

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 304

6th – 10th October 2008

Cocoa Producers' Alliance



UP-COMING EVENTS

- EUROCHOCCLATE 2008, 16-26 OCTOBER 2008, PERUGIA, ITALY
- AFRICAN COCOA ACADEMIES SYMPOSIUM, OCTOBER 28-30 2008, KUMASI, GHANA

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- NEW YORK (ICE) FUTURES MARKET UPDATE
- FROM THE NEWS MEDIA
- TIT BITS

Do your health a favour, drink Cocoa everyday
'It's nature's miracle food'

In the News (from Newspapers worldwide)

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ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
6 th October	1610.07	2456.60	1444.67	2421.00
7 th October	1629.16	2486.67	1444.00	2446.33
8 th October	1569.03	2404.15	1419.00	2363.00
9 th October	1561.43	2393.33	1418.67	2356.33
10 th October	1514.53	2311.30	1387.33	2269.33
Average	1577.00	2410.00	1423.00	2371.00

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

Monday 6th October 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2008	1415	1421	-15	1430	1391	6,983
Mar 2009	1450	1455	-13	1463	1424	7,960
May 2009	1451	1458	-11	1463S	1433	2,121
Jul 2009	1454	1466	-12	1462S	1442	208
Sep 2009	1464	1470	-10	1479S	1458	241
Dec 2009	1468	1475	-10	1471	1455	240
Mar 2010		1489	0			0
May 2010		1501	9			0
Jul 2010		1482	9			0
Sep 2010		1482	9			0
Average/Totals		1470				17,753

Tuesday 7th October 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1415	1420	-1	1443	1413	3,186
Mar 2009	1453	1454	-1	1475	1445	5,746
May 2009	1457	1458	0	1475S	1450	1,121
Jul 2009	1462	1467	1	1480S	1461S	260
Sep 2009	1485	1475	5	1485	1475	285
Dec 2009	1490	1479	4	1490	1479S	177
Mar 2010		1493	4			0
May 2010		1505	4			0
Jul 2010		1486	4			0
Sep 2010		1486	4			0
Average/Totals		1472				10,775

Wednesday 8th October 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1407	1396	-24	1417	1388	3,252
Mar 2009	1430	1427	-27	1451	1422	9,209
May 2009	1440	1434	-24	1455	1430	1,366
Jul 2009	1443	1443	-24	1450	1443S	305
Sep 2009	1455	1450	-25	1457S	1450	249
Dec 2009	1462	1461	-18	1462S	1462S	1
Mar 2010		1475	-18			0
May 2010		1487	-18			0
Jul 2010		1487	1			0
Sep 2010		1487	1			0
Average/Totals		1455				14,382

Thursday 9th October 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1402	1395	-1	1413	1387	3,714
Mar 2009	1435	1426	-1	1441	1419	3,299
May 2009	1440	1435	1	1448S	1429	1,755
Jul 2009	1442	1445	2	1446S	1439	42
Sep 2009	1450	1454	4	1454S	1450	24
Dec 2009	1464	1467	6	1464S	1464S	1
Mar 2010		1481	6			0
May 2010		1493	6			0
Jul 2010		1493	6			0
Sep 2010		1493	6			0
Average/Totals		1458				8,835

Friday 10th October 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1380	1362	-33	1380	1354	4,644
Mar 2009	1410	1394	-32	1413	1385	6,252
May 2009	1419	1406	-29	1425	1398	2,749
Jul 2009	1426	1415	-30	1427	1409	895
Sep 2009	1435	1424	-30	1435S	1418S	382
Dec 2009	1450	1433	-34	1450	1425	150
Mar 2010		1447	-34			0
May 2010		1459	-34			0
Jul 2010		1459	-34			0
Sep 2010		1459	-34			0
Average/Totals		1426				15072

Average for the week	1426				13363
					66,817

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

Monday 6th October 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2429	2400	-69	2432	2378	6015
Mar 2009	2470	2419	-69	2470	2403	1771
May 2009	2451	2440	-63	2459	2420	966
Jul 2009	2470	2458	-60	2470	2445	45
Sep 2009	2465	2465	-65	2469	2450	52
Dec 2009	2462	2463	-69	2477	2445	37
Mar 2010	2458	2459	-70	2473	2457	29
May 2010		2459	-70	2459	2459	3
Jul 2010		2459	-70	2459	2459	
Sep 2010		2459	-70	2459	2459	
Average/Totals		2453				8918

Tuesday 7th October 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2400	2422	22	2459	2396	7983
Mar 2009	2420	2443	24	2477	2419	2895
May 2009	2437	2464	24	2494	2137	1891
Jul 2009	2451	2479	21	2510	2451	294
Sep 2009	2517	2488	23	2517	2488	39
Dec 2009	2513	2486	23	2513	2485	37
Mar 2010	2486	2483	24	2486	2483	13
May 2010		2483	24	2483	2483	
Jul 2010		2483	24	2483	2483	
Sep 2010		2483	24	2483	2483	
Average/Totals		2471				13152

Wednesday 8th October 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2399	2342	-80	2405	2331	6,837
Mar 2009	2400	2367	-76	2421	2360	2,032
May 2009	2408	2389	-75	2442	2386	299
Jul 2009	2425	2405	-74	2439	2400	126
Sep 2009	2442	2416	-72	2451	2416	50
Dec 2009	2444	2413	-73	2447	2413	35
Mar 2010	2439	2407	-76	2441	2407	3
May 2010		2407	-76	2407	2407	
Jul 2010		2407	-76	2407	2407	
Sep 2010		2407	-76	2407	2407	
Average/Totals		2396				9382

Thursday 9th October 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2362	2330	-12	2385	2325	8,051
Mar 2009	2407	2356	-11	2407	2354	2,764
May 2009	2420	2377	-12	2422	2375	933
Jul 2009	2432	2394	-11	2432	2394	287
Sep 2009	2440	2402	-14	2440	2399	40
Dec 2009	2436	2401	-12	2436	2393	26
Mar 2010	2430	2396	-11	2430	2396	49
May 2010		2396	-11	2396	2396	
Jul 2010		2396	-11	2396	2396	
Sep 2010		2396	-11	2396	2396	
Average/Totals		2390				12150

Friday 10th October 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2281	2244	-86	2300	2205	4,503
Mar 2009	2330	2274	-82	2330	2234	1,694
May 2009	2368	2297	-80	2368	2258	830
Jul 2009	2375	2308	-86	2375	2275	156
Sep 2009	2320	2316	-86	2343	2312	54
Dec 2009	2314	2326	-75	2351	2311	73
Mar 2010	2345	2327	-69	2345	2327	33
May 2010		2327	-69	2327	2327	
Jul 2010		2327	-69	2327	2327	
Sep 2010		2327	-69	2327	2327	
Average/Totals		2307				7343

Average for the week	2307				12736
Total for the week					50,945

Spot Prices (US \$ per tonne)

	6 th October	7 th October	8 th October	9 th October	10 th October
Main Crop Ghana, Grade 1	2887	2909	2829	2817	2731
Main Crop Ivory Coast, Grade 1	2745	2767	2687	2675	2589
Main Crop Nigerian, 1	2745	2767	2687	2675	2589
Superior Arriba	2765	2787	2707	2695	2609
Sanchez f.a.q	2772	2794	2714	2702	2616
Malaysian 110	2420	2442	2362	2350	2264
Sulawesi f.a.q	2570	2592	2512	2500	2414
Ecuador Cocoa Liquor	3936	3972	3841	3821	3680
Pure Prime Press African Type Cocoa Butter	6592	6652	6433	6400	6164
10/12% Natural Cocoa Press Cake	1120	1130	1093	1087	1047

Source: Cocoa Merchant Association



Health and Nutrition

New study re-emphasizes natural cocoa powder has high antioxidant content

Study also shows that Dutched cocoas retain significant levels of antioxidants

EurekAlert (press release), DC

Contact: Debra Miller debramiller@hersheys.com

8-Oct-2008

Over the past ten years, dark chocolate and cocoa have become recognized through numerous studies for flavanol antioxidant benefits. In a study published this month in the Journal of Agricultural and Food Chemistry, scientists from The Hershey Company and Brunswick Laboratories of Norton, MA report on the levels of antioxidants in selected cocoa powders and the effect of processing on the antioxidant levels. The study, which analyzed Hershey's Natural Cocoa Powder and nineteen other cocoa powders, reported that natural cocoa powders have the highest levels of antioxidants. Natural cocoa powders contained an average of 34.6 mg of flavanols per gram of cocoa powder, or about 3.5% of total flavanols by weight. This places cocoa powder among the foods highest in these types of antioxidants.

The study went on to look at a variety of Dutched (alkaline processed) cocoa powders, which are commonly used by the food industry. New findings showed that the Dutched cocoa powders, especially the light- and medium-Dutched cocoa powders, retained significant amounts of cocoa flavanol antioxidants. In fact, despite the losses created by light to medium Dutch processing, these cocoa powders still were in the top 10% of flavanol-containing foods when results were compared to foods listed in the USDA Procyanidin Database.

"This is an important finding for people who like all things chocolate," said Ken Miller, the lead author of the paper. "Because cocoa powder is one of the richest sources of flavanol antioxidants to start with, even lightly- or medium-Dutched processed cocoa powders still retain significant levels of the beneficial antioxidants."

Dutching, or alkali treatment, of cocoa is a 180-year-old process used to lower the bitterness and darken the color of cocoa powder. Dutched cocoas are commonly used in beverages such as chocolate milk and hot cocoa mixes, in cakes and cookies, and in a limited number of confections. In the United States, the presence of Dutched cocoa or Dutched chocolate is indicated by looking for the terms "dutched" or "processed with alkali" on the ingredients label.

In this study, the degree of cocoa alkalization caused a progressive, but not complete loss, of flavanol antioxidants, with about 40% retained in lightly dutched cocoas, 25% retained in medium dutched cocoas, and 10% retained in heavily dutched cocoas.

About The Hershey Company

The Hershey Company (NYSE: HSY) is the largest North American manufacturer of quality chocolate and sugar confectionery products. With revenues of nearly \$5 billion and approximately 13,000 employees worldwide, The Hershey Company markets such iconic brands as Hershey's, Reese's, Hershey's Kisses, Kit Kat, Twizzlers and Ice Breakers. Hershey is the leader in the fast-growing dark and premium chocolate segment, with such brands as Hershey's Bliss, Hershey's Special Dark, Hershey's Extra Dark and Cacao Reserve by Hershey's. Hershey's Ice Breakers franchise delivers refreshment across a variety of mint and gum flavors and formats. Hershey's partnership with Starbucks offers a premium chocolate experience that combines the highest-quality chocolate with Starbucks coffee-house flavors, for a range of delicious and distinct chocolate products. In addition, Artisan Confections Company, a wholly owned subsidiary of The Hershey Company, markets such premium chocolate offerings as Scharffen Berger, known for its high-cacao dark chocolate products, Joseph Schmidt, recognized for its fine, handcrafted chocolate gifts, and Dagoba, known for its high-quality natural and organic chocolate bars. Visit us at www.hersheynewsroom.com.

How the hot chocolate fudge can do wonders for your heart

Thaindian.com, Thailand

By ANI

October 9th, 2008

Washington, Oct 9 (ANI): A group of scientists has given a justified reason for you to gorge on that calorie-laden hot chocolate fudge -natural cocoa powders that are one of the most important ingredients of the dessert have the highest levels of flavanol antioxidants.

These antioxidants have numerous health benefits.

The study by researchers The Hershey Company and Brunswick Laboratories of Norton, MA aimed at finding the levels of antioxidants in selected cocoa powders and the effect of processing on the antioxidant levels. The researchers went on to analyse Hershey's Natural Cocoa Powder and nineteen other cocoa powders, and found that natural cocoa powders contained an average of 34.6 mg of flavanols per gram of cocoa powder, or about 3.5pct of total flavanols by weight. Thus, the study ranked cocoa powder among the foods highest in these types of antioxidants.

The researchers looked at a variety of Dutched (alkaline processed) cocoa powders, which are commonly used by the food industry. Dutching, or alkali treatment, of cocoa is a 180-year-old process used to lower the bitterness and darken the color of cocoa powder. Dutched cocoas are commonly used in beverages such as chocolate milk and hot cocoa mixes, in cakes and cookies, and in a limited number of confections. The results indicated that the Dutched cocoa powders, particularly the light- and medium-Dutched cocoa powders, had a tendency to retain significant amounts of cocoa flavanol antioxidants.

In fact, no matter what were the losses created by light to medium Dutch processing, these cocoa powders still made a place in the top 10pct of flavanol-containing foods when results were compared to foods listed in the USDA Procyanidin Database. "This is an important finding for people who like all things chocolate. Because cocoa powder is one of the richest sources of flavanol antioxidants to start with, even lightly- or medium-Dutched processed cocoa powders still retain significant levels of the beneficial antioxidants," said Ken Miller, the lead author of the paper.

The researchers found that the degree of cocoa alkalization led to a progressive, but not complete loss, of flavanol antioxidants, with about 40pct retained in lightly dutched cocoas, 25pct retained in medium dutched cocoas, and 10pct retained in heavily dutched cocoas. The study is published this month in the Journal of Agricultural and Food Chemistry. (ANI)

Production & Quality

Ivorian 2007/8 San Pedro cocoa arrivals 612,367 T

Reuters Ghana, Ghana

By Ange Aboa and Alistair Thomson

6 Oct 2008

ABIDJAN, Oct 6 (Reuters) - Cocoa arrivals at Ivory Coast's port of San Pedro for the Oct. 1, 2007-Sept. 30, 2008 season totalled 612,367 tonnes, according to Coffee and Cocoa Bourse (BCC) data obtained by Reuters on Monday.

That compared with 557,107 tonnes delivered to the port during the same period of the 2006/07 season, the data showed.

The figures showed 7,064 tonnes arrived at San Pedro port from Sept. 22 to 30, down from 18,730 tonnes in the final seven days of the 2006/07 season. The total tally was revised upwards with totals for some exporters including SAF-CACAO, Cipexi, Proci and SEGG rising, while figures were reduced for other shippers such as Cargill, SACO and SUCSO. Data for the port of Abidjan were not immediately available.

The BCC has been placed under the administration of a cocoa sector management committee after senior staff were arrested in a graft probe, but its employees have continued to gather industry data.

Ivorian 08/9 cocoa arrivals seen 18,000 T by Oct.6

Reuters Ghana, Ghana

6 Oct 2008

ABIDJAN, Oct 6 (Reuters) - An estimated 18,000 tonnes of cocoa arrived at top producer Ivory Coast's ports from Oct. 1-6, exporters reckoned on Monday, down from 30,074 tonnes in the first seven days of the previous season.

Ivory Coast's cocoa year runs from Oct. 1-Sept. 30 but due to administrative delays an interim cocoa management committee officially launched its new 2008/2009 cocoa season on Sunday, raising the guideline farm-gate price by 40 percent [ID:nL5110072].

Cameroon: Meme Administration, Producers, Buyers Revamp Cocoa Sector

AllAfrica.com, Washington

By Olive Ejang Tebug Ngoh

7 October 2008

Administrative officials in Meme Division recently joined producers and buyers of cocoa, to x-ray the prospects of cocoa business within the country.

The meeting took place at the office of the Senior Divisional Officer, SDO, as part of activities to launch the 2008/2009 cocoa season. The Regional Director of the National Cocoa and Coffee Board NCCB, for the Southwest, Northwest, West and Littoral Provinces, Patrick Tayong Babila, said Cameroon cocoa must maintain its standard in the world market. He said after the disappearance of Marketing Board, rampant disorder set in the cocoa sector because of liberalisation. Tayong also stated that this precipitated the creation of a regulation of cocoa marketing scheme, though there was no follow-up to respect the norm, for about 20 years.

The Director said, with the disorder, both the government and farmers have incurred losses. He pointed out that it is within the framework that they want the cocoa sector revitalised. Tayong told farmers and Local Buying Agents, LBAs, that the sale of wet cocoa beans is prohibited. "Cocoa must not be transported with other products like cement because they spoil the beans. They must be stored in suitable facilities to prevent physical and biological contamination," Tayong cautioned. He told LBAs that they must declare their weekly purchases to the administration, and only experts should be involved in buying cocoa.

While warning the cocoa farmers against mixing of various grades of cocoa, he cautioned them that buyers have no right to impose prices on them. The Divisional Officer, DO, for Kumba, David Kouam, referring to two circulars from the Ministry of Commerce, noted that farmers are expected to set up local periodic markets for cocoa.

According to him, Luc Magloire Atangana, recommends that a marketing committee be created to ensure the smooth functioning of the markets. Absalom Monono, DO for Konye Subdivision, argued that creating periodic markets for cocoa was impractical because of lack of farm-to-market roads. He proposed that members of the market committee could create checkpoints to check conditions governing the commercialisation of cocoa. Representing the farmers, Rev. Aaron Ngwa, congratulated government for restoring order in the sector at last.

He said LBAs cheated farmers with fake weights and low prices. Consequently, the producers continue to wallow in poverty while buyers make huge profits. But one Michael Ngassa, a buyer, said it was erroneous to think that the objective of the buyer is to dupe farmers and make extraordinary profits. He said buyers and farmers enjoy a very close relationship that goes beyond educating their children and changing lives. He questioned why periodic markets should be introduced only in Kumba. To him, the same standard should be maintained nationally if the commercialisation of cocoa must succeed.

Another buyer, Sona Epoke, said the best thing government could do, is to reinstate the marketing board because the entire cocoa marketing set-up has been politicised.

Sun, light rains nurture main Ivorian cocoa crop

Reuters Ghana, Ghana

By Loucoumane Coulibaly

7 Oct 2008,

ABIDJAN, Oct 7 (Reuters) - A mixture of light rains and sunny spells in Ivory Coast's main cocoa growing areas over the last week bodes well for the main crop and will help to contain black pod disease, farmers said on Tuesday.

Exporters have warned that the 2008/09 main crop in the world's top cocoa producer, which officially opened on Sunday, could be down by 6-8 percent on last year due to excessively wet conditions which foment the spread of black pod.

One southern region reported cases of swollen shoot disease, adding to concerns at the start of a troubled season that has already been badly hit by strikes and a corruption scandal that has forced a reshuffling of cocoa sector administrators.

Benchmark prices as set in New York <CCZ8> hit a 28-year peak of more than \$3,000 per tonne in July, partially on concerns the Ivorian crop would be affected by disease. Since then commodities have been dragged down by worldwide financial turmoil. Cocoa closed at \$2,400 per tonne on Monday.

In the western region of Soubre, at the heart of the cocoa belt, farmers reported ideal weather conditions for developing large, healthy pods and for drying harvested beans. "There were two small rains mixed in with lots of sun," said farmer Salem Kone. "It is very good weather for the pods that are on the trees and also for increasing the quality of the beans that are being dried." "There is still black pod on the farms but it is not spreading as fast as before," he added. "There are lots of buds and small pods on the trees. If the weather remains mostly dry with one rain a week until November, I think we'll have plenty of cocoa through until the end of January."

In the centre-west region of Daloa, which produces a quarter of Ivory Coast's national output, farmers also reported drier conditions that were improving quality. "There is lots of water on the farms. The heat is helping air the trees and boost production," said farmer Marcel Aka. "The quality of the beans will improve. There will be less moisture in the deliveries because of the strong sunshine."

Quality problems affecting beans have been a major concern for exporters operating in Ivory Coast in recent months. When he officially opened the new season on Sunday, Gilbert Ano N'Guessan, who heads a committee set up to manage the industry after many top officials were arrested in an anti-graft crackdown, vowed to improve the quality of Ivorian cocoa.

The southeast also reported favourable weather, but one farmer there expressed concern about swollen shoot disease. "It isn't raining like the last few weeks and the sun is shining strongly," said farmer Joelle Andre Orou N'Dori, whose farm is in the outskirts of Agboville. "The conditions are good for drying and the development of small pods but we fear the spread of swollen shoot that has hit several farms," he added. (For full Reuters Africa coverage and to have your say on the top issues, visit: <http://africa.reuters.com/>)

Black pod disease spreads Ivorian cocoa woes

Reuters Ghana, Ghana

By Ange Aboa

Fri 10 Oct 2008

ABIDJAN, Oct 10 (Reuters) - Disease is adding to problems at the start of the 2008/09 season in the world's top cocoa producer Ivory Coast, exporters said on Friday.

Exporters forecast in September that damage caused by black pod disease could cut the harvest by as much as 8 percent, and shippers have not seen any improvement in quality since then.

"The big challenge of this season is to improve quality quickly," said the director of a European exporting firm in Abidjan.

"Black pod disease is causing a lot of damage in the fields, and if farmers don't make an effort to improve quality, we will have a real problem getting good shipments of beans."

Black pod, a fungal infection that thrives in damp conditions, took hold in Ivory Coast's main cocoa growing areas during wet weather in August and September.

"We've taken delivery of some poor quality cocoa, and that's not changed with the new season. The beans are black when they should be brown," said an executive with another exporting firm.

"Things don't look good at the start of the season, and I don't think that will change anytime soon."

Poor bean quality is one of several problems at the start of the 2008/09 season.

A corruption scandal and a strike led to key marketing body the Coffee and Cocoa Bourse (BCC) being placed under the administration of a temporary management committee. The season failed to open on time as neither an approved exporters' list nor new tax levels have been announced.

Exporters had been buying beans despite administrative paralysis, but since the authorities told farmers they should accept no less than 700 CFA francs (\$1.47) per kg, much higher than recent farm-gate prices, trade has slowed. [ID:nL763909] "For October, we expect around 90,000 tonnes of beans to arrive in San Pedro and Abidjan but that's going to be difficult in these conditions, and this week it's not likely to be more than 10,000 tonnes when we hoped for between 20,000 and 25,000 tonnes," said another exporter.

Benchmark world cocoa prices as set in New York <CCc2> hit a 28-year peak of more than \$3,000 per tonne in July, but since then have lost more than a quarter of their value as commodities were dragged down by global financial turmoil. (Writing by Daniel Magnowski, Editing by Peter Blackburn)

The Market

Ivory Coast ups cocoa guide price 40 pct for '08/9

guardian.co.uk, UK

By Ange Aboa

October 5 2008

ABIDJAN, Oct 5 (Reuters) - Ivory Coast launched its 2008-2009 cocoa season on Sunday and raised the indicative farm-gate price by 40 percent, the head of an interim authority overseeing the cocoa sector in the world's top grower said.

Gilbert Ano N'Guessan, who heads a committee set up to manage the industry after many top officials were arrested in a graft probe, declared the season open but said purchases would likely be slow for at least two weeks as the market adjusted. Industry officials said on Saturday new lists of approved exporters and levies to fund sector administration would not be ready until Monday, suggesting the season may have a slow start.

N'Guessan announced a new indicative farm-gate price of 700 CFA (\$1.48) per kg for October-December 2008, up from 500 CFA/kg the previous quarter, but exporters dismissed it as unrealistic. "If you ask my view, I'd say we will see purchases blocked from tomorrow for at least two weeks while producers see that the realities of the market have changed," N'Guessan said.

The indicative price is a guideline minimum, though buyers in Ivory Coast offer higher or lower prices depending on world market prices, quality, transport costs and other factors. "It is absurd to fix the farm-gate price at 700 CFA when last Friday the price at the port was 610 CFA/kg. I think it is unrealistic and unworkable," said the director of a large international exporting company in the main port Abidjan.

World market prices reached a 28-year high of \$3,290 per tonne in New York in July, but have since fallen back and closed on Friday at \$2,488 per tonne, representing \$2.49/kg on international markets, which take account of shipping costs. "We have done well, because 700 CFA is a good price for us farmers and from tomorrow we will travel to the villages to tell farmers not to sell their cocoa for less," said Sanssan Kouao, a member of a farmers' group who attended Sunday's announcement.

FOCUS ON QUALITY

Quality problems with cocoa beans have worried exporters in Ivory Coast in recent months, and N'Guessan announced measures to improve quality, including banning the export of sweepings, residue and other leftovers from local grinding factories. "The texts governing quality control companies will be more rigorously enforced to improve Ivory Coast's reputation as an origin," he said. "You can obtain better prices by delivering good quality cocoa. That is, well-fermented, well dried and well sorted cocoa."

Weather conditions have led to beans being smaller and allowed diseases such as black pod to spread in plantations. Exporters have forecast the 2008-2009 crop to be 6-8 percent down on the previous season, due mainly to black pod damage. "Even the most optimistic forecasts unfortunately anticipate a fall in production. We must further improve quality to maintain our revenues," N'Guessan said.

Cocoa bean deliveries at Ivory Coast's two ports in the 2007-2008 season reached around 1.35 million tonnes by Sept. 28, two days before the season ended, exporters estimated. That was up from 1.29 million tonnes by the same date the previous year. Details on new levies were unavailable after World Bank officials asked for the levy for sector bodies to be cut to 5.5 CFA/kg from over 26 CFA/kg, Marie-Louise Acquah, second vice-president of the management committee, told Reuters.

The World Bank's vice-president for Africa, Obiageli Ezekwesili, warned last month the Bank would lend Ivory Coast no money until it tackled "serious corruption" in the cocoa sector, which accounts for around 20 percent of the country's economy. (Writing by Alistair Thomson; Editing by Richard Balmforth)

Processing and Manufacturing

Ghana: Country to Process 380,000 Tonnes of Cocoa

AllAfrica.com, Washington

GNA

6 October 2008

Accra

Ghana is set to process about 380,000 tonnes of its total cocoa production by the middle of next year, President John Agyekum Kufuor has announced. This represents more than 50 per cent of the current production level of 700,000 tonnes.

Addressing Cocoa Producers Alliance (COPAL) Cocoa Day at Dunkwa-on-Offin in the Central Region, President Kufuor said the Government's policy within the last eight years has been to attract investments to at least process 40 per cent of the country's cocoa. The result has been the establishment of a 60,000 tonne-capacity processing plant by Cargill in Tema. It is now test-running the plant, which is scheduled for formal inauguration in November. It would produce cocoa liquor, butter and powder.

Another global giant "ADM", President Kufuor said, has also expressed interest in establishing a plant in Kumasi.

Barry Callebaut; Cocoa Processing Company; West African Mills and Afrotropic Cocoa Processing are among the companies working to attain the objective.

President Kufuor urged the Cocoa Marketing Board (COCOBOD) to intensify the Cocoa Diseases and the Pests Control and the application of fertilizer programmes. Additionally, the Board should step up the supply of early bearing and high-yielding planting materials for the rehabilitation of old farms and the payment of remunerative producer prices. These were necessary to help the nation to achieve the medium term objective of producing one million tonnes of cocoa annually.

Mr Isaac Osei, Chief Executive Officer of COCOBOD, said the way forward for the industry must involve broadening of its marketing strategies to increase the sale of processed cocoa products in Ghana and the ECOWAS Sub-Region.

COPAL member countries produces 76 per cent of World Cocoa Output, but their grindings add up to only 28 per cent while their domestic consumption is a meagre five per cent of the output. He said there was the need to channel efforts towards increased processing and local consumption to derive maximum benefits.

Nana Yiadom Boakye, National Chief Farmer, praised the Government for keeping faith with Ghanaian Cocoa Farmers. Since 2001, cocoa production has moved up from an average of 350,000 tonnes to the current nearly 700,000 tonnes. In the same period producer price had gone up by over 400 per cent from 347.50 Ghana cedis to 1,632.00 Ghana cedis per tonne.

How the government defines chocolate types

International Herald Tribune, France

Source: FDA

October 10, 2008

Here's a look at definitions for different types of cacao products, or chocolate, according to the U.S. Food and Drug Administration:

CACAO NIBS: Made by removing the shell from cacao beans. May be processed by heating or adding other ingredients, such as sodium bicarbonate or citric acid.

CHOCOLATE LIQUOR: An ingredient in many types of chocolate. Prepared by finely grinding cacao nibs. Contain between 50 percent and 60 percent by weight of cacao fat. Can be adjusted using cacao fat and cocoas, such as breakfast cocoa, regular cocoa or lowfat cocoa.

COCOA: Made by pulverizing material left after part of the cacao fat has been removed from ground nibs. Cacao fat content is between 10 percent and 22 percent by weight.

LOWFAT COCOA: Same as cocoa but cacao fat is less than 10 percent.

MILK CHOCOLATE: Made by mixing and grinding chocolate liquor with at least one dairy ingredient, such as milk, and one type of sweetener. Contain not less than 10 percent by weight of chocolate liquor and not less than 3.39 percent by weight of milk fat.

Business & Economy

Killer Loan for Cocoa Farmers

Peace fm Online, Ghana

Source: Public Agenda

06 October 2008

... Lenders Demand 100% Interest

A number of small-holder cocoa farmers are being crippled by unsustainable debt arising out of colossal interest (mostly 100%) put on loans they secure from wealthier individuals. According to them, they resort to loans from individuals because the banks would only give credit facilities to their customers; so the farmers must have accounts for a minimum period of at least three to six months before they could access credit.

Consequently, some of them have lost their farms temporarily to lenders while others can hardly expand their farms or even purchase insecticides and other farm inputs to maintain the existing farms. They told of their ordeals to this the Public Agenda newspaper and other journalist who work for the Morgenavisen Jyllands-Posten, a daily newspaper in Denmark. The two journalists toured some cocoa growing communities in the Brong Ahafo and Western Regions in the third week of September 2008. They visited Amekukrom in the Asunafo South District of Brong Ahafo and Nyamennae, Apentemaid, Bofo Yena and Okyeamekrom in the Sefwi-Wiawso District of the Western Region.

In the hamlet of Amekukrom, the Zathey family lost their two-acre farm to a wealthy man three years ago. Mr. Zathey lost his father at a time when he had no cocoa to harvest; he had to pay fees for his child in second cycle school and also needed to hire labourers to work on the cocoa farm. He resorted to a GH¢1,000 credit facility from a "rich man" who wanted his farm as collateral.

For three years now the lender has been “enjoying” from the farm and threatens to keep it for another three years unless the family can raise the GH¢1,000. To compound their problem, last year the family went for GH¢150 from another individual to pay the fees of Florence, their 20-years-old daughter now in a second cycle institution. This other lender is demanding a 100% interest. There were several stories about how lenders took undue advantage of the disadvantaged farmers and exploited them. At Nyamennae, for instance, farmers said during focus group discussions that they had no option than to go for the “killer loans” because the banks would not lend them money unless they held accounts with them.

They narrated that usually if borrowers were unable to repay their loans; lenders doubled the balance to be paid for the ensuing year. Hence, if one borrowed GH¢150 he would pay back GH¢300. But if he were able to pay only GH¢100, the balance of GH¢200 was doubled for repayment in the following year. Mostly, the farmers were aware of the lower rates charged by financial institutions but the requirements for opening accounts alone were a hindrance, they claimed. Averagely, they harvested anything from one to 15 bags; revenue from these could not last them all year.

They depended largely on food crops they cultivated for survival. They said only few farmers sold surpluses from other crops. This year, farmers at Amekukrom in particular, complained to initial low yield partly due to the black pod disease which has affected a lot of young pods. They also attributed the problem to changing climatic conditions. The development had a lot of negative impact on the lives of care-taker farmers, who mainly migrated from northern Ghana. Generally, caretakers took a third of the annual yield while the farm owners took two-thirds.

Ivorian cocoa price hike freezing trade: exporters

Reuters South Africa, South Africa

By Ange Aboa

7 Oct 2008



ABIDJAN (Reuters) - World No. 1 cocoa producer Ivory Coast risks seeing trading in the bean come to a halt as buyers refuse to match a newly-set higher guideline price and farmers accept nothing below it, traders and exporters said on Tuesday.

The interim authority overseeing the West African nation's top export earner set an indicative farmgate price of 700 CFA francs per kg at Sunday's official launch of the 2008/09 season, up 40 percent from the previous quarter. "Without a doubt, there will be a blockage. It's already started today," said the director of an international exporting company based in Abidjan. "We've received cocoa but that was before the

announcement of the price, and our suppliers are telling us that they've nothing for us tomorrow because farmers refuse to sell below the price that was announced," he said.

The new guideline price, set by the committee that has taken over running the Coffee and Cocoa Bourse (BCC) marketing body under reforms intended to overhaul the sector, is not mandatory, but has worried exporters. "It's difficult to find a compromise when you take into account that the price paid at the port is between 585 and 615 CFA francs. How can you pay more to farmers than you receive when you sell to exporters? It's impossible," the shipper said.

Farmgate prices in the cocoa growing area of Meagui in the west of the country were hovering around 400 CFA francs per kg in late September, but since the guideline price was broadcast on television and radio, farmers have been asking for the full 700 CFA francs, traders said. "There's no point going into the bush with your truck to buy cocoa right now because you won't get any," said Noel Kabore, a merchant based in Meagui. "Traders who went back into the bush yesterday have not been able to work because planters are saying '700 CFA francs or nothing', but buyers are sending us out with a price of 500 francs per kilo," Kabore said. "It's not possible to come to an agreement with the sellers, so nothing happens," he added.

SUPPORT FOR FARMERS

Prices of cocoa on world markets hit a 28-year high of more than \$3,290 per tonne in July, but since then have fallen by more than 25 percent as commodities have been dragged down by global financial turmoil. Exporters should trim their margins so that farmers receive more money, said a member of the newly-installed cocoa sector management committee, who asked not to be named. "Why must it be poor farmers who finance all the

other actors in the sector? Why must it be the producer who receives a base price and must always work for it when it's he who is supposed to feel the benefit of reforms?," he said.

Many of the positions on the management committee have been filled by former directors of Caistab, the state-run body which controlled the cocoa sector until it was liberalised with the support of the World Bank in 2000. "In the same way we are asking the government to lower taxes and duties, exporters must also lower their charges and their margins to free up resources," the committee member said.

Cocoa, which represents around 20 percent of Ivory Coast's GDP, is becoming an increasingly politicised topic in an election year, although the presidential poll scheduled for November 30 is likely to be delayed, observers say.

President Laurent Gbagbo, who is expected to stand for re-election, ordered an anti-corruption crackdown earlier in the year in which several former BCC chiefs were arrested.

Cameroon: Monitoring of Cocoa Marketing Centres to Intensify

AllAfrica.com, Washington

By Lukong Pius Nyuylime

7 October 2008

Stakeholders met in Yaounde last Thursday to prepare for field visits. Cocoa organisations such as the National Cocoa and Coffee Board and the Cocoa and Coffee Interprofessional Council have been urged to intensify their follow up of cocoa activities on the field.

Meeting in Yaounde last Thursday, October 02, actors in the cocoa sector, representatives of farmer organisations inclusive, resolved to strictly monitor the activities of the newly created local market centres to ensure that they are not penetrated and contaminated by non professionals. The Minister of Trade, Luc Magloire Mbarga Atangana who presided over the occasion stated inter alia that it was necessary for professional organisations and government institutions to constantly go down to the field and monitor local market operations to ensure that the cocoa that finally leaves for export respects set norms.

With the determination to cart away with impostors in the sector, some centres were selected for visiting by the control team. In very stern language, Minister Mbarga Atangana castigated some officials whom he said are part of the whole game. Many who are charged with fighting illegal activity in the cocoa sector live on it. He accused them of letting go cocoa beans they know have been produced with outright disrespect of standards.

This particular point was buttressed by some professionals who pointed out particular areas where non-professionals thrive in their numbers. A case in point is the Mbam and Inoubou. A case of poor beans en route for the market was cited in Obala where a truck transporting cocoa was seen followed by bees. One of the professionals, Ndongo Essomba, condemned the non-respect of the law and quoted the case of Lekie Division in the Centre province where cocoa is bought with the use of motor cycles contrary to the trucks as prescribed by the law.

To the Official of the Cocoa and Coffee board, Michael Ndoping, it is important to know that agriculture is a profession and cocoa production an art. In this light, he said his organisation has integrated in the Cocoa and Coffee fund (FODECC) a training programme with special focus on youths. The president of the Cocoa and Coffee Interprofessional Council, Ngwe Appollinare, on his part said his organisation would be proposing as from January a professional code of ethics in a bid to enhance professionalism.

FTN Cocoa Shareholders to enjoy N50m Dividend

LeadershipNigeria, Nigeria

By Taiwo Ogunmola,

October 8, 2008

The Shareholders of FTN Cocoa Processors Plc, will as from October 15, begin to enjoy the company's dividend payment of N50m for the financial year which ended December 31, 2007. This amount translates into a payout of 2.5 kobo per 50 kobo share, held by shareholders registered in the company's book as at September 25, 2008. The company has also declared a bonus issue of one new share for every ten shares originally held by its shareholders.

Speaking during the company's first Annual General Meeting in Lagos on Monday, the Chairman of the Company, Chief Olusegun Osunkeye, said that the company would pay a higher dividend in next year, adding that it was working towards continued improvement of its capacity through investment in new and modern technology. He further stated the company had been investing in infrastructure with a view to making more profits in the coming years.

In its financial statement, the company had recorded a turnover of N267m, compared with N710m in the comparable period of 2006, as well as a profit before tax of N147m up from N21m, in 2006. Its profit after tax also increased to N143m, compared with the N16m, loss recorded in 2006.

According to Osunkeye, the company recorded a lower turnover in 2007, compared to the previous year's result, as a result of the installation process of machinery, which necessitated a temporary suspension of production when the exercise was in progress during the year under review. He said the company has also faced a number of challenges including the slow implementation of the export expansion drive, adding that the Federal Government should fast-track the process so that the impact would be immediately felt by the industry.

He said the international prices of the cocoa products had witnessed a lot of instability, and was usually erratic, which in turn affected the product locally. "We are also calling on government that grants should be given to processors on time, since a lot of time and working capital is involved in processing these products, therefore if the grants are timely, it will help our work better," he added.

Osunkeye said that in its six month operating result ended July 2008, the company recorded N491m compared with N134m in the similar period, representing an increase by 266 per cent, while its profit after tax also rose to N174m from a loss of N23m recorded in 2006.

Ivorian Exporter to Begin Grinding Cocoa Next Year

Source: Reuters

08/10/2008

Abidjan, Oct 8 - Ivory Coast's biggest domestic exporter of cocoa, SAF CACAO, has said it will start producing semi-finished cocoa products for the first time next January. The West African country is the world's main source of cocoa, but it exports far more raw beans than processed products, an imbalance that SAF CACAO wants to help redress. "Processing should be decentralised, beans should not be processed in Europe alone," said Amer Adhane, President of SAF CACAO and Director General of Choco Ivoire, in an interview with Reuters late on Monday.

Choco Ivoire, part of SAF CACAO, is spending 13 billion CFA francs (\$27.40 million) to open a 35,000-tonne capacity grinding plant in the major shipping terminal of San Pedro in January. The factory will at first produce cocoa solids, then from the start of 2010 also make cocoa butter. "We are building a plant to grind 35,000 tonnes of cocoa beans at first, but that will reach 100,000 tonnes by 2010," said Ali Lakiss, Director General of SAF CACAO, who also participated in the interview. "We are starting the processing of beans into semi-finished products because we want to be an integrated company, but also because it will allow us to diversify our investments," he said. Worsening bean quality is making it less profitable to be an exporter of the raw product, he added.

Exporters and farmers have repeatedly warned that black pod disease, a moisture-loving fungal infection, is rife among cocoa plantations this year, with some estimating that it will cut the just-opened 2008/09 harvest by up to 8 percent. "Above all we are going to buy fewer beans, because quality is a real problem, and we don't want to take that risk," Lakiss said. "This year for example, we are not going beyond (buying) 100,000 tonnes because of the quality of the beans. We are going to limit ourselves to 100,000 tonnes of which 35,000 will be processed by Choco Ivoire," he said. "We are going to buy less, and raise quality."

The factory has been pre-built in Germany, and re-assembly on the ground in Ivory Coast is due to begin on Oct. 15. The firm also intends to build processing plants in Ivory Coast's commercial capital Abidjan, Lakiss said.

SEARCH FOR ADDED VALUE

The move towards greater domestic processing of African goods is not limited to Ivory Coast's cocoa.

African countries have for centuries been sources of raw commodities such as farm products and minerals. But recently states such as Guinea and Democratic Republic of Congo, among others, have said they want to stop exporting basic materials and produce added-value goods that command higher prices. SAF CACAO bought more than 130,000 tonnes of beans in the 2007/08 season, making it by far Ivory Coast's largest locally-owned exporter.

U.S. giants Cargill and Archer Daniels Midland were the two biggest shippers of Ivorian cocoa.

Ivory Coast produced 1.05 million tonnes of cocoa in the 2007/08 season, but installed grinding capacity was much lower at 384,000 tonnes. This is due to rise by the end of this year, according to figures from the Coffee and Cocoa Bourse (BCC). The BCC has been placed under the administration of a temporary management committee while the government undertakes broader reforms of the sector.

Cocoa is a cornerstone of the Ivorian economy, contributing around 20 percent of its GDP, but while prices on world markets have hit 28-year highs this year, the industry in Ivory Coast has been mired in allegations of mismanagement. Alleged widespread graft in the lucrative industry has become a hot topic in an election year, although a scheduled Nov. 30 poll is likely to be delayed. President Laurent Gbagbo, who is expected to stand for re-election, had ordered an anti-corruption crackdown.

Cadbury Launches Bournville Fine Dark Chocolates in India

Media Newswire, India

Max Digital Media Newswire

09 Oct 2008

As India's taste for indulgence grows, Cadbury today unveils an exciting product innovation... offering consumers the sheer luxury and goodness of dark chocolate to treat themselves. Cadbury India Ltd. has announced the launch of Bournville Fine Dark Chocolate, the first dark chocolate product from the much-loved Cadbury India basket.

Globally, dark chocolate is the fastest growing segment within the confectionary category. It is loved by millions of consumers because of the rich taste and intrinsic health and well-being benefits (please refer to the Chocology Report in your press kit). The launch of Bournville Fine Dark Chocolate in India is timely, as it will cater to the evolving consumer preferences and serve as a treat for consumers looking for a moment of sheer indulgence.

Dark Chocolate is the fastest growing in the confectionary category globally...growing at 13% year on year. Dark chocolate contributes to as much as 40% of the total category in some developed markets (France, Belgium). Health benefits are a major reason for the differential growth even in the leading chocolate markets.

Made from the finest ingredients, each individually presented Bournville Fine Dark Chocolate is an irresistible in-the-mouth delight specially created to savour the Indian palate. And with 44% cocoa from the world's finest Ghana beans and an ever so smooth texture, each little chunk is dark and undeniably good.

Lack of list, tax rates block new Ivorian cocoa exports

Reuters South Africa, South Africa

By Ange Aboa

9 Oct 2008

ABIDJAN (Reuters) - Cocoa exporters in Ivory Coast are unable to export beans bought in the new 2008/09 (Oct/Sept) season because the authorities have not announced an approved exporters' list or new tax levels, shippers said on Thursday. "Since the new season opened, we can't do anything, either register (for shipping) or export what we've bought, but we are exporting old stocks from the old season," the director of an international cocoa export firm based in Abidjan said.

The interim authority overseeing the cocoa sector in the world's top producer formally launched the 2008/09 season on Sunday, almost a week late. It announced an indicative farmgate price of 700 CFA francs per kg, up 40 percent from the previous quarter. But it has failed to announce a new list of approved exporters for 2008/09 or set the new levels of levies and taxes, both prerequisites for exporters to be able to operate in the new crop year.

Delays in announcing the exporters' list and tax levels are complicating an already chaotic start to the new season, marred by strikes in the cocoa sector administration and a corruption inquiry which led to most of the sector's leaders being replaced by an interim authority. "I can't tell you when we'll be able to announce the (exporters') list or the taxes because there are still meetings today at the offices of the prime minister and the presidency," said Jean Pierre Sanga, an adviser to the head of the interim cocoa sector management committee. Some exporters expressed frustration at not being able to start full operations for the 2008/09 season. "It's an uncomfortable situation for an exporter and we hope it won't last too long. We can't get cracking on the ground and buy because we don't know whether we have approval or not," the director of another export company in Abidjan said.

The first director commented: "It's not too worrying for the moment ... but it could become worrying if this situation lasts beyond the weekend." Exporters and traders had already reported this week that upcountry buying had slowed sharply because buyers refused to match the newly-set higher guideline price and farmers rejected offers below it.

Prices of cocoa on world markets hit a 28-year high of more than \$3,290 per tonne in July, but since then have fallen by more than 25 percent as commodities were dragged down by global financial turmoil.

U.S. cocoa futures tumbled to close at a six-month low on Wednesday. The benchmark December cocoa contract settled down \$80, or 3.3 percent, at \$2,342 per tonne.

Cocoa, which represents around 20 percent of Ivory Coast's GDP, is becoming an increasingly politicised issue in an election year. The presidential poll, scheduled for November 30, is likely to be delayed, observers say. President Laurent Gbagbo, who is expected to stand for re-election, has ordered an anti-corruption crackdown in the cocoa industry.

A natural source of anti-oxidants, Bournville Fine Dark Chocolate just makes you feel good about giving in to your chocolate cravings. Dark Chocolate acts as a mood-booster; by boosting serotonin and endorphin levels that generate the feel-good factor. This more than a perfect bar of dark chocolate turns the simple act of eating it into a form of art. It demands a certain ritual, where, in a way, each of its steps offers a tribute to every stage of your journey.

Speaking on the launch, Anand Kripalu, Managing Director – Indian Sub-Continent, Cadbury Ltd. said “This launch is our commitment to innovation and to meet the ever-changing consumer needs in our market. The dark chocolate category will grow strongly in the coming years because of its sophisticated taste and health benefits, and Bournville is our special offering to capture this opportunity.”

Beginning this month, the Bournville Fine Dark Chocolate will appear on shelves in modern retail outlets across major cities in the country. Bournville Fine Dark Chocolate will be available in four different variants Rich Cocoa (80g), Almond, Hazelnut and Raisin & Nut (90g each) and will retail at Rs. 75. Cadbury will initiate a category building campaign for Bournville Fine Dark Chocolate in November. The campaign will entail national advertising on television, print, sampling events in malls, etc.

Aggressive Mars breathes down Hershey's neck in US

The Associated Press

Emily Fredrix in Milwaukee

10 Oct 2008



ELIZABETHTOWN, Pa. (AP) — This stretch of rolling dairy country has long been Milton Hershey's turf, where he first found success making chocolate more than a century ago and earned a name synonymous with chocolate in America.

But M&M-making rival Mars has crept up on Hershey's dominance of U.S. chocolate buyers. And now, Mars has delivered a chocolate-coated slap in the face, setting up shop in south-central Pennsylvania, just 10 miles from Hershey's flagship factory on Chocolate Avenue.

The \$70 million "Dove Chocolate Center of Excellence" is the latest sign that the spotlight-shy Mars is breaking out of its shell as it tries to pound cracks into the long-held notion that Hershey is the real American chocolate company.

While Mars makes its surprisingly sharp-tongued attack, Hershey has struggled to cut costs by closing U.S. plants and blending cocoa butter substitutes into some of its chocolate candy — a step that has riled candy enthusiasts who say it dulls the flavor and feel of pure chocolate.

At the unveiling of its newly expanded Dove factory in late September, Mars Snackfood U.S. president Todd Lachman said — without naming Hershey — that cost-cutting competitors are "tricking" consumers with substitutes and outsourcing American jobs. "The consumer is our compass, and we will always deliver 100 percent real, authentic chocolate products that have been manufactured here in the United States," Lachman said.

Mars also has pivoted its PR messages to chide its rival: Its premium brand Dove is "Made in the USA" and Mars can be trusted "to provide pure, rich chocolate," it says. And Mars is making its case just as it's leapfrogging Hershey as America's largest candymaker, with its \$23 billion purchase of mint and chewing-gum giant Wm. Wrigley Jr. Co.

Meanwhile, Hershey is closing six plants — three in Canada and one each in California, Connecticut and Pennsylvania — in a move to cut costs and compete in faster-growing and cheaper regions. All told, Hershey is cutting about 3,000 U.S. jobs and expanding its operations in Mexico, India, China and Brazil.

While Mars will still lag Hershey's prized top spot in the U.S. chocolate market — which totals \$16 billion — analysts agree that Hershey is facing a serious challenge. Together, Hershey and Mars control better than two-thirds of the U.S. chocolate market, the world's largest. But Hershey's edge — currently about 42.5 percent to Mars' 30 percent, according to IRI/Neilsen data provided to Hershey — has slipped several percentage points in the last couple years as Mars has outmarketed and outmaneuvered Hershey, analysts say. "I think that Mars sees a weakness and anyone who can get ahead in this economy is going to get ahead, even the secretive Mars," said Marcia Mogelonsky, a senior analyst with Chicago-based market research firm Mintel International Group Ltd.

Hershey defended itself by saying its plant closings are part of broader changes to ensure its long-term competitiveness. The company also said consumer taste-testers approved of the substitutes for cocoa butter, such as sunflower oil and palm oil. In Mr. Goodbar, for instance, the change lets the peanut flavor shine through, Hershey spokesman Kirk Saville said.

Besides, Hershey maintains that 85 percent of its chocolate lineup is pure, including popular items like Hershey's bars, Kisses and Reese's peanut butter cups. Even with a cocoa butter substitute, a Mr. Goodbar has more chocolate by percentage weight than Mars' Snickers bar, Saville said, and a Krackel has more than a Mars-made Three Musketeers. "Hershey is chocolate," Saville said. "We've made the world's best chocolate for more than 100 years."

Hershey would not provide a list of the products in which it uses a substitute. But under the federal government's rules for food standards, Hershey cannot call those products "chocolate," and a keen eye can scan the packaging and ingredients list and figure it out, candy bar by candy bar.

On the packaging, Hershey dances around the term — Whatchamacallit has a "chocolatey coating," Mr. Goodbar is "made with chocolate" and Kissables are "chocolate candy." And sometimes ingredients speak for themselves: Products with the substitutes don't taste fresh and vibrant, said Cybele May of Los Angeles, who reviews sweets at <http://www.candyblog.net>. "The wonderful thing about cocoa butter is that it melts in your mouth," May said. "Oils replicate that behavior, but they never get it right."

Given health scares and concerns about food quality — Chinese milk anyone? — it can be an effective marketing tactic for Mars to cast doubt on its rival's product, said Jean-Pierre Dube, a marketing professor at the University of Chicago Graduate School of Business. And with both companies strapped by the skyrocketing cost of commodities such as cocoa and milk, Mars' knocks on Hershey's quality might persuade consumers to pay a higher price for a Mars product, Dube said.

Whether Mars' criticism is fair is another question.

Hershey is not alone in using chocolate substitutes: Mars does it in countries where the rules are different. Other candymakers, including Nestle, do not use real chocolate in some of their U.S. candy. And Mars is doing its own cost-cutting — by slimming down some of its package sizes Fair or not, Laurel Haring's mind is made up.

Once a daily devotee to Hershey's Kissables, Haring noticed this year that the candies had stopped tasting like, well, chocolate. "It wasn't creamy, it wasn't sweet, it wasn't milky," said Haring, 47. "It was just nasty."

Haring's husband prowled drugstores and grocery stores near their home in Wilmington, Del., in search of the good Kissables, and came up empty. She even contacted Hershey to tell them something was wrong — and got coupons instead of an explanation. A few weeks ago, she stumbled onto an online news item about Hershey's use of substitutes — it featured an image of Kissables — but by then she had moved on.

Ivory Coast grants 50 cocoa export licences for 08/09

Reuters Ghana, Ghana

By Ange Aboa

10 Oct 2008

ABIDJAN, Oct 10 (Reuters) - Ivory Coast has approved 50 cocoa exporters' licences for the 2008/09 marketing season which was officially opened on Oct.5, the country's cocoa sector management committee said on Friday. The main foreign exporters who ship the bulk of the annual output of the world's top cocoa grower were on the list. The West African state last year approved 53 exporters for the 2007/08 season.

Ivory Coast cuts cocoa industry levies by 60 pct

Reuters South Africa, South Africa

11 Oct 2008

ABIDJAN (Reuters) - Ivory Coast's interim cocoa sector management committee cut levies to fund industry bodies for the 2008/2009 season on Friday by more than 60 percent to 10.06 CFA per kg, from 25.26 CFA last season, it said.

This year's levy will finance the management committee, replacing levies which funded the Coffee and Cocoa Bourse (BCC) and other administrative bodies brought under the management committee's control after a graft probe. The single export tax (DUS) was unchanged at 220 CFA/kg as was the port registration tax at 10 percent of the cost, insurance & freight (CIF) value.

UAE Chocolate Market Estimated at AED 564 mn

UAE Daily News, Canada

08 October, 2008



Cocoa sales across emerging markets are helping to support the sweets and confectionery market during a time of economic slowdown, confirm industry experts.

Sales in traditional chocolate loving countries are levelling off, but sales in the Middle East and Asian regions are resisting downturns.

Figures released by AC Nielson's Retail Audit estimate the UAE chocolate market at AED 546 million with a growth of 27% by value and

14% by volume.

According to Dubai World Trade Centre, co-organisers of the region's only trade show for sweets and confectionery, the established culture for chocolate in the Middle East is seeing rising levels of sophistication.

Sweets Middle East 2008 will run from 3-5 November at the Dubai International Convention and Exhibition Centre and includes an impressive line up of chocolate and cocoa products from both regional and international manufacturers in addition to sweets, confectionery, bakery, snack food and ice cream goods. "The Middle East market for chocolates, sweets and confectionery is rapidly expanding. Some of the growth factors include the influx of more foreign chocolate products, as markets open up to foreign businesses. There is also an increasing preference for 'luxury' desserts offered by most hotel chains across the region," said Joanne Cook, Industry Group Manager - Exhibitions '&' Events Management at Dubai World Trade Centre.

Internationally, industry analysts have seen rising numbers of award winning European chefs, hoteliers, caterers and manufacturers look for innovative ways to capitalise on the 'chocoholic' nature of burgeoning markets. Further efforts to increase product appeal and sales have resulted in several large chocolate manufacturers experimenting with traditional regional ingredients like dates, ginseng and green tea.

Meanwhile in Europe, figures released by the German confectionery retail and industry association in August show chocolate and confectionery sales rose only 2.3 percent to 632,200 tonnes in January to June this year - sales by volume rose by 5.4 percent to 4.283 billion euros. These figures are indicative of why western chocolate manufacturers are looking to markets where growth is starting to accelerate. "Sweets and confectionery manufacturers from the USA and Europe are looking to facilitate growth by entering into markets in the East," said Naveen Kumar Seth, Managing Director of Candica Industries Ltd, local high end sweet manufacturers. "Sweets Middle East 2008 offers several advantages that make it an ideal platform for manufacturers to connect with Asian and Eastern markets.

Many international products and brands will be on display at Sweets Middle East from stand alone exhibitors to companies participating in the 9 national pavilions. These include Belgium, Egypt, France, Germany, Italy, Turkey and the USA, as well as two new pavilions from Cyprus and Malaysia, which ranks in the top ten of the world's cocoa producers.

Labour Issues

Ivory Coast Cocoa Farmers Withholding Beans in Price Dispute

Bloomberg

By Pauline Bax

October 9, 2008

(Bloomberg) -- Ivory Coast cocoa farmers are withholding their beans at the start of the harvesting season because of a dispute over prices, said Fulgence N'Guessan, president of the country's National Union of Cocoa Exporting Cooperatives. "We have asked the authorities to review the farm gate price so that cocoa flows to the ports normally," he said by phone from the capital Abidjan today.

The Ivory Coast liberalized its cocoa market in 1999, replacing a fixed price set by the government with an indicative one set at the start of each season. The indicative price is not binding and is usually higher than the real price paid to farmers.

The indicative price last season was 450 CFA-Francs (94 cents) a kilogram. This season it increased to 700 CFA-Francs per kilogram, a rise of 56 percent. "Many farmers in this region are holding back their beans," Koffi Kouame, a farmer, said by phone from the eastern town of Abengourou. "They won't sell for less than 700 CFA-Francs."

Buyers are offering between 400 and 500 CFA-Francs a kilogram, said Bamba Hamadou, a farmer who is member of a cooperative in the central cocoa-growing town of Daloa. The average price paid at the farm gate was 500 CFA-Francs from July through September, according to statistics from the Bourse du Cafe et de Cacao, which monitors the country's cocoa trade.

Others

WCF awards grants to Institutions in Cocoa-producing countries

afrol News, Norway

By staff writer

8 October, 2008

World Cocoa Foundation (WCF) has today awarded US\$146,000 in challenge grants that will be used over next 12 months to design and test innovative technologies benefiting cocoa farmers and building capacity of local extension services and farmer associations.

A press release issued by WCF today shows that grants were awarded to eight research institutes, universities and farmer organisations in Africa, Asia and Latin America for work focused on advancing labour-saving technologies, production efficiency, and education.

Grants were announced at World Cocoa Foundation's 14th partnership meeting, being held in Hamburg, Germany, statement says. "Innovation is key to helping cocoa farmers fully benefit from world's growing appetite for this important commodity," said president of WCF, Bill Guyton. "Inefficient and labour-intensive farming practices must make way for new approaches if we are to strengthen farm families and communities both economically and socially. Grants announced today will bring this much-needed innovation to field, making it more accessible to cocoa farmers around world," he added.

Grants according to statement were awarded in area of farm-level innovation to among others; Cocoa Research Institute of Ghana, to explore cost-effective and environmentally friendly use of pheromone traps for mirid insect control by small-scale, organic cocoa farmers, Cocoa Research Institute of Nigeria, for exploratory work in sensitising farmers about need to use organic fertilisers and composting to improve soil fertility, productivity and farmer incomes.

University of Cape Coast, Ghana, School of Agriculture, also received a grant to develop participatory learning approaches encouraging farmer adoption of artificial cocoa pollination, significantly improving productivity, yield and long-term sustainability then another went to Conservacion y Desarrollo (CyD), Ecuador, to implement an innovative "education tour" approach to promoting knowledge sharing among farmer associations, helping improve production, incomes and overall quality of farm community life.

Cocoa Research Institute of Ghana also received one, to benefit women and women's groups economically by disseminating knowledge about quality potash and soap production from cocoa pod husks.

Report further says that over next 12 months, award recipients will test and validate proposed innovations. "Successful ones will be reviewed further for potential scale-up and will be offered more broadly for application in cocoa-producing countries," it shows.

The World Cocoa Foundation's challenge grant programme was first announced on 18 July at its Cocoa Innovations Symposium, where more than 70 experts representing cocoa producing countries, farmer organisations, research institutes, NGOs, international donors and industry reviewed labour-saving technologies and production efficiency, farm safety, education and community development, as well as monitoring innovative approaches and evaluating their impact and suitability for scale-up. Funding for grants was provided by USAID, MC Publishing, GTZ, Mars Incorporated and World Cocoa Foundation, it says.

Established in 2000, WCF is a leader in promoting economic and social development and environmental stewardship in 15 cocoa-producing countries around world. With nearly 70 member companies from the Americas, Europe and Asia, Foundation actively supports a range of farm-level programs harnessing sustainable agriculture practices to improve quality of life for millions of smallholder farmers growing this unique crop.

The food we hold sacred

Chicago Tribune, United States

By Renée Enna | Chicago Tribune reporter

October 8, 2008



It seems incongruous that the ingredient so integral to, say, a Hershey's Kiss, is the same one that for centuries played a major role in religious and cultural rituals. Of course, anyone addicted to Hershey Kisses may not think it strange at all.

Chocolate's reputation for inducing swoons has centuries of recorded history to back it up. It started with the discovery by Mesoamerican societies that the cacao (kah-KOW) tree's ungainly looking pods contained edible ingredients.

The tree was known to grow wild in South America, and it's possible that as early as 1500 B.C. people were cultivating it and eating the pulp

that surrounded the cacao beans, said Mesoamerican archaeologist Meredith L. Dreiss, co-author with Sharon Edgar Greenhill of the upcoming book, "Chocolate: Pathway to the Gods" (University of Arizona Press, \$30), and of its companion DVD, a film of the same name that Dreiss made with her brother, filmmaker Grant Mitchell.

But it's the pod's beans, not the pulp, that yield the chocolate. The Maya are thought to have perfected the process of grinding the beans into a powder, which they combined with water, spices and chilies to create a drink that was far different from the creamy cocoa we dollop with whipped cream. "It was either unsweetened or bittersweet [chocolate], it was highly spiced and it wasn't made with milk [which was not available to the Mesoamericans], it was made with water," explained chocolatier Mark Sciscenti of Kakawa Chocolate House in Santa Fe, who uses ancient recipes to re-create beverages in the spirit of those times, and which are available on his Web site, kakawachocolates.com.

(Sciscenti added that water makes more culinary sense, too, because milkfat coats the tongue and masks the myriad flavors that can be tasted in good-quality chocolate.)

Cacao took off throughout Central and South America, but it was less a recreational foodstuff than a product of cultural significance used as currency, medicine and in religious ceremonies that ranged from baptism to human sacrifice. And it was not just important to the living. Dreiss said that burial vessels found in Guatemala dating to 400 A.D. not only had chocolate inside them, but that recipes for chocolate drinks were written on the pots.

Christopher Columbus is believed to be the first person to transport cacao beans from the New World to the Old in 1502, according to the National Confectioners Association. The cacao that was brought from the New World to the Old by Spanish explorers in the 16th Century was a well-kept secret among the royal court. What fascinates Dreiss is that the Spanish were able to keep chocolate a secret for so long: "It wasn't for about 100 years before it starts spreading through the rest of Europe," she said.

Chocolate remained, at first, a drink of the Old World aristocracy, often enjoyed with, yes, milk and the seasonings available to them, such as cinnamon, anise, black pepper, sesame seeds and almonds, Dreiss and Greenhill write. It was the addition of another ingredient, however, that took chocolate to a different level: "For when sugar was added to the bitter but sacred drink of the Maya, this beverage from the New World tropical forests came to belong to the rest of the world."

Eventually, the hoi polloi got a taste of what they were missing.

The Industrial Revolution made chocolate available to the masses, and ushered in the Next Big Thing for chocolate, when somebody (it's not clear who) was able to combine the melted cocoa butter (the fat that occurs naturally in cocoa beans) with sugar and cocoa powder to create the first solid eating chocolate.

The invention of the Hershey's Kiss (1907, by the way) was just a matter of time.

Maybe we're coming back full circle: The growing popularity of chocolate teamed with chili—a combination marketed as an exotic introduction despite its centuries-old provenance—sees this foodstuff returning to its spicy roots.

Or maybe not.

According to Hershey's Web site, more than 29 billion Kisses were manufactured in 2007.

By the numbers
80 million

Number of Hershey's Kisses manufactured daily, according to the Hershey Web site.

2,300

TIT BITS

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

US MIDDAY: coffee, cocoa fall

NEW YORK (October 09, 2008): Arabica coffee sank to a 15-month low early on Wednesday, while US cocoa eased deeper into a six-month low, slumping on sympathetic pressure from outside markets as they endured the worst financial crisis in 80 years, traders said. December coffee was down 2.60 cents, or 2.3 percent, at \$1.1160 per lb by 9:10 am EDT (1310 GMT).

US MIDDAY: coffee, cocoa up

NEW YORK (October 10, 2008): Arabica coffee and US cocoa futures trading on ICE corrected higher in early trade on Thursday, in quiet dealings boosted by the mildly lower dollar, traders said. Arabica coffee for December delivery up 0.90 cent at \$1.1545 per lb by 9:17 am EDT (1317 GMT), moving from \$1.1455 to \$1.1645.

London cocoa, sugar hit new lows

LONDON (October 11, 2008): cocoa and sugar slumped to multi-month lows on Friday and coffee prices fell, swept lower by a broad-based decline in commodity markets on fears the credit crisis could push the world into recession. "It is a mixture of small speculators, funds and a little bit of origin selling. The feel seems more bearish today," one cocoa dealer said.

US MIDDAY: cocoa plummets

NEW YORK (October 11, 2008): US cocoa futures trading on ICE tumbled in early trade on Friday, while arabica coffee was also down, but well off its lows, as global markets swooned on credit-crunch fears, traders said.