coca leaves. One kilo of dried coca leaves cost $2.55 while one kilogram of cocoa to be exported is valued at almost $3.

World Cocoa Foundation and Partners announce innovation challenge grants to improve cocoa sustainability
Awards to Spur Innovation in Labor-Saving Technologies, Production Efficiency, Farm Safety, Education and Community Development
MarketWatch
SOURCE World Cocoa Foundation
July 21, 2008
WASHINGTON, July 21, 2008 /PRNewswire-USNewswire via COMTEX/ -- The World Cocoa Foundation (WCF) has announced $140,000 in challenge grants to drive innovation in sustainable cocoa farming. The grants will focus on labor-saving technologies and production efficiency; farm safety; education and community development and will be awarded in October 2008 to local organizations and institutions in cocoa-producing countries. Funding for the grants comes from the United States Agency for International Development, MC/Manufacturing Confectioner, Mars Incorporated, and GTZ GmbH.

In announcing the challenge grants, Bill Guyton, President, World Cocoa Foundation, said, "We have a tremendous opportunity today to transform how cocoa is farmed and unlock the economic potential of this unique and important crop. Our goal is that these grants not only will drive significant innovation in cocoa farming practices, but will improve the livelihoods and well-being of the world's five million smallholder farm families that depend upon this unique and important crop."

More than 70 experts from around the world gathered at the WCF's Cocoa Innovations Symposium in Washington DC on July 17 - 18 to discuss the challenges facing cocoa farmers and to identify the most significant opportunities for innovation and change. Key among these were opportunities for:

-- Farm-level innovation, focusing on labor-saving technologies and production efficiency in such areas as applied research, post-harvest mechanization, cocoa-pod composting, and solar driers;

-- Improved farm safety, including alternative tools, harvesting mechanization, and integrated pest management; and,

-- Expanded education and community development, including improved training approaches and methods of disseminating information related to basic education, farmer training, sensitization on social issues, and farmer organization development.

Universities, research institutes and non-governmental organizations in cocoa-producing countries have been asked to work with cocoa farmers in submitting grant proposals. The grants, designed to benefit cocoa farmers and build the capacity of local extension services and farmer associations, will be announced at the World Cocoa Foundation's Partnership Meeting in Hamburg, Germany, October 8 - 9, 2008.

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.

Cameroon: ICCO prescribes best practices in cocoa production
AllAfrica.com, Washington
By Lukong Pius Nyuylime
24 July 2008
Actors in the cocoa sector have been provided with best known practices in cocoa production. The practices are contained in a manual published at the end of the sixteenth meeting of the Consultative Board on the World Cocoa Economy which took place in Berlin last May. Three reasons have been advanced for the production of the best practices: quest for high quality standards, need to meet food safety legislative standards and achieving sustainable cocoa production.
According to the manual, cocoa of merchant quality must be: fermented, thoroughly dry, free from smoky beans, free from abnormal or foreign odours and free from any evidence of adulteration. Good quality cocoa must be uniform in size, reasonably free from broken beans, fragments and pieces of shell, and be virtually free from foreign matter. Quality, as defined by the manual, include not just the all-important aspects of flavour and purity, but also the physical characteristics that have a direct bearing on manufacturing performance, especially yield of the cocoa nib (Biscuit, Cake, Chocolate and Confectionery Alliance (BCCCA). "The different aspects or specifications of quality in cocoa include: flavour, purity or wholesomeness, consistency, yield of edible material and cocoa butter characteristics", the manual said.

The manual states inter alia that cocoa farmers have little or no influence over the cultural factors of cocoa growing, as parameters such as chemical characteristics of the soil available to them, the genetic make-up of the planting material used and the climatic environment are imposed on them by nature and science. "While the farmer may exercise some latitude in choosing his planting material, this choice is naturally constrained by the diversity and characteristics of the cocoa varieties available to him from research and extension services", the manual said.

The ICCO manual further streamlines the various stages on which best practices should be focussed. These include: establishment of the cocoa farm, , cocoa farm maintenance and crop husbandry, cocoa crop protection, cocoa harvest, post harvest, on-farm processing and storage, pod breaking, fermentation, drying, packaging and storage, transportation and shipping practices among others.

Nigeria Cocoa belt affected by Black-Pod Disease, Industry Says
Bloomberg
By Dulue Mbachu
July 25, 2008
(Bloomberg) -- Nigeria's cocoa crop, the fifth biggest in the world, may suffer more than normal from black-pod disease as heavy rain lashes the country's southern growing belt, industry officials said. Most cases of the fungal disease are in the southeast region, where the tropical rains are heavier than in the southwest, Robo Adhuze, a spokesman for the Cocoa Association of Nigeria, which groups farmers, processors and traders, said by phone from the cocoa-trading town of Akure.

Wet weather creates mold that spawns the infection and turns cocoa beans into dust. In the southwest Ondo state, which accounts for as much as 40 percent of Nigeria's cocoa, some cases have also been reported, said Bamidele Olamigoke, a farmer and member of the Ondo Cocoa Farmers' Congress. With the wet season at its peak and rain falling incessantly in most of the southern cocoa-growing region, industry officials are concerned the disease may spread. ``The rains are very heavy now so that we can't rule out black pod,'' said Henry Adesioye, of Nigeria-based Stanmark Cocoa Processing Co., a unit of Cadbury Nigeria Plc. The cocoa association's Adhuze said reports so far of the disease ``are nothing more than usual.''

The West African country produced 160,000 metric tons of cocoa in the 2006-07 season, according to the International Cocoa Organization's Web site. The country may harvest 210,000 tons of beans in the current season, the organization forecast in April. Nigeria is the world's fifth-biggest producer of cocoa after Ivory Coast, Ghana, Indonesia and Cameroon.

Cocoa for September delivery on ICE Futures U.S. rose as much as $79, or 2.9 percent, to $2,823 a ton, and traded at $2,805 a ton as of 1:07 p.m. New York time.

Cocoa traded on Liffe in London has climbed 44 percent this year, more than double the increase in the UBS Bloomberg CMCI Index.

Ghana Board Says Smuggling to Slash Light Cocoa Crop (Update1)
Bloomberg
By Emily Bowers
July 25, 2008
(Bloomberg) -- Ghana, the world's second-biggest cocoa producer, slashed its forecast for the amount of beans it will receive from the so-called light crop because of smuggling to neighboring Ivory Coast. The Ghana Cocoa Board expects to receive at most 40,000 metric tons of the beans during the season, down from an estimate of 50,000 tons last month, Charles Ntim, the Accra- based board's deputy chief executive officer for operations, said in an interview today. ``It looks as if our best bet may be around 40,000 tons or even less,'' he said.

Lighter controls and poorer quality beans in neighboring Ivory Coast, a bigger cocoa producer, allow smuggled Ghanaian beans to fetch higher prices in that country, he said. The board is trying to work with security agencies in Ghana to reduce smuggling. Ghana produces about a fifth of the world's cocoa.

In the two weeks to July 10, the first of the light-crop harvesting season, the board received 7,439 tons of beans compared with 6,195 tons in the same period last year, an official at the board who declined to be identified in line with its policy said. Beans harvested during the light crop are sold to local cocoa processors. Ghana has two cocoa harvests a year. ``Whatever we get we will distribute to them,''' Ntim said.

Next season's main crop will yield at least 600,000 tons although it is too early to make an exact prediction, Ntim added. The 2007-2008 main crop, harvesting of which ended on May 5, yielded 663,000 tons.

Price Rise
Cocoa for September delivery rose as much as $79, or 2.9 percent, to $2,823 a ton, and traded at $2,813 a ton as of 12:39 p.m. New York time, on ICE Futures U.S., formerly known as the New York Board of Trade.

Cargill Inc. will begin production at a processing plant at Tema, 30 kilometers (19 miles) from Accra, next month while Archer Daniels Midland Co. will open one in December in Kumasi.

Ivory Coast is the world's largest cocoa producer.

The Market

ICCO Monthly Review of the Cocoa Market Situation - June 2008
Source: International Cocoa Organization (ICCO)
23/07/2008
July 14 - The current review of the cocoa market situation reports on price movements on the international markets during the month of June 2008. Chart I illustrates price movements on the London (LIFFE) and New York (ICE Futures U.S.) markets in June. Chart II shows the evolution of the ICCO daily prices denominated in U.S. dollars and SDRs for the period from April to

June 2008. Chart III depicts the link between the ICCO daily prices and the Dow Jones commodity index. Table 1 presents some price record levels reached by cocoa beans and the extent of the recent increase.

Price movements

In June, the ICCO daily price averaged US$3,022 per tonne, up by US$332 compared to the average price recorded in the previous month (US$2,690) with a range of between US$2,827 and US$3,206.

The sharp rise in cocoa futures prices initiated in the last week of May 2008 continued in June, with prices breaching the US$3,000 per tonne level in New York and the £1,500 per tonne in London in the course of the month. As shown in Table 1, both cocoa futures markets reached new record levels at the end of the month, with prices in London surging to their highest level for 22 years, at £1,662 and reaching their highest level for 28 years in New York, at US$3,150. Similarly, in nominal terms, the ICCO daily price, averaging prices in both futures markets, reached a 28-year high in US$ terms and a 22-year high in SDRs terms (the SDR unit relates to a basket of major currencies used in international trade: US$, Euro, Pound Sterling and Yen). The stronger increase in US$ terms is due to the weakness of the US$ compared to the other major currencies in recent years. For buyers in the Euro zone, the increase in the price of cocoa beans experienced in the past two years has not been as strong as for buyers using the Pound or the U.S. dollar. Supply and demand for cocoa was the main driver for this development in the cocoa market, with the stocks-to-grindings ratio expected to reach a 22-year low at the end of this season.

Most commodities experienced a price increase in une, as depicted by the movements of the Dow Jones commodity-AIG index in Chart III, which tracks price movements across various commodities (cocoa not included). However, the cocoa market benefited from a more favourable environment than most other commodities. In total, international cocoa prices increased by 13% in US$ terms during the month while the index rose by a lower rate of 8%.

Chart I: Cocoa bean prices on the London (LIFFE) and New York (ICE) futures markets
June 2008

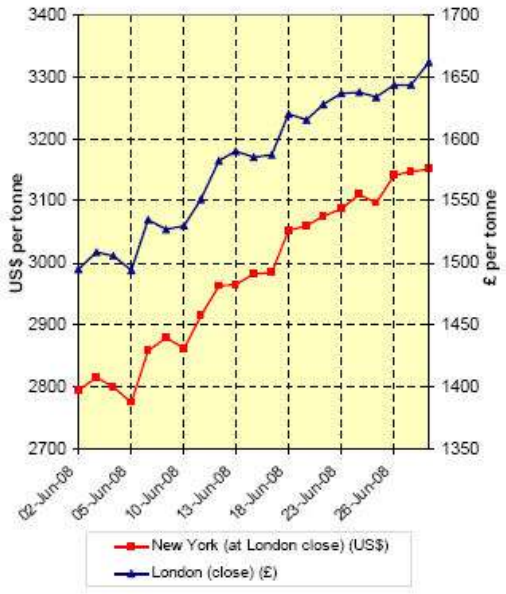
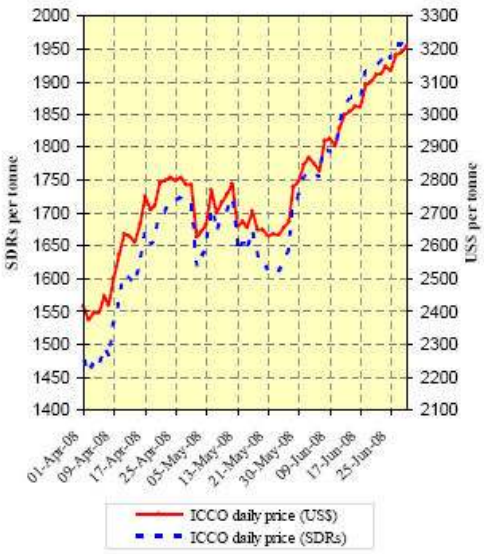


Chart II: ICCO daily prices
April – June 2008



Note: The ICCO daily price for cocoa beans is the average of the quotations of the nearest three active futures trading months on LIFFE and ICE Futures U.S. at the time of London close, converted into US$ and SDRs using the appropriate exchange rates.

Supply & demand situation

As stated in the previous review, the volume of cocoa reaching ports in Côte d'Ivoire in the first two months of the mid crop period (April-May) had been disappointing compared with expectations. However, the situation slightly improved in June with 79 thousand tonnes reaching ports (15 thousand tonnes more than in the previous season), bringing the total for the first three quarters of the current season at 1.241 million tonnes, according to data published by news agencies. In Ghana, preliminary data showed that the main crop, which ended officially on 5 June, may have reached 663,558 tonnes, up by 76 thousand tonnes compared to last season. The light crop is expected to yield around 50 thousand tonnes. Meanwhile, in Indonesia, a large share

of cocoa farms has been infected with Vascular-Streak Dieback (VSD). The impact on cocoa output is expected to be much larger than previously expected.

Processing & Manufacturing

Nigerian bourse lists first cocoa processing firm
Afrique en ligne, France
Jul 25, 2008
Lagos, Nigeria - The number of listed stocks under the Food/Beverages and Tobacco subsector have gone up to 14 at the Nigerian Stock Exchange (NSE) with the listing of FTN Cocoa Processors Plc. The company listed by way of introducing 2 billion ordinary shares of 50k each at N2.50 per share.

Speaking at the occasion, the Executive Director of the Company, Akin Laoye, said 13 years after its establishment, FTN had processed over 40,000 tonnes of Coco a beans. FTN core businesses are in the processing of Agricultural Cocoa Beans and Palm Kernel.

The Cocoa factory located on an area of 11,828.78 square metres in Ibadan, south=west Nigeria, has the capacity to process 10,000 metric tonnes of Cocoa Beans per annum. Cocoa Beans are processed into Cocoa liquor, butter, cake and powder. On the other hand, Palm Kernel is processed into Palm Kernel Oil and Cake for both local and foreign markets.

"Our experience in the business led to the informed decision to lease Cocoa Products Company Ltd. at Ile-Oluji in 2003 at a time the company was moribund.

"The successful turn around of the company paved the way for its privatization in 2006. We have adequate working capital generated from the private placement. We equally source for our raw material mainly Cocoa beans locally in Nigeria", Lao ye said.

He added that "Today, the company is on a sound financial footing and a major exporter. Within some few years, the company had established strong links with overseas Cocoa product buyers in UK, Netherlands, Poland, France and Spain. This is an opportunity for investors to be part owner of the company."

Nigeria is the third largest Cocoa producing country after Cote d'Ivoire and Ghana in the world. It was a major source of revenue for the country in the early 1960s before the advent of oil boom. The then Western Region in Nigeria where the product is mainly grown utilized the proceeds from Cocoa to lay foundation for its development. One of the major gains of the period was the erection of the 20-storey building called "Cocoa House" in Ibadan. However, with the discovery of oil boom, the sector suffered neglect.

Binus Yaroe, who represented the NSE Director General, said with the listing of the Company all hopes to revive the Cocoa sector of the Nigerian economy had been hightened. He commended the vision of the Company management for taking advantage of the Capital market as a way of positioning it to investors. FTN management said the Cocoa processing factory capacity would be expanded to 25,000 metric tonnes per annum through the acquisition of more Cocoa press, Winower, Roaster and other equipment.

Laoye also said the company turnover of 324.5 million naira at the end of April would increase to 1.3 billion naira at the end of the 2008 financial year. With total assets base put at 2.61 billion naira, the company, according to its financial record, total liabilities were put at 92.8 million naira and shareholders of 2.52 billion naira as at April 2008. Some of the stockbrokers who spoke at the event enjoined the company to work towards improving its status, provide adequate and timely information to the broker.

Business & Economy

Single-Origin Chocolate Syrup a market first perfectly geared to Specialty Coffee retailers
Mont Blanc Gourmet Features Omanhene Ghana Chocolate for Its First Release
Business Wire (press release), CA
July 21, 2008
DENVER--(BUSINESS WIRE)--Mont Blanc Gourmet introduces a market first with its Ghana chocolate syrup, featuring Omanhene chocolate. The first single-origin syrup is available now to specialty coffee roasters and retailers looking to offer a chocolate experience unlike any other. "Chocolate and coffee flavors are distinctive and very much a part of where they come

from," says Mont Blanc Gourmet chocolatier Michael Szyliowicz. "Now, coffee lovers can savor a truly unique mocha that combines the chocolate and coffee flavors of a single region."

Mont Blanc has partnered with Omanhene chocolate to feature the robust flavors of Ghana. "Because of the single-origin nature of the chocolate, and the unique cocoa processing done there, the red fruit notes are more dominant than in a typical chocolate," says Szyliowicz, co-founder of the Denver company known for its innovative and high-quality products.

The specialty coffee industry highlights the taste profiles of different growing regions. With Mont Blanc Gourmet's single-origin chocolate syrup, coffee drinkers now have the ability to create their own distinctive taste profiles by combining the flavors of different regions. The Ghana syrup can be used in mochas or blender drinks, mixed with coffee and poured over ice or drizzled atop ice cream or other desserts.

Mont Blanc's single-origin dark chocolate syrup was born out of a commitment to unique, quality products and a desire to help specific cocoa-farming communities. And so the partnership with Omanhene was formed. Omanhene features Ghana chocolate, and its business plan ensures that Ghana cocoa farmers are paid a fair wage determined by the Government of Ghana and that all the value-added processing takes place in Ghana. "We are excited to have been asked by Mont Blanc to play a key role in developing the first single-origin chocolate syrup," says Steven Wallace, founder of The Omanhene Cocoa Bean Company. "It is a partnership borne of a desire to showcase the high-value manufacturing we undertake in Ghana - an achievement that allows us to showcase both the wondrous Ghana cocoa beans and the extraordinary Ghanaian workforce."

Omanhene has been recognized by the United Nations Global Compact initiative for its commitment to global corporate citizenship. The Wisconsin-based company goes beyond the typical fair trade scheme by keeping the value-added manufacturing component in Ghana.
Processing in the country of origin benefits both the country of origin and the consumer. "Our cocoa beans are not subjected to a month-long ocean voyage prior to processing off-shore," says Wallace. "As a result, Omanhene chocolate has an unmistakably fresh flavor and aroma."

That flavor and aroma enables Mont Blanc's first single-origin chocolate syrup to truly stand out in the specialty coffee marketplace. "Mont Blanc is committed to offering the best-tasting products we can find," says Szyliowicz. "And a true benefit of single-origin chocolates is that we can help have a positive impact on the economies of cocoa-growing countries. We hope demand will allow us to expand our single-origin product line."

For more information on Mont Blanc's Ghana syrup, visit http://montblancgourmet.com/single-origin/ or call Irene Szyliowicz at (800) 877-3811.

Chocolatier Michael Szyliowicz's creative and innovative spirit is the driving force behind Mont Blanc Gourmet, a boutique-style company that focuses on the highest-quality chocolate possible. If you can envision a product, the Denver-based lab stands ready to make it a reality. Mont Blanc works with some of the largest companies in the industry and has developed an enviable lineup of private-label products for each. Classique chocolate syrup anchors Mont Blanc's product line, which includes frozen blender drink mixes, drinkable chocolate and sugar-free chocolate and caramel syrups.

The Quest for Great American Chocolate
Las Cruces Sun-News, NM
By Betty Hallock/Los Angeles Times
22/07/2008
SAN FRANCISCO -- Meet the new Willy Wonka: Timothy Childs is a former space shuttle technologist who's building a 29,000-square-foot chocolate factory on prime waterfront property in the Embarcadero. He stands in the factory's laboratory inspecting a sample of split-open cocoa beans, pointing out the ones that have been properly fermented and talking intensely about the hedonics of chocolate -- as in the hedonistic sensation of eating it, how it melts in the mouth, when it starts to break apart and the way in which flavors and sugars are released. "We're freaks about it," says Childs, chief chocolate officer (his official title) of Tcho.

He's not the only sweet tooth/techno-tinkerer with chocolate on the mind. In fact, Childs is one of a generation of new Willy Wonkas, a recent crop of American bean-to-bar chocolate makers who are building their own factories -- sometimes their own machinery -- and tracking down cocoa beans to transform them into bars of chocolate (also known as "couverture"), for eating and for making confections.

There's no mistaking these chocolate makers for traditional chocolatiers, who create confections such as bonbons and truffles. Instead of enthusing about ganache, they're wont to talk about cacao genetics, or the advantages of a roller mill versus a ball mill during chocolate refining, or the stability of certain types of crystalline structures in chocolate.

These entrepreneurs tend to be excited about a just-found piece of vintage machinery (say, a 1930s mahogany winnower) or the next shipment of beans from Bolivia. They're continuously experimenting with roasting times, for example, or with stone-grinding techniques. Or they're taking the extra steps (or leaps) to oversee the drying of their own beans or to press their own cocoa butter.

Setting new standards

The result is an envelope-pushing variety of chocolate, some of which is on par with the chocolate from European producers that connoisseurs have long considered the standard. "We haven't even seen how great chocolate can be yet," says Colin Gasko, owner of Rogue Chocolatier (a chocolate maker despite the word "chocolatier" in the name), who launched his Minneapolis company in November. "I don't think that anybody in the world making chocolate right now is making the best chocolate that can be. There's such tremendous potential."

Bean-to-bar is industry parlance for the complicated process by which cacao is turned into chocolate. The bean-to-bar process involves: roasting the beans; breaking them into small pieces called nibs and removing the shells (referred to as winnowing); grinding the nibs, usually with sugar, to form a chocolate paste; then refining and conching (very forceful kneading) to produce the desired smoothness and to develop flavors.

Depending on the chocolate maker's stylistic approach, the following ingredients might be added: vanilla, additional cocoa butter and/or soy lecithin. After it's tempered (heated then cooled to a certain temperature, so that it has sheen and snap), the chocolate is poured into molds. Until recently the process was the domain of mass producers, even in the 12 years since groundbreaking Scharffen Berger started making chocolate in Berkeley. (And even the big companies increasingly are contracting out a significant part of the process.)

In the last couple of years, inventive chocolate makers have popped up across the U.S. In Brooklyn, a couple of cocoa-loving brothers are building a "chocolaterie and laboratory" in the south Williamsburg neighborhood. Childs teamed with Wired magazine co-founder Louis Rossetto to form Tcho, refurbishing equipment shipped in its entirety from an old chocolate factory in Wernigerode, Germany. Tcho is a 21st-century chocolate factory: Childs plans to install video monitors and display screens that show what's happening inside the machines.

Tcho, which has sample chocolate "in beta" and is set to open in the first quarter of next year, is among the biggest of the new wave of chocolate makers, with 18 employees and with the capacity to make 3 tons at a time. "That's still less than what the big guys spill during a shift change," Childs says.

Artisanal "micro-batch" producers are coming out with 50 to 1,000 pounds at a time, with just one or two people making the chocolate, such as Art Pollard of Amano Artisan Chocolate in Orem, Utah; Steve DeVries of DeVries Chocolate in Denver; Alan McClure of Columbia, Mo.-based Patric Chocolate; and Gasko's Rogue Chocolatier.

Now "there's more interest in chocolate and there's high enough prices for chocolate to make it feasible to have a small company," says DeVries, a former glass manufacturer who pursued chocolate making after a trip to Costa Rica several years ago and his first encounter with a cocoa pod. On subsequent trips, he started bringing back as much as 70 pounds of cocoa beans in his suitcases. (He might be the Charlie Papazian of chocolate makers, Papazian being the patron saint of microbrewing.)

Other bean-to-bar chocolate makers include Theo in Seattle; Mast Bros. Chocolate in New York; Taza in Somerville, Mass.; and Askinosie of Springfield, Mo.

"It's a very courageous choice (to make chocolate), especially for the small processors," says international chocolate consultant Chloe Doutre-Roussel, who wrote "The Chocolate Connoisseur" and recently has been helping a cacao cooperative in Bolivia launch a chocolate bar for the export market. "It takes quite a lot of investment in machinery. Even those with small machines end up buying bigger ones. Plus you need to pay for trips to buy the beans and to ship them."

What formerly might have been seen as the unglamorous side of the chocolate world now has cachet, Doutre-Roussel says. Famed chocolatiers such as Pierre Marcolini or Patrick Roger in Belgium and France didn't make their names by roasting and grinding beans. But it has become trendy for high-end European chocolatiers to make at least a limited amount of their own

chocolate, maybe even from their own small, vanity-project cacao plantations. Still, Europe hasn't seen the rapid rise of chocolate makers that has taken place in the U.S.

"Three years from now, we'll probably see double the number of chocolate makers (in the U.S.)," Childs says. "It sounds banal, but it reflects back to the Internet and technology. Before it was so hard just to have communication with growing areas. Now practices get communicated, contacts established, samples and feedback are sent. Sourcing the cocoa is the hardest thing to do, making it is second-hardest."

Childs notes that there's enough information on chocolate-making Web sites to "let people make it on their own and find people who can help them. We couldn't do this 10 years ago; we couldn't do this five years ago."

Meanwhile, by the time Hershey Co. bought Scharffen Berger in 2005 and then Portland, Ore.-based Dagoba the following year, the gap left by industry consolidation was ready to be filled. In 2006, Joseph Whinney founded Seattle-based Theo, the first roaster of organic and fair-trade cocoa beans in the U.S., according to its Web site.

Many bean-to-bar producers say they're motivated by the possibilities for tremendous change in chocolate making -- in the possible increase in quality to be gained if producers control the way that the bean is handled at the source as well as by paying obsessive attention to how their machinery affects the development of flavors.

"I was curious," DeVries says. "How could it be that I could grind this stuff in my kitchen and have more complex chocolate than any I'd ever had before?

"We have so much upside now. If the French bought all their grapes in shiploads from Africa, how good would the wine be? That's about where we are with chocolate."

Back in the factory lab, Childs points to photos of neatly boxed fermenting cocoa beans (as opposed to beans fermenting in large piles). Tcho plans to implement "infield improvements and models for fermentation and drying," Childs says. "That's the first order to improving quality and flavor. I'm looking at this not just from bean to bar but from pod to palate. Pod to bean is the most crucial step in the process."

DeVries oversees his own drying method. "For me to make chocolate, I need to go there, be involved in the harvest and be involved in the drying," he says. "I'd heard about the drying of beans in Chuao (Venezuela, where prized beans are from), went down and learned how they made the stuff. A lot of it was the way it was dried. I started doing experiments in Costa Rica and dried them very slowly. I got fantastic chocolate -- dried fruit tones that just knocked people out."

Transforming the beans to bars takes machinery, lots of it. It's the myriad fascinating, sometimes-obscure and hard-to-find, oft-modified machines that charm the Wonkas -- small grinders originally used for making Indian batters such as for "dosas" (rice-flour pancakes), "melangeurs" (grinders) tracked down in Spain, a conch from the Suchard factory in Switzerland, or a winnower salvaged from Scharffen Berger's parking lot.

"It's not all easy to find. Machine shop skills come in handy," says Amano's Pollard, a search engine developer who had his first chocolate epiphany 11 years ago during his honeymoon after eating a Belgian chocolate truffle. "I decided to design and build my own refiner and conch from scratch. I think one of the great things about doing it the hard way instead of buying machinery is that you really learn why things are the way they are."

The level of attention that the bean-to-bar guys pay to each part of the process is sort of captivating. During winnowing, much of which Patric's McClure does by hand, he removes a large proportion of the germ because, he says, it's hard and bitter. Rogue's Gasko, who, he says, "started fooling around with machines in the basement," says he's working on equipment that he hopes will get the remaining hulls down to one-tenth of a percent with only 2 percent loss of the nib and at the same time remove all of the germ. "It requires a bit of engineering," he says.
(End optional trim)

As for ingredients, some of the new chocolate makers have little interest in anything but the cocoa beans and sugar. The only two ingredients you'll see listed on the packaging of DeVries' chocolate is cocoa beans and cane sugar, but he doesn't describe himself as a purist. For now, he says, "I'm still trying to figure out what's going on with the cocoa bean."

Callebaut rebounds as Hershey eats rising costs (Update1)

Bloomberg

By Thomas Mulier <tmulier@bloomberg.net.>

July 22, 2008

(Bloomberg) -- Barry Callebaut AG, the world's biggest maker of bulk chocolate, is fighting a 40 percent jump in cocoa prices this year by selling fewer candies under its own brands and making more for competitors including Hershey Co.

Serving as a contract manufacturer and supplier of raw materials allows the Swiss company to pass rising costs to customers, says Claudia Lenz, an analyst at Bank Vontobel AG in Zurich who recommends buying the shares, which have lost 21 percent of their value this year.

More Photos/Details

Making sweets for others may enable Callebaut to recoup most of the loss over the next 12 months, according to the average of six analysts surveyed by Bloomberg, while those following Hershey say the U.S. company's shares will remain unchanged. ``We expect that because of this raw-material situation, customers will look more into outsourcing,'' Chief Executive Officer Patrick De Maeseneire, 50, said in an interview.

Zurich-based Callebaut, which makes a quarter of the world's chocolate and cocoa, has trimmed consumer businesses over the last year to focus on contract manufacturing and producing ingredients such as cocoa butter. The company has reduced sales of its own brands of chocolate, including Sarotti and Jacques, to 20 percent of revenue from a third in 2005. ``Outsourcing is the thing that's driving growth,'' Bank Vontobel's Lenz said ``In the consumer business, you are hurt if raw material prices go up. It's clearly not the focus for them. It would be a good thing to get rid of that.''

Brach's Sale

The company sold the Brach's candy line to closely held Farley's & Sathers Candy Co. of Round Lake, Minnesota, in November for an undisclosed price. Callebaut also signed its biggest outsourcing deal in 2007 with Hershey and won new orders from Nestle SA, Cadbury Plc and Japan's Morinaga & Co. Those total 150,000 metric tons of chocolate a year, or about 15 percent of annual production.

New contracts will boost annual sales by about 13 percent, or 534 million francs ($523 million), and operating profit by 17 percent in the next two years, Bank Vontobel's Lenz estimated. ``The pressure is on these guys to outsource more and more, so Barry Callebaut just stands to gain,'' said Jon Cox, an analyst at Landsbanki Kepler who recommends buying. ``The whole outsourcing trend took off recently. You have companies like Nestle saying we can get out of basic commodity processing and we should just be adding the magic dust at the end of the process.''

Expanding Market

Deutsche Bank AG analyst Thomas Rauch today cut his price target on Lindt & Spruengli AG, the maker of Ghirardelli chocolate, by 29 percent to 2,500 francs, citing high cocoa prices and slowing U.S. consumption.

The global chocolate market will probably expand 5.3 percent in 2008 to $87 billion, according to Euromonitor International Plc. As much as 30 percent of production may be outsourced over the next five years, about twice the current level, Callebaut said in an investor presentation this month.

Callebaut turns a tenth of the world's cocoa harvest into ingredients such as cocoa butter and cocoa powder, used in products including Kellogg Co.'s Keebler cookies and Unilever NV's Magnum ice cream bars. It also makes more than a third of the 1.7 million tons of chocolate produced globally for third parties, Lenz said. That's more than twice as much as closely held Cargill Inc., the second-largest industrial chocolate producer, she said.

`Confident' Chief

Callebaut hasn't escaped pain from higher commodity prices and slowing U.S. and European economies. The shares were unchanged today at 667.5 francs at 9:20 a.m. in Zurich, though their 21 percent decline this year exceeds the 13 percent declines for both Hershey and Cadbury.

De Maeseneire has frozen hiring and cut marketing to save 20 million Swiss francs in 2008. The measures may be extended into next year, he said in a July 1 interview.

Callebaut announced in April that first-half net income and operating profit were little changed, as startup costs for factories in Russia and China and higher cocoa prices lowered earnings from the branded consumer chocolate business. De Maeseneire said he's ``confident'' he'll reach average net income growth of 13 percent to 16 percent in the four years through August 2011. Expansion will probably be near the lower end of the range in 2008, he said.

The company bought or leased 10 factories, bringing the total to about 40, De Maeseneire said. Two European plants purchased from Nestle last year are at about 35 percent of capacity, Chief Financial Officer Victor Balli said in April.

Callebaut's chocolate factories ran at 89 percent of capacity in 2007 and may win enough orders to operate the new ones near full volume in three to five years, according to the investor presentation. The company can make products almost 20 percent cheaper than smaller companies, according to Lenz. ``We like the company's strong market position, which should allow it to continue to benefit from the current outsourcing trend,'' said Patrick Jnglin, an analyst at Credit Suisse who rates the shares ``neutral.''

Hope for bigger cocoa harvest this year derailed by smuggling – COCOBOD
Modern Ghana, Ghana
By gna
22 Jul 2008
Ghana's hopes for a bigger cocoa harvest in the current 2007/08 crop year is being derailed by "serious" smuggling of the beans abroad, Ghana Cocoa Board (COCOBOD) said on Tuesday.
Mr. Isaac Osei, COCOBOD Chief Executive, said traders, mainly from Cote d'Ivoire were paying higher prices in a desperate bid for Ghana's cocoa beans with which they mixed their stock for export. "It is very serious…I can say for now that we are denied that opportunity of announcing a record harvest this year as a result of the smuggling," Mr Osei told the Ghana News Agency. He did not give details of how much cocoa was being smuggled with the explanation that it would take some time to assess the situation.

COCOBOD originally projected a harvest of 650,000 tonnes for the full October-September crop year, including a light crop of 50,000 tonnes, however, hopes for a bigger harvest have risen in recent months and industry watchers now predict a final season output of more than 700,000 tonnes. The main crop harvest which closed June 5, reached 663,558 tonnes, up by 12 percent on-year. However, purchases for the light crop which began June 27 were 10 per cent lower at 4,646 in the first, compared to the same period last year.

Mr. Osei said COCOBOD was seeking amendments to the current legislation that would see smugglers sent to prison and not just fined. "We think as it is now the law is not deterrent enough." In the meantime COCOBOD was collaborating with the security agencies for effective patrolling of the borders, he said, adding that there were suspicions of some security personnel conniving with the smugglers. He said government was monitoring developments and if need be, would take the appropriate decision to address the issue of price differentials at the beginning of the next crop year in October. "We always want to do the right things...first and foremost to give good remuneration to our farmers, depending on the market trend, and also make sure we protect the integrity of our beans."

In February this year, the government increased the producer price for cocoa by more than 25 per cent in an effort to stop smuggling of the beans into Cote d'Ivoire and Togo. 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 fertiliser and adoption of high yielding seeds, combined with improved farming methods.

Training workshop for cocoa sprayers
Peace fm Online, Ghana
GNA
22 July 2008
A day's training workshop for 80 Cocoa Spraying Gangs' supervisors in Asikuma-Odoben-Brakwa (AOB) district, to prepare them to work credibly during the 2008 Mass Cocoa Spraying Exercise, which will commence on August 1, 2008, has taken place at Breman Asikuma.It was also aimed at sensitizing them to apply the new insecticide called "Actara", which is more effective than Aketie, properly on the cocoa trees for more yeild.

Mr. Theopilus Djorbuah, a facilitator from Calli Company Limited Tema, took the participants through processes such as how to mix the Actara, how to apply it, cost management, and the safe use of Agro Chemicals.He advised them to be cautious, and after work wash their hands with soap before eating to avoid any problem, since the chemical was not for human consumption. Mr. Djorbuah entreated the supervisors to discharge the task entrusted them without fear or favour, so that the huge sums of money that the government was spending on the spraying exercise would not be wasted.

Nana Tutu III, Central Region Chief Cocoa Farmer, and Nana Kweku Esuon II AOB District Chief Farmer in their addresses advised the supervisors and their gangs to be careful in other not to politicize the exercise for it was a programme to benefit all cocoa farmers. They also urged them to mindful in other not to demand money from the farmers before spraying their farms, added that, whoever was found in that act would be handed over to the police for prosecution. The Supervisors appealed the district task force to increase the size of the gangs to enable them cover the whole area.

Ghana to miss cocoa target due to smuggling
Source: Reuters
23/07/2008
Accra, July 22 - Ghana is unlikely to hit its target of registering production of more than 700,000 tonnes of cocoa in the 2007/8 season due to the smuggling of beans abroad, the industry's regulator Cocobod said on Tuesday.

Ghana's main crop harvest closed on June 5 having reached 663,558 tonnes, up 12.9 percent from last year. Cocobod had already forecast this year's light crop to yield at least 50,000 tonnes, which would bring the annual crop over 700,000 tonnes. "The situation is serious and the indications are that we are unlikely to meet our new target," Cocobod Chief Executive Isaac Osei said.

Ghana's 2007/8 light crop started on June 27 but it opened slowly, with less than 5,000 tonnes purchased in the first week, down 10 percent on the same period last year. Some in Ghana's cocoa industry, the world's No. 2 producer, had hoped that the 2007/8 production might top the previous record crop of 740,457 tonnes harvested in the 2005/6 season. "I can say for now that we are denied of that opportunity of announcing a record harvest this year as a result of the smuggling," Osei told Reuters, without giving details of how much cocoa was being smuggled.

Osei said that traders from neighbouring Ivory Coast, the top global producer which lies to the west, were offering higher prices for the Ghanaian beans. Ghana's government was forced to inrease its farmgate price for cocoa by more than 25 percent in February in an effort to stop smuggling of the main crop into Ivory Coast and Togo. Some 30,000 tonnes of cocoa were believed to have already been smuggled by then.

Osei blamed some members of the security forces for aiding smugglers and he said that Cocobod was seeking ammendments to current legislation that would see those caught potentially sent to prison and not just fined. 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 fertiliser and adoption of high yielding seeds, combined with improved farming methods.

Business : Cocoa farmers receive bonus
Daily Guide, Ghana
By Simmons Yussif Kewura, Asuodei
23/07/2008

FOLLOWING THE final release of bonuses for cocoa farmers in the main cocoa crop season by the government, Olam Ghana Limited has disbursed GH¢19,397 to 117 farmers in the Goaso zone of the company.

Disclosing this, William Bedjabeng, the Goaso Zonal Manager of the company said his outfit had purchased about 7,100 tonnes of cocoa in the area during the main crop season. Each bag of cocoa, according to the zonal manager, would attract GH¢1.71 as bonus.

At a ceremony to disburse the bonus, Mr. Bedjabeng advised cocoa farmers to get their cocoa well ferment before drying them so they would meet world market standards. According to Mr. Bedjabeng, if farmers were able to ferment their cocoa well, it would avoid the rejection of Ghana Cocoa Board and also help sustain the good reputation of the country's cocoa industry. He told the cocoa farmers that government had provided a new passbook for them, urging each farmer to secure one free of charge. Accordingly, the new book would enable them access scholarship for their wards, he added.

Welcoming the management of Olam, the chief of Asuodei, Nana Tabi Antwi appealed to the company to assist the town's electrification project by providing them with some electric poles. Nana Antwi as well said that the road from Goaso to the town also needed reshaping and therefore called on the management of Olam to assist in getting the road in good shape. He commended the company for paying the bonus on time.

Cocobod, Indian company sign MOU for jute-stitching factory
Ghana News Agency, Ghana
GNA
July 24, 2008
Accra, GNA - The Ghana Cocoa Board (Cocobod) and an Indian jute manufacturing company, Ganges Jute PVT Limited, on Thursday signed a Memorandum of Understanding (MOU) to establish a jute bag-stitching factory at Kumasi to reduce dependency on imports for cocoa bagging.

The one million-dollar facility would also save cost, facilitate operations and generate employment and foreign exchange for the country. The factory would be solely financed by Ganges with Cocobod providing a seven-warehouse facility, as its equity.

Mr. Isaac Osei, Chief Executive, signed for the Cocobod and Mr. Abhishek Poddar, Director of Ganges initialled for his company. Mr Osei said jute bags remained an important input in cocoa production and as such its local manufacturing would facilitate the supply of the bags for cocoa production. "With this, we can plan ahead and it would no longer be necessary for us to stock huge quantities during every session," he added. Mr Osei expressed the hope that a definitive agreement would be made soon to enable the project to begin.

Mr Poddar said the company had begun the necessary administrative work and was also prepared to begin the project. He said the company would also finance a five million-dollar complete jute-manufacturing factory in the country, if the operations of the stitching factory were successful.

Smuggled cocoa beans impact supplies from Ghana
ConfectioneryNews.com, France
By Lindsey Partos
24-Jul-2008
Cocoa supplies in Ghana, the world's second largest producer of beans, are being hit by smugglers taking the valuable beans abroad as prices crash through the $3000 barrier.

In June, cocoa futures in London soared to £1,662 per tonne, their highest level for 22 years and a massive 50 per cent rise on the previous year.

In New York, the same picture pushed prices to a 28-year high, driven by a 53 per cent rise on 2007, and pulling in prices for cocoa at $3,150 per tonne.

And while the price paid to cocoa growers in Ivory Coast, the world's number one grower of cocoa, marches in tune to this healthy world market, in Ghana prices are fixed at the beginning of the season. Attracted by the higher prices, the smugglers from Ghana have been selling their produce on Ivory Coast, consequently robbing the Ghana Cocoa Board (COCOBOD) of a record harvest. "I can say for now that we are denied that opportunity of announcing a record harvest this year as a result of the smuggling," Isaac Osei, COCOBOD's chief executive told local media, the Ghana News Agency, this week.

According to the International Cocoa Organisation, this is not a rare phenomenon. "Smuggling is a common problem in all of western Africa," a spokesperson for the ICCO explains to ConfectioneryNews.com. Smugglers are keen to profit from the keen price differential between Ghana and Ivory Coast. And with cocoa beans in June 2008 fetching a 40 per cent higher market price than in June 2007, the appeal has apparently been ever stronger this year. Although, according to the local media report, amendments to the system may be on the way with Osei saying the government may take the "appropriate decision to address the issue of price differentials at the beginning of the next crop year in October." Earlier this year, in a bid to stem the flow of smuggled beans to Ivory Coast and Togo, the Ghanaian government boosted the producer price for cocoa by than 25 per cent.

In terms of yield this year, COCOBOD originally forecast a harvest of 650,000 tonnes for the full October-September crop year, including a light crop of 50,000 tonnes. Observers now predict a total output of more than 700,000 tonnes. Keen to compete further on the world stage, the country has ambitions to bring in one million tonnes of cocoa a year by 2010.

Tiger Brands to buy Chococam from Barry Callebaut
Source: Tiger Brands
24/07/2008
Johannesburg, July 24, 2008 – Tiger Brands Limited, South Africa's leading branded food and healthcare company, announced today its intention to acquire 74.7% of the shares of consumer chocolate manufacturer Chococam in Cameroon from Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products. The remaining 25.3% of the shares are held by a number of small private shareholders.

Founded in 1967, Chococam manufactures cocoa-based consumer products in its factory in Douala and sells these highly popular products in Cameroon, Nigeria and other countries of Central and West Africa. Chococam has annual sales of approximately CFA 18 billion (€ 28 million/CHF 45 million) and employs about 300 people. Tiger Brands Limited will take over the entire business, including all employees.

Peter Matlare, CEO of Tiger Brands, said: "Chococam is a quality acquisition with high market shares in categories that are familiar to Tiger Brands. This acquisition gives impetus to our strategy to expand our African footprint. We are delighted that we will have a presence in Cameroon as there is enormous growth potential in this market."

Patrick De Maeseneire, CEO of Barry Callebaut, said: "Our Group has been present in Cameroon since 1952. We will remain present in Cameroon through our subsidiary SIC Cacaos in which we have just made important investments. Our strategic focus in Africa is on cocoa bean sourcing and cocoa processing and not on consumer chocolate. That is why we have decided to also divest the last one of our consumer activities, after having sold our consumer businesses in Senegal and Ivory Coast before. We are very pleased that we have found an optimal new owner for Chococam in Tiger Brands Limited that, based on its strategy and experience, will be able to further develop the Chococam business and to secure a great future for our Chococam colleagues."

The transaction is expected to close on July 31, 2008. The two parties have agreed not to disclose any financial details of the transaction.

Cocoa Giant Ivory Coast targets biofuel production
Source: Reuters
25/07/2008
Abidjan, July 24 - Ivory Coast, the world's top cocoa producer, is diversifying into the booming market for biofuels by growing the oil-rich jatropha plant, farmers said this week. To take advantage of a global trend toward alternatives to fossil fuels, several jatropha projects are underway across the West African nation, which intends to produce enough oil to make biofuel domestically.

In Toumdi in centre of the country, the Ivory Coast Reneweable Energies Development Agency (ADERCI), a privately-owned firm, is producing seeds for a project to grow jatropha and castor plants on 100,000 hectares from 2009.

The project involves around 70,000 farmers, and is seen producing a total of 1.8 million tonnes of jatropha and castor seeds a year, enough to make 705,600 tonnes of biofuel. "Right now we are producing the feedstock seeds for the plants and the project is well advanced," said ADERCI director Jean Koudou Goussou.

Oil produced by pressing jatropha and castor seeds will be sold to the Ivorian Refinery Company, and the national petrol firm, Petroci, to make biodiesel. "Jatropha and castor oil plants can grow on any type of land. It's a project which will help redress the social imbalance caused by cocoa and coffee, which only grow in some soils," he said. According to Goussou, 5,000 hectares of jatropha or castor oil will be enough to produce between 15 and 23 million litres of biodiesel per year.

The Ivorian government intends to pass a law by the end of the year governing the biofuel sector, and setting a fixed price per kg at which it will buy jatropha seeds.

EXTRA INCOME
In the eastern region of Abengourou, cocoa planter Joseph Amani said several coffee and cocoa farmers in the area have already started growing jatropha.

"There is lots of previously unused land here which farmers are using for jatropha," he said.

"There are some who have started selling seeds for 60 CFA francs ($0.14) a kilo. For the moment, the seeds are being sold to Indian and Chinese buyers, who it seems are taking them to make biofuel," Amani said.

"Planters are happy because it's a source of additional income on top of cocoa and coffee," he said.

In the central regions of Taabo and Dimbokro, Valentine Yao, a project manager responsible for 200 hectares of jatropha, aims to rapidly increase her planted area. Her firm, Jatroci, also sells seeds and helps new planters get started. "It's a craze. We have 200 hectares and we want to get to 1,000 hectares by the end of the year because we have partners in Italy and Canada who demand a certain level of production before they will help us install biofuel production units," she said.

DJ Barry Callebaut Cameroon buys 20,293 tons cocoa beans Aug-Jun
Trading Markets (press release), CA
By Emmanuel Tumanjong
July 25, 2008
YAOUNDE, Cameroon, Jul 25, 2008 (Dow Jones Commodities News via Comtex) -- The Cameroon subsidiary of Switzerland-based Barry Callebaut AG (BARN.EB) bought 20,293 metric tons of cocoa beans for processing in August-June of the 2007-08 season (August-July), down from 21,681 tons a year earlier, figures from the National Cocoa and Coffee Board show.

Barry Callebaut Cameroon bought 548 tons of cocoa beans in June alone, slightly lower than 687 tons it bought a year earlier.

This subsidiary, locally known as the Societe Industrielle Camerounaise des Cacaos SA, has the capacity to process 30,000 tons of cocoa beans a year. The Swiss firm owns 70% of the shares and the rest are controlled by the Cameroon government and local private individuals.

Research & Development

Mars maps the cocoa genome
Ars Technica, MA
By Jonathan M. Gitlin
July 25, 2008

Who doesn't like chocolate? Well, there's bound to be a few of you out there, but it's safe to say that Mars, the confectionary giant, is a big fan. Not only does Mars like chocolate, they care about it too, and to that end, Dr Howard-Yana Shapiro, global director of plant science and external research for Mars, took some time of his day to talk to me about their biggest project: mapping cocoa's genome. Cocoa trading is the 6th largest commodity market on the planet, yet compared to soy, corn, wheat, and others, much less research has been conducted on cocoa biology and agriculture.

The genome work is a joint collaboration with USDA and IBM; Mars plans to make the entire sequence freely available to all through the Public Intellectual Property Resource for Agriculture, rather than attempting to patent or restrict access, as has happened in other sequencing efforts. Mars' aim with this project is to help cocoa breeders take some of the guesswork out of cultivation for the 6.5 million small farmers who make their living growing the plant. Unlike most other commercially grown crops, cocoa plants are still mainly grown from seeds rather than clones and, unlike other agricultural staples, cocoa hasn't seen the same doubling or tripling of yields.

Other aims are to identify ways to use better breeding to produce cocoa plants that will be able to adapt to diseases and climate change. Down the road, researchers may even identify genetic components to flavor, which Dr Shapiro describes as the holy grail. There are no plans to try genetically modifying cocoa.

Another hope of the effort is that it will reduce the time taken to get better breeds of cocoa to farmers; since cocoa is planted from seeds and takes several years to mature, previous efforts have taken between 10 and 15 years. Advances discovered from unlocking the cocoa genome ought to reduce that to three to five years—a significant step forward.

Interestingly, cocoa's genome is much smaller than other crops at around 450 Mbases; By contrast, cotton is 3 gigabases, corn is 2.4 gigabases, and pine is massive 21 gigabases. Dr Shapiro speculated that the reason for this could be the fact that cocoa is a less developed tree compared to other plant species, but the reasons are as yet unknown, but it could be related to relative simplicity of the plant (such as uncomplicated seed pods and so on). The sequencing project is expected to be completed within the next five years.

Others

Nigerian farmers want government to buy off banned pesticides
Monsters and Critics.com
Jul 23, 2008,
Abuja - The Cocoa Association of Nigeria (CAN) Wednesday urged the Nigerian government to buy off banned pesticides still in the possession of the country's cocoa farmers. The request came on the heels of a letter by the International Cocoa Organisation (ICCO) to Nigeria and other cocoa producing countries to reduce the Maximum Residue Level (MRL) in cocoa beans to 0.1 mg as of September 1, 2008.

The initiative by the European Union is a response to scientific reports that high residue levels in cocoa beans were harmful to humans.

CAN president, Afun Adegbulu, said cocoa farmers economically would not be able to meet the new regulation should the government fail to assist them, stating that if the government failed to assist the farmers, cocoa beans from Nigeria would be rejected at the international market. According to Adegbulu, the majority of the farmers had stockpiled the banned pesticides in anticipation of an increase in the price of cocoa.

WTO: 2008 NEWS ITEMS - WTO NEWS — DDA JULY 2008 PACKAGE: SUMMARY 21 JULY

NOTE:
THIS NEWS ITEM IS DESIGNED TO HELP THE PUBLIC UNDERSTAND DEVELOPMENTS IN THE WTO. WHILE EVERY EFFORT HAS BEEN MADE TO ENSURE THE CONTENTS ARE ACCURATE, IT DOES NOT PREJUDICE MEMBER GOVERNMENTS' POSITIONS.

About 30 ministers spoke in a morning meeting of the WTO's full membership of 152. More delegations will speak tomorrow when this informal session of the Trade Negotiations Committee continues.

Scheduled for the rest of the day were consultations in a wide range of different forms, including "Green Room" meetings of a representative group of about 40 ministers.

Several speakers picked up a number of themes introduced by Director-General Pascal Lamy at the start of the meeting. He spoke of the difficult task ahead of them, the need to conclude the Doha Round in order to stimulate and stabilize the world economy, the need for WTO members to make an effort as a team to reach agreement.

Pascal Lamy's statement
The central task before WTO members during the coming week is to try to agree on "modalities", which will include formulas for cutting agricultural and non-agricultural tariffs and farm subsidies.

"Establishing modalities in agriculture and NAMA [non-agricultural market access] does not mean that the negotiations on these two issues are over," Mr Lamy reminded members when he opened the meeting. " Let me again stress that the establishment of modalities is, instead, a necessary stage to allow us to proceed to the preparation of schedules [ie, each country's tables showing cuts in tariffs and subsidies and other details], and to accelerate the negotiations in the other areas."

The "uphill journey" requires "patience and determination" but agreement on this major step in the negotiations is within reach, he said.

"I can think of no stronger spur for our action than the threats which are facing the world economy across several fronts, including rises in food prices and energy prices and financial market turbulences. There is widespread recognition that a balanced outcome of the Doha Round could in these circumstances provide a strong push to stimulate economic growth, providing better prospects for development and ensuring a stable and more predictable trading system."

Mr Lamy also described the planned process: "no surprises, intensive informal consultations in a variety of configurations — bilateral, plurilateral and multilateral", with decisions only taken by the full membership in a process that is "transparent" (information shared fully) and "inclusive" (all members represented).

He compared the task to climbing a mountain. "The only way to reach the top is understanding each others' interests and limitations."

The starting point will be the 10 July draft agriculture and non-agricultural (industrial products) market access texts. Mr Lamy reported that some further progress has already been made in market access for industrial products and that details would be circulated later in the day.

The formal meeting of the Trade Negotiations Committee, which would end the present phase of the talks, is scheduled for Saturday 26 July, but it could be postponed to allow all delegations to study "the final product", he said.

Members' comments

All the speakers in this morning's meeting were ministers. They expressed strong support for concluding the "modalities" texts in agriculture and non-agricultural products.

Several said they also want to move forward on some issues that interest them such as services, rules (including fisheries subsidies) and in some cases intellectual property — the multilateral register for wines' and spirits' geographical indicators, extending to other goods the enhanced protection currently given to wines' and spirits' geographical indications, and requiring patent applicants to disclose the origin of genetic materials and traditional knowledge used in their inventions.

Several echoed Mr Lamy's comment that concluding the Doha Round is needed in the present economic climate of uncertainty, high food and fuel prices and financial problems.

Many said agreement is within reach because of the tremendous amount of work that has been achieved by senior officials and the chairs of the agriculture and industrial products talks.

And several reminded fellow-members of the issues that concern them.

Developing countries focused on development needs, but with different interpretations of what that means. Some said they need flexibilities to shield their vulnerable farmers or their economies as a whole. Others said too much flexibility for developing countries would prevent development through South-South trade.

Countries facing large adjustment in agriculture called for more access to developed and advanced developing country markets in industrial goods and services. Others said it is up to the richest countries who distort agricultural markets the most to make the largest contributions — and the largest economies accepted this responsibility provided others also contribute.

But no new positions were indicated. This is normal practice in an opening meeting of this kind, spokesperson Keith Rockwell told a press conference afterwards.

The informal Trade Negotiations Committee meeting continues on Tuesday morning 22 July.

TIT BITS

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

London sugar, coffee slip
LONDON (July 22, 2008): Sugar and coffee prices eased on Monday, extending the steep losses of the last few days as heightened fears of an economic slowdown weighed on commodity markets, dealers said. cocoa prices edged up slightly in a modest rebound but remained sharply below levels traded a couple of weeks ago.

US MIDDAY: cocoa up, coffee down
NEW YORK (July 22, 2008): US cocoa moved higher in early trade Monday, correcting higher after sharp losses Friday while arabica coffee turned quietly lower within a sideways range. ICE Futures US September arabica contract down 0.75 cent at $1.37 per lb by 9:14 am EDT (1314 GMT), spanning $1.3685 to $1.3815.

London cocoa and sugar fall
LONDON (July 23, 2008): cocoa and sugar prices eased on Tuesday as a sharp setback in oil and a stronger dollar sparked a widespread decline in commodity markets, dealers said. "Crude oil is driving all the other commodities and you also have an increase in the US dollar," Romain Lathiere, fund manager of Diapason Commodities Management, said.

US MIDDAY: cocoa down, coffee up
NEW YORK (July 23, 2008): Arabica coffee futures were up a shade in early trade Tuesday, continuing to move sideways in a tight range, while US cocoa was lower. Both markets dealt in thin volume and felt some pressure from other commodities. ICE Futures US September arabica contract was up 0.25 cent at $1.3755 per lb by 9:12 am EDT (1312 GMT), spanning $1.373 to $1.3855.

US MIDDAY: coffee and cocoa drop
NEW YORK (July 24, 2008): Arabica coffee and US cocoa futures fell nearly 2 percent in early trade Wednesday as long liquidation hit commodity markets, the dollar continued to climb and US crude oil slipped. ICE Futures US September arabica contract was down 2.25 cents or 1.6 percent at $1.352 per lb by 9:09 am EDT (1309 GMT), spanning $1.349 to $1.375. The rest down 0.75 to 2.40 cents.

London coffee, cocoa slip
LONDON (July 24, 2008): Coffee and cocoa prices fell on Wednesday as weakening crude oil, a stronger dollar and rebounding equity markets helped to spark a broad-based decline in commodities, dealers said. Sugar prices managed to hold at little-changed levels but have fallen steeply during the last few days as funds reduce exposure to commodity markets.

US MIDDAY: coffee and cocoa ease
NEW YORK (July 25, 2008): Arabica coffee and US cocoa futures eased in early trade Thursday as fund selling pushed the market lower amid thin volume. ICE Futures US September arabica contract was down 0.65 cent at $1.353 per lb by 9:02 am EDT (1302 GMT), spanning $1.346 to $1.3575.

Indonesian cocoa supply down
JAKARTA (July 25, 2008): Supplies of cocoa beans are down to a trickle in Indonesia's cocoa-growing areas of Sulawesi island as the main harvest has nearly ended and rains dimmed the prospect of a better mid crop at year-end, dealers said on Thursday.