

# COPAL COCOA *Info*

*A Weekly Newsletter of Cocoa Producers' Alliance*



Issue No. 311

24<sup>th</sup> – 28<sup>th</sup> November 2008

Cocoa Producers' Alliance



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

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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)
24 <sup>th</sup> November	1425.65	2110.13	1409.67	2078.33
25 <sup>th</sup> November	1458.01	2168.19	1427.33	2141.00
26 <sup>th</sup> November	1499.99	2241.19	1477.67	2231.00
27 <sup>th</sup> November	.00	.00	1511.67	.00
28 <sup>st</sup> November	1539.15	2299.69	1516.00	2269.67
Average	<b>1481.00</b>	<b>2205.00</b>	<b>1468.00</b>	<b>2180.00</b>

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

**Monday 24th November 2008**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2008	1517	1526	16	1537S	1504	14,029
Mar 2009	1425	1416	-2	1443	1413	14,824
May 2009	1406	1407	3	1423	1403S	1,199
Jul 2009	1402	1406	5	1415	1397	585
Sep 2009	1415	1406	7	1415	1396S	15
Dec 2009	1395	1397	3	1399	1393	554
Mar 2010		1397	3			0
May 2010		1404	3			0
Jul 2010		1404	3			0
Sep 2010		1404	3			0
<b>Average/Totals</b>		<b>1417</b>				<b>31,206</b>

**Tuesday 25th November 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1521	1540	14	1540	1519	3,587
Mar 2009	1419	1431	15	1432	1409	4,988
May 2009	1412	1425	18	1425	1402S	1,682
Jul 2009	1410	1426	20	1429S	1402S	1,127
Sep 2009	1425	1424	18	1427S	1421S	40
Dec 2009	1400	1408	11	1411S	1400	763
Mar 2010		1409	12			0
May 2010		1418	14			0
Jul 2010		1418	14			0
Sep 2010		1418	14			0
<b>Average/Totals</b>		<b>1432</b>				<b>12,187</b>

**Wednesday 26th November 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1540	1590	50	1590	1521	1,775
Mar 2009	1433	1480	49	1499	1422S	9,575
May 2009	1425	1475	50	1487	1416	2,888
Jul 2009	1426	1478	52	1490S	1421S	277
Sep 2009	1439	1476	52	1471	1439S	3
Dec 2009	1406	1445	37	1446S	1406S	980
Mar 2010		1446	37			0
May 2010		1455	37			0
Jul 2010		1455	37			0
Sep 2010		1455	37			0
<b>Average/Totals</b>		<b>1476</b>				<b>15,498</b>

**Thursday 27th November 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1596	1625	35	1645	1595	6,169
Mar 2009	1483	1517	37	1545	1476	9,232
May 2009	1474	1508	33	1535	1474	2,277
Jul 2009	1478	1510	32	1525	1478	241
Sep 2009	1495	1504	28	1516	1489	213
Dec 2009	1477	1478	33	1501S	1477	418
Mar 2010		1479	33			0
May 2010		1491	36			0
Jul 2010		1491	36			0
Sep 2010		1491	36			0
<b>Average/Totals</b>		<b>1509</b>				<b>18,550</b>

**Friday 28th November 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1620	1612	-13	1643	1603S	17,145
Mar 2009	1517	1519	2	1529	1492	18,842
May 2009	1508	1513	5	1520S	1485	1,328
Jul 2009	1510	1516	6	1522	1507S	2,864
Sep 2009	1510	1509	5	1510	1503	142
Dec 2009	1482	1483	5	1493	1463S	1,434
Mar 2010		1484	5			0
May 2010		1493	2			0
Jul 2010		1493	2			0
Sep 2010		1493	2			0
<b>Average/Totals</b>		<b>1512</b>				<b>41755</b>

<b>Average for the week</b>	<b>1512</b>				<b>23839</b>
					<b>119,196</b>

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

**Monday 24th November 2008**

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2171	2213	43	2255	2171	8
Mar 2009	2050	2086	41	2102	2050	5,422
May 2009	2055	2079	47	2093	2055	734
Jul 2009	2068	2077	46	2086	2061	83
Sep 2009	2068	2071	43	2088	2065	129
Dec 2009	2081	2065	37	2081	2065	36
Mar 2010		2063	37	2063	2063	50
May 2010		2057	32	2057	2057	
Jul 2010		2057	32	2057	2057	
Sep 2010		2057	32	2057	2057	
<b>Average/Totals</b>		<b>2068</b>				<b>6462</b>

**Tuesday 25th November 2008**

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2220	2256	43	2277	2171	16
Mar 2009	2093	2143	57	2170	2080	3046
May 2009	2082	2138	59	2162	2079	187
Jul 2009	2076	2129	52	2150	2075	76
Sep 2009	2095	2119	48	2126	2070	57
Dec 2009	2074	2114	49	2120	2062	1
Mar 2010	2076	2112	49	2112	2076	
May 2010	2066	2108	51	2108	2066	
Jul 2010	2066	2098	41	2098	2066	
Sep 2010		2098	41	2098	2098	
<b>Average/Totals</b>		<b>2132</b>				<b>3383</b>

**Wednesday 26th November 2008**

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2384	2311	55	2384	2311	12
Mar 2009	2153	2221	78	2264	2128	4,994
May 2009	2136	2214	76	2251	2131	378
Jul 2009	2128	2202	73	2225	2123	151
Sep 2009	2119	2188	69	2205	2119	105
Dec 2009	2117	2183	69	2205	2112	264
Mar 2010		2177	65	2177	2177	4
May 2010		2178	70	2178	2178	6
Jul 2010		2178	80	2178	2178	3
Sep 2010		2178	80	2178	2178	
<b>Average/Totals</b>		<b>2203</b>				<b>5917</b>

**Thursday 27th November 2008**

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2384	2311	55	2384	2311	12
Mar 2009	2153	2221	78	2264	2128	4,994
May 2009	2136	2214	76	2251	2131	378
Jul 2009	2128	2202	73	2225	2123	151
Sep 2009	2119	2188	69	2205	2119	105
Dec 2009	2117	2183	69	2205	2112	264
Mar 2010		2177	65	2177	2177	4
May 2010		2178	70	2178	2178	6
Jul 2010		2178	80	2178	2178	3
Sep 2010		2178	80	2178	2178	
<b>Average/Totals</b>		<b>2191</b>				<b>5917</b>

**Friday 28th November 2008**

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2384	2372	61	2384	2372	3
Mar 2009	2280	2294	73	2308	2262	12,357
May 2009	2277	2281	67	2288	2257	1,273
Jul 2009	2267	2263	61	2274	2252	187
Sep 2009	2254	2243	55	2267	2240	71
Dec 2009	2250	2230	47	2258	2226	467
Mar 2010	2230	2220	43	2230	2220	
May 2010		2217	39	2217	2217	
Jul 2010		2217	39	2217	2217	
Sep 2010		2217	39	2217	2217	
<b>Average/Totals</b>		<b>2255</b>				<b>14358</b>

<b>Average for the week</b>	<b>2255</b>				<b>9009</b>
<b>Total for the week</b>					<b>36,037</b>

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

	<b>24<sup>th</sup> November</b>	<b>25<sup>th</sup> November</b>	<b>26<sup>th</sup> November</b>	<b>27<sup>th</sup> November</b>	<b>28<sup>th</sup> November</b>
Main Crop Ghana, Grade 1	2594	2651	2729	-	2802
Main Crop Ivory Coast, Grade 1	2444	2501	2579	-	2652
Main Crop Nigerian, 1	2436	2493	2571	-	2644
Superior Arriba	2423	2480	2558	-	2631
Sanchez f.a.q	2464	2521	2599	-	2672
Malaysian 110	2099	2156	2234	-	2307
Sulawesi f.a.q	2293	2350	2428	-	2501
Ecuador Cocoa Liquor	3470	3565	3694	-	3816
Pure Prime Press African Type Cocoa Butter	5764	5922	6137	-	6339
10/12% Natural Cocoa Press Cake	1161	1193	1236	-	1277

Source: Cocoa Merchants' Association

# News

## ***Health and Nutrition***

### **Unhealthy Holiday Foods**

Wednesday, 26 November 2008 GreenMuze Staff

Ron Sumners/iStockphoto

Green Muze, Canada - 26 Nov 2008

Each year Americans consume an estimated 1,500 pounds of food per person. With more than two out of every three Americans overweight, it means we consume more food than we should, which requires more fossil fuels to make and transport our food, and our bodies around, and it creates an enormous amount of bodily waste. The World Health Organization reports that there are more than a billion people worldwide who are overweight, more than 300 million of whom are considered obese and these figures should be compared to the 800 million who do not have enough to eat.

Michael Pollan, bestselling author of *In Defense of Food*, explains that we are now facing an unfamiliar dilemma in America; we are the human beings who manage to be both overfed and undernourished. Today, Americans spend more than half of their food dollars on meals prepared outside the home while consuming a diet of which half is mostly sugars in one form or another.

Many of our holiday 'traditions' revolve around the North American custom of gorging ourselves. In fact, Thanksgiving, Christmas, Easter, Valentine's Day and our birthday celebrations, all involve the ritual of overconsuming, and wasting, a lot of food. Often, North Americans will stuff themselves at holiday meals until they feel ill, have distended bellies, need to take digestive aids or even vomit. Some individuals experience food hangovers for several days after the holidays have finished. The overconsumption of food is an intrinsic, yet disturbing, part of many North American's holiday experiences.

The overconsumption is one problem, but the fact that many of the festive foods North Americans consume are so unhealthy, so lacking in nutrients, that their poor quality is actually a major contributing factor to the holiday eating disorder we have.

These unhealthy foods include vegetables grown with pesticides and chemical fertilizers; factory farmed meat and poultry fed on a diet of genetically modified corn and soy and antibiotics to stave off infections from their unhealthy diet; sugary sodas, cakes and candies filled with toxic dyes, chemicals, cheap corn syrup and genetically modified ingredients; chocolate grown with pesticides and farmed by slave labour.

### Chocolate

Sweet chocolate has a bitter side. Chocolate is grown with heavy applications of pesticides and harvested in slave labour conditions by children in a distant developing nation. The International Labor Rights' Fund (ILRF) reports that much of the world's cocoa production includes child labor and starvation level wages for farmers. ILRF reports that children work long hours, face frequent exposure to pesticides; and child labor slaves face physical beatings and other cruel treatment. Many children working on cocoa farms never eat a chocolate bar in their lifetimes.

No wonder so many people feel nauseous, not just from the enormous portions they eat during the holidays, but also from the unhealthy holiday foods they are consuming. It is hard to feel good about the festive foods when everything we put in our mouths is filled with pesticides, toxic chemicals, Frankenfoods, cruelty or exploitation.



## ***Production & Quality***

### **Ivory Coast Cocoa deliveries decline 32% in Week to Nov. 16**

By Pauline Bax, Nov. 24, 2008

(Bloomberg) -- Cocoa deliveries to Ivory Coast ports for shipment abroad fell 32 percent in the week ended Nov. 9, according to an industry official with access to the information. Arrivals at the ports of Abidjan and San Pedro from farms in the west African country, a measure of production in the world's biggest cocoa-growing nation, totaled 38,715 metric tons in the period, compared with 57,000 tons the same week a year ago and 33,719 tons in the week to Nov. 9 this year. Deliveries since the start of the season on Oct. 1 totaled 149,460 tons, the official said.

The official based the figures on data provided by the state-run Bourse du Café et du Cacao. The official declined to be identified because the data are confidential.

The following is a table of the amount of cocoa beans, in metric tons, bought by exporters and exporting cooperatives in the week from Nov. 10 to Nov. 16.

Company	Amount	Company	Amount
ADM Cocoa Sifca (ADM Cocoa, US)	2,689	Armajaro	187
CAKD Kavokiva	104		
Cargill Cocoa Sarl (Cargill, US)	4,900	Cargill West Africa (Cargill, US)	4,305
Cipexi (Amtrada, the Netherlands)	2,451	Coex Cote d'Ivoire	1,439
Coopai	37.5	Copaeb	712
Coopadis	1,146	CPCM	116
Dafci	3,078	Ecookim	241
GAD continental	320	Novel CI	1,300
Outspan Ivoire (Olam, Singapore)	2,654	Saf Cacao	2,031
Pronibex	141	Siaco	213
SNCO Intercom	49	Socatene	2,320
Sucso SA	599	TNCI	3,147
Tropicao	858	Uirecgo	103.5
Unicao (ADM Cocoa, US)	1,996	Zamacom	1,578

### **Copra, cocoa production fall**

By MOFFAT MAMU

Solomon Star, Solomon Islands - 24 Nov 2008

TWO of the main countries export commodities, copra and cocoa, have recorded low production for the month of September. Central Bank of Solomon Islands (CBSI) said this in economic bulletin for that money. The decline in production was attributed to a drop in global market price.

#### Copra

The bulletin said copra purchased from rural farmers in September fell by 6 per cent to 3,336 tonnes from 3,587 tonnes in August. The contracted price offered to exporters dropped by 8 per cent to US\$550 per tonne from US\$600. Consequently domestic price to local farmers fell by 12 per cent to \$3.10 per kg. Average international price for this commodity also fell by 7 per cent to US\$724 per ton.

#### Cocoa

For cocoa, production records extracted from those purchased in September showed a sharp fall of 43 per cent to 242 tonnes. However, production in the first nine months up to September remains above output for the same period last year.

The bulletin said domestic prices offered to rural farmers fell by 1.7 per cent to \$14.25 per kg during the month. "Reflecting this movement, prices offered to exporters fell by 8 per cent to £1,170 per tonne from £1,275 per ton", the bulletin said.

Average international price for cocoa as received from the World Bank fell by 4.3 per cent to US\$2,696 per tonne.



## Cameroon Aug-Oct cocoa exports jump 23 pct: boards

Tue 25 Nov 2008



YAOUNDE (Reuters) - Cameroon's cocoa bean exports between August and October were 38,815 tonnes, up 23 percent on the same period last year, according to data released on Tuesday by cocoa bodies in the world's fifth biggest grower.

Shipments in the first three months of the 2007/08 season were 31,571 tonnes.

Exports in October, the third month of the 2008/09 season, were up 63 percent year-on-year at 27,360 tonnes, figures from the National Cocoa and Coffee Board (NCCB) and the Cocoa and Coffee Interprofessional Board (CCIB) showed.

Cameroon has been attempting to raise its cocoa harvest for some years, and this season good weather is boosting volumes. "This significant increase in beans exports for October is very likely an indication that production this season may go up compared to the last season," said Gerard Ngubi, sub-director of statistics at the NCCB. "As we enter the peak harvesting and marketing period, we expect the exports to climb up again particularly in November and December," he said.

## Ivorian cocoa prices creep higher on supply worries

Reuters Ghana, Ghana

Tue 25 Nov 2008

ABIDJAN, Nov 25 (Reuters) - Farm-gate cocoa prices in Ivory Coast's main growing regions crept higher last week, holding above 500 CFA (\$0.98) per kg in main trading centres as shippers feared tightening supply, farmers and exporters said on Tuesday. "The exporters have pushed up prices because everybody is worried the crop will not be large, and that there will be a supply shortage over the coming weeks," said the purchasing manager for a European exporter based in the main city Abidjan. "When we look at the cumulative level of purchases, there is a gap of nearly 100,000 tonnes compared to this time last year. That is pushing up pressure on supplies," he said.

Farmers in the world's top cocoa grower have pushed for higher prices since cocoa authorities raised the non-obligatory guide price by 40 percent to 700 CFA/kg, but exporters say that price is far too high given weaker world markets.

However, after falling by more than a third from a 28-year peak hit in July, benchmark U.S. cocoa futures <CCc2> have been slightly firmer in the past fortnight amid worries over supplies from Ivory Coast.

March cocoa was up 0.77 percent at \$2,102/tonne by 1145 GMT on Tuesday.

In Ivory Coast's southern region of Divo, the average price jumped by 50 CFA to 575 CFA/kg last week as buyers sought large volumes of beans to fill their orders and prices held firm at the port of Abidjan, farmers said. "There aren't the volumes of cocoa there were last year. The exporters are not always satisfied with the amounts we're able to sell them," said farmer Amadou Diallo, whose farm is near Divo town. "Prices reached 600 francs in some places because there was such weak supply compared to last year, and because of the higher prices on offer in Abidjan," he said.

In the centre-western region of Daloa, which produces a quarter of national output, the average price rose 30 CFA to 560 CFA/kg as buyers competed to pick up good quality beans. "Prices are going up because the exporters are realising there is not much cocoa. There are lots of buyers in the bush and the beans coming out are well-dried," said farmer Marcel Aka. "Last week, the planters were happy, and many of them sold beans at around 550 CFA/kg," he said.

Below are average farmgate prices in CFA francs per kg for the week of Nov 17-23, as quoted by private buyers, cooperatives and shippers, and published by the Coffee and Cocoa Bourse (BCC).

Included are prices paid on delivery at San Pedro and Abidjan ports.

	<u>Nov 17-23</u>	<u>Nov 10-16</u>		<u>Nov 17-23</u>	<u>Nov 10-16</u>
Abengourou	540	n/a	Aboisso	520	495
Adzope	550	525	Agboville	n/a	n/a
Bongouanou	550	515	Daloa	560	530
Divo	575	525	Gagnoa	n/a	n/a
San Pedro	565	545	Sassandra	n/a	n/a
Soubre	560	550	Abidjan (port)	n/a	n/a
San Pedro (port)	625	595			

#### **Ivorian San Pedro cocoa arrivals 106,254T by Nov 23**

Reuters Ghana, Ghana

28 Nov 2008

ABIDJAN, Nov 28 (Reuters) - Cocoa arrivals at Ivory Coast's port of San Pedro reached 106,254 tonnes from Oct. 1 to Nov. 23, according to data from the Coffee and Cocoa Bourse (BCC) obtained by Reuters on Friday. That compared with 192,168 tonnes delivered to the port during the same period of the 2007/08 season, the data showed.

The figures showed 19,074 tonnes arrived at San Pedro port from Nov. 17 to Nov. 23, down from 26,909 tonnes in the same period of the 2007/08 season. Data for the port of Abidjan was not immediately available. (For full Reuters Africa coverage and to have your say on the top issues, visit: <http://africa.reuters.com/>) (Reporting by Ange Aboa; Editing by Pascal Fletcher).

#### **Ghana: Maintain Country's Premium Quality Cocoa**

AllAfrica.com, Washington - 24 Nov 2008

Mr. Samuel Amponsah, Ashanti Regional Manager of the Quality Control Division of the Ghana Cocoa Board (COCOBOD), has urged farmers to produce quality cocoa to enable Ghana retains its image as the best producer of premium quality cocoa globally. He noted that cocoa is the "life-wire" and backbone of the economy and that it was incumbent on them to help improve the foreign exchange earnings of the country.

Mr. Amponsah was addressing farmers on quality control operations organised by COCOBOD for farmers at Kunsu, near Mankranso in the Ahafo-Ano-South District of the Ashanti Region last Wednesday. It aimed at educating them on the need to produce quality cocoa and also adopt modern methods of farming to improve their yield. He emphasised the need for them to ferment their cocoa beans for at least six days and dry them well before offering them for sale.

Mr. Agyemang advised them to ensure bad cocoa beans were removed and the good ones kept in clean sacks to avoid being infested with insects and rodents. He asked them to use the recommended insecticides in spraying their cocoa farms at all times against black pod disease and capsid and added that the only way to control swollen shoot disease was to cut off the coca trees for re-planting.

Mr. A. Asumadu, Assistant Director at the Ahafo-Ano South Directorate of Food and Agriculture appealed to farmers to diversify their productions so as to improve their incomes. He said extension agents of the Ministry of Food and Agriculture (MOFA) were prepared to educate them on modern methods of farming.

#### **Nigerian Cocoa Exports Fall 12 pct in October Year-on-Year**

Lagos, November 21, 2008 - Nigeria's cocoa exports fell by 12 percent to 9,786 tonnes in October from the same period last year, data from the Federal Produce Inspection Service (FPIS) showed on Friday. The FPIS is the government agency that certifies cocoa and other farm produce as fit for export mainly to Western markets, where the beans are used for making such things as chocolate, ice cream, cakes, liquor, cosmetics and beverages.

October is the first month of the main crop in Nigeria, the world's No.4 cocoa grower, where output has seen a steady increase in the last three years.

Industry experts have said the actual exports could be much higher than the official figures because some exporters do not make full disclosure of their cargoes at the ports.

Exporters have estimated some 20,000 tonnes of cocoa arrived at Lagos in October but much of that volume has not been shipped because of declining international prices.

The global economic crisis has subdued commodity prices, while a surging U.S. dollar has slashed profit margins for Nigerian exporters, a number of whom did not ship any beans last month.

"The global cash crunch affected the market, the price was very unstable and some people actually lost money due to the minimal increase in futures trading," Robo Adnuze, a commodity analyst told Reuters.

A sizeable amount of beans is smuggled across Nigerian borders by exporters trying to take advantage of lower port charges in neighbouring countries.

## ***The Market***

### **Cocoa buoyed by slow W. Africa Bean arrivals**

Source: Reuters

24/11/2008

London, Nov 24 - Cocoa futures rose on Monday on slow bean arrivals in West Africa, while coffee edged up with the wider commodities complex as markets digested news of a U.S. government rescue deal for banking giant Citigroup Inc. Raw sugar futures rose, supported by investment fund buying as the markets absorbed news that the U.S. government agreed to rescue Citigroup <C.N with \$20 billion of new capital.

World stocks rebounded on Monday from last week's 5-1/2 year low after the U.S. government unveiled a \$300 billion-plus rescue package for Citigroup.

A steady stream of news that cocoa bean arrivals in top producing region West Africa were sharply down, provided firm support to the market, dealers said. "The numbers are way short of what you would expect for the main crop cocoa season," one London cocoa dealer said.

Cocoa arrivals at ports in No. 1 grower Ivory Coast totalled 201,000 tonnes from Oct. 1-Nov. 23, sharply down from 398,038 tonnes received in the same period last season, exporters estimated on Monday. Benchmark March ICE cocoa futures were up \$33, or 1.6 percent, at \$2,078 per tonne at 1211 GMT. London March cocoa was up 5 pounds or 0.4 percent to 1,423 pounds per tonne in reasonable turnover of 11,337 lots.

Dealers said that if the pound weakened after an expected UK tax stimulus announcement later on Monday, sterling-denominated London cocoa futures could receive an additional boost.

Coffee futures rose in modest volumes, supported by improved sentiment across the commodities and financial spectrum after the Citigroup rescue deal, dealers said. January robustas were up \$27 or 1.5 percent to \$1,840 per tonne in slim turnover of 2,290 lots at 1214 GMT. ICE March arabicas were up 1.4 cent or 1.3 percent to \$1.1215 per lb.

Vietnam's coffee exports for November are forecast to fall 28.6 percent from a year ago to an estimated 50,000 tonnes, or 0.83 million bags, the government's statistics office said on Monday.

ICE raw sugar futures rose on investor and fund buying, underpinned by firming oil prices, with the benchmark March-March white sugar premium holding steady at around \$68-69 per tonne.

Oil rose above \$50 a barrel on Monday as investors eyed the prospect of a further OPEC supply cut to prop up prices that have been pressured by weakening global demand.

"We saw some fund manager buying of raws," one sugar dealer said. "The market is trying to consolidate."

ICE March raw sugar was up 0.24 cent or 2.1 percent to 11.52 cents per lb at 1216 GMT. London March white sugar futures were up 80 cents to \$322.80 per tonne in thin volume of 642 lots. Dealers expect medium-term upside price risk due to expectations of a widening global sugar deficit.

## **Sugar, cocoa buck commods trend, resist downturn**

guardian.co.uk, UK

By David Brough

November 26 2008

LONDON, Nov 26 (Reuters) - Prices of sugar and cocoa have fared better than other commodities during the global economic downturn and analysts believe expectations of tighter supplies into 2009 can give them both a further boost.

Oil, industrial and precious metals and food staples like grains have fallen sharply in recent months, but sugar and cocoa have proved more resilient, helped by strong fundamentals. "In cocoa the low pace of shipments (from the main crop in West Africa) is a concern, and in sugar, there will be a loss of supply from India," said Mehdi Chaouky, an analyst with fund manager Diapason Commodities Management.

Raw sugar futures prices are up 6.9 percent so far this year and white sugar is up 2.8 percent, while sterling-denominated London cocoa futures, propped up by a slump in the pound, are up 33.8 percent and even dollar-based U.S. cocoa is up 9.7 percent. The relative strength of these soft commodities contrasts sharply with the sharp drop seen elsewhere in the commodities complex.

The Reuters-Jefferies CRB index <CRB>, a global commodities benchmark, fell last week to its lowest level since July 2003 as oil broke below \$50 a barrel and metals and grains also fell as the economic outlook worsened.

The CRB index is now down 33.6 percent since end-2007.

Even coffee, another key soft commodity, has felt the impact of the sell-off across commodities. Arabica coffee futures are down 15 percent since the end of 2007.

### COCOA STAR PERFORMER

London cocoa has been the star performer among the soft commodities this year, largely due to a sharp drop in the pound as UK economic conditions deteriorated and interest rates fell, dealers and analysts say.

For traders holding alternative currencies such as euros and dollars, London cocoa futures are cheaper as the pound falls.

Jonathan Parkman, head of the agri-commodity brokerage at Fortis Commodity Derivatives, said if the pound softens further, London cocoa futures prices could move higher. He highlighted concerns over a sharp slowdown in bean arrivals from the main crop to ports in Ivory Coast, the world's top grower, which he said raised risks of a deficit in 2008/09.

Cocoa arrivals at ports in No. 1 grower Ivory Coast totalled 201,000 tonnes from Oct. 1 to Nov. 23, sharply down from 398,038 tonnes in the same period last season, exporters estimated on Monday. [ID:nLO38087] Several analysts said privately that they see the global cocoa market heading into deficit for the third straight year. Chocolate maker Barry Callebaut said in its latest cocoa market report that it expected a deficit in 2008/09. "The supply picture is still bleak for the 2008/09 season, with lower crops expected in Ivory Coast and in Indonesia," it said. "This explains why most are still expecting a deficit on the cocoa market this season, in spite of signs of weak demand at consumer level."

The global downturn will soften demand for cocoa and chocolate products, but cocoa has defied slowdowns in the past. "History suggests that cocoa rides out recessions better than most commodities, as consumers jettison high-ticket rather than low-price discretionary purchases," Fortis said in its latest monthly report.

### SUGAR DEFICIT

In sugar, consumption is expected to hold steady despite the downturn and a global deficit of the sweetener is likely to widen due to forecasts for lower output in the world's top two producing countries, Brazil and India, analysts say.

"We're going to see a deficit (in sugar) for the next few years," said Michael Whitehead, New York-based soft commodity analyst with Rabobank. "On the consumption side, there will be a slowing of growth, but the impact will be minimal."

Investment funds, many of which quit commodities as the downturn deepened, are likely to return to sugar rapidly once financial markets stabilise, Whitehead said. "When the money starts to come back into the funds,

sugar will be one of the areas it comes back into," he said. "By the end of Q2 2009, you will see that happening."

U.S. investment bank Morgan Stanley said in a report this month that, after three years of record surpluses, it now saw the sugar market moving into at least three years of deficit, owing to the lagged impact of price on production. "A marked contraction in Indian production, together with a modest decline in Brazilian sugar output, serves to cut global output by nearly 6 percent year-over-year in 2008/09, leaving the global balance in a 1.8 million tonne deficit," it said.

Morgan Stanley predicted that the global deficit will more than double to 4.8 million tonnes in 2009/10. (Reporting by David Brough; editing by David Evans and Peter Blackburn)

#### **Coffee, sugar rise on investor buying**

Forex Pros, British Virgin Islands - 26 Nov 2008

By David Brough

LONDON, Nov 26 (Reuters) - Coffee and sugar futures rose on light investor buying on Wednesday, and cocoa held steady in dealings dominated by rollover business as markets nervously watched for clues to the outlook of the global economy.

Dealers were awaiting a raft of U.S. data due out later in the session as well as the European Commission announcement on its plans to stimulate the economy, which was released at midday.

Coffee dealers spoke of light investor buying and a lack of sellers.

"It's the same kind of buying that we have seen in the last few days and a lack of selling," one robusta coffee dealer said. "It's largely speculative buying and the volume remains very light."

London January robusta coffee futures rose \$34 or 1.8 percent to \$1,944 per tonne in thin turnover of 1,589 lots at 1200 GMT.

Benchmark ICE March arabica futures were up 0.15 cent to \$1.1455 per lb, and some dealers saw upside price risk. "On the technicals, on the charts it looks like the market might move a little bit higher but that's just looking at the technical charts and I would suggest these levels can maybe hold or move a little bit higher," one coffee dealer said.

Coffee production in Honduras during the 2008/09 growing season is forecast to rise 7 percent from a year ago, a U.S. Agriculture Department attache in Tegucigalpa said in a report released on Tuesday.

Cocoa trade was characterised by rollover business, with an eye on an options expiry on Friday, dealers said.

Concerns over slow bean arrivals to ports in Ivory Coast, the world's top cocoa grower, underpinned the market.

Cocoa arrivals at ports in No.1 grower Ivory Coast totalled 201,000 tonnes from Oct. 1 to Nov. 23, sharply down from 398,038 tonnes in the same period last season, exporters estimated.

Sunny spells mixed with patchy rains in Ivory Coast's main cocoa growing regions last week would help the crop survive the dry season and extend the harvest into next year.

ICE March cocoa was up \$2, or 0.090 percent, to \$2,145 per tonne at 1205 GMT, while London March cocoa was down 3 pounds or 0.2 percent to 1,428 pounds per tonne in slim volume of 1,476 lots.

In sugar, markets edged up on two-way investor dealings, with many players absent from their desks ahead of the Thanksgiving holiday on Thursday, dealers said.

ICE March raw sugar futures were up 0.11 cent to 11.72 cents per lb at 1208 GMT, while London March white sugar was up \$1.5 to \$325.0 per tonne in slim turnover of 632 lots.

Dealers see potential upside in sugar prices in the medium term, due to a tightening supply outlook.

Russia refined 2.79 million tonnes of white sugar from beet by Nov. 24, up 9 percent from year-ago volumes, the Russian Sugar Producers' Union industry lobby said on Wednesday.

U.S. Sugar Corp. said on Tuesday it had finalized a \$1.34 billion contract to sell a massive tract of farmland to Florida, in a deal aimed at helping to cleanse and restore the state's fragile Everglades wetland. (Reporting by David Brough; editing by Karen Foster)

### **Cocoa rallies on tight supply outlook**

Forex Pros, British Virgin Islands - 27 Nov 2008

By David Brough

LONDON, Nov 27 (Reuters) - London cocoa futures rallied on Thursday on fund short-covering due to a tight supply outlook while coffee and sugar futures rose on fund and investor buying as the end of the month approached.

U.S. markets were shut for Thanksgiving Day.

A cut in Fortis Bank's cocoa supply surplus forecast helped prop up values, while some dealers felt a deficit in 2008/09 was more likely than a surplus due to a sharp deceleration in bean arrivals to ports in Ivory Coast, the world's top grower.

Fortis Bank on Thursday cut its 2008/09 global cocoa surplus forecast to 21,000 tonnes from a previous forecast for a 52,000 tonnes surplus.

Some dealers doubted a surplus was on the cards.

"Unless we see a big pickup (in arrivals) in the next few days, we could see a (global) deficit of 25,000-50,000 tonnes (in 2008/09)," one London cocoa dealer said.

"I can't believe that they (Fortis) have a surplus."

London benchmark second-month cocoa closed up 37 pounds or 2.5 percent to 1,517 pounds per tonne, off the day's high of 1,545 and having broken above Wednesday's high of 1,499 pounds. Total volume was a brisk 9,232 lots.

U.S. cocoa futures rallied to a six-week high on Wednesday, buoyed by strong technical buying momentum ahead of the holiday.

Benchmark ICE March cocoa surged \$78, or 3.6 percent, to \$2,221 per tonne on Wednesday, its highest level on a closing basis since Oct 15.

London white sugar futures rose on fund and investor buying as the end of the month approached, with many participants absent due to the closure of the U.S. raw sugar market for Thanksgiving.

"Volumes are small, but the funds have underpinned the market," said David Sadler, a senior sugar futures dealer, noting that the mood in the sugar market was bearish due to ample availability from supplies, including from Brazil.

London March white sugar closed up \$5.4 or 1.7 percent at \$333.0 per tonne in very slim turnover of 310 lots.

Dealers see medium-term upside potential in prices of sugar due to expectations of a tightening global deficit of the sweetener to 2010.

Premiums for Thai raw sugar halved on Thursday as consumers waited for better offers from Brazil, which was making inroads into the Asian market after a drop in freight rates.

Prices of sugar and cocoa have fared better than other commodities during the global economic downturn and analysts believe expectations of tighter supplies into 2009 can give them both a further boost.

London robusta coffee futures also rose on investment fund buying, dealers said.



London January robustas ended up \$48 or 2.4 percent to \$2,015 a tonne in relatively slim turnover of 4,344 lots, off the day's high of \$2,048.

"There's a squeeze in the January position which is really driving the market up," one London robusta coffee trader said.

"You have people on a daily basis getting long on the market and obviously there is a certain amount of profit taking as the thing (market) goes up."

Brazil's coffee farmers are enjoying timely plentiful rains for next year's coffee crop, but with soaring costs, trouble finding workers and low selling prices, many say their good fortune ends there. (Additional reporting by Phakamisa

### **Cocoa rises on tight supply outlook**

Source: Reuters

27/11/2008

London, Nov 27 - London cocoa futures rose on fund short-covering due to a tight supply outlook while coffee and sugar futures moved higher on light fund and investor buying on Thursday. U.S. markets were shut for Thanksgiving Day. A cut in Fortis Bank's cocoa supply surplus forecast helped prop up values, while some dealers felt a deficit in 2008/09 was more likely than a surplus due to a sharp deceleration in bean arrivals to ports in Ivory Coast, the world's top grower. Fortis Bank on Thursday cut its 2008/09 global cocoa surplus forecast to 21,000 tonnes from a previous forecast for a 52,000 tonnes surplus.

Some dealers doubted a surplus was on the cards. "Unless we see a big pickup (in arrivals) in the next few days, we could see a (global) deficit of 25,000-50,000 tonnes (in 2008/09)," one London cocoa dealer said. "I can't believe that they (Fortis) have a surplus."

London benchmark second-month cocoa was up 21 pounds or 1.4 percent to 1,501 pounds per tonne, having broken above Wednesday's high of 1,499 pounds. Total volume was a brisk 5,427 lots.

U.S. cocoa futures rallied to a six-week high on Wednesday, buoyed by strong technical buying momentum ahead of the holiday.

Benchmark ICE March cocoa surged \$78, or 3.6 percent, to settle at \$2,221 per tonne on Wednesday, its highest level on a closing basis since Oct. 15.

London robusta coffee futures rose on fund buying, dealers said. "Investor buyers followed off from yesterday. They bought up yesterday. It's a common thing -- they've done it in the last few bank holidays in the States," one robusta coffee trader said. "When the States are not open there is less resistance around, because there is nobody watching the market," the trader said.

Brazil's coffee farmers are enjoying timely plentiful rains for next year's coffee crop, but with soaring costs, trouble finding workers and low selling prices, many say their good fortune ends there.

London white sugar futures rose on light investor buying, with many participants absent due to the closure of the U.S. raw sugar market for Thanksgiving. London March white sugar was up \$3.4 or one percent to \$331.0 per tonne in slim turnover of 196 lots at 1210 GMT. Dealers see medium-term upside potential in prices of sugar due to expectations of a tightening global deficit of the sweetener to 2010.

Premiums for Thai raw sugar halved on Thursday as consumers waited for better offers from Brazil, which was making inroads into the Asian market after a drop in freight rates. Prices of sugar and cocoa have fared better than other commodities during the global economic downturn and analysts believe expectations of tighter supplies into 2009 can give them both a further boost.



## **Processing & Manufacturing**

### **Cameroon grinder cocoa purchases up 63 pct Aug-Oct**

Reuters

Nov 26, 2008

YAOUNDE, Nov 26 (Reuters) - Cameroon's only cocoa processing firm, SIC-Cacao, bought 10,503 tonnes of beans in the first three months of the 2008/09 season, up 63 percent from last year, according to data from cocoa bodies late on Tuesday.

The firm, a subsidiary of Switzerland-based Barry Callebaut (BARN.S: Quote, Profile, Research, Stock Buzz), had bought 6,437 tonnes by the same time last year, according to the National Cocoa and Coffee Board (NCCB) and the Cocoa and Coffee Interprofessional Board (CCIB). SIC Cacao purchased 5,708 tonnes of beans in October this year, up from 2,721 in October 2007.

The company, located in commercial centre Douala, processes cocoa beans into powder, cake and butter. Greater purchases are intended to meet growing demand for its products in central Africa, company officials said. Cocoa bean exports from the No.5 producer were up 23 percent between August and October at 38,815 tonnes, NCCB/CCIB data showed on Tuesday [ID:nLP478]. (Reporting by Tansa Musa; Editing by Daniel Magnowski)

## **Business & Economy**

### **Bittersweet cacao : Food of the gods wrapped in exploitation and unfairness**

Timmins Daily Press, Canada

By VIVIAN SONG

November 27 2008

It's the food of gods, the cacao farmer says, as he takes a big gulp of the elixir from a metal canteen, filling every cavity of his mouth, rolling it around like a fine wine before swallowing and taking another swig. It's also, apparently, a potent aphrodisiac. Pop is a virile man at the age of 49 with 15 children between the ages of nine months and 29 years. "This is what I've been doing all my life," he says proudly, in his bare-bones, thatch-roofed home. "I've become a big family ... it is a powerful drink."

Once upon a time, cocoa was deified and mystified, its beans traded as currency in pre-Columbian commerce before being transformed into a cheapened vessel for sugar, nuts and nougat. Its botanical name, Theobroma, translates to "food of the gods," and in Mayan culture was incarnated as Ek Chua, an intimidating god of cocoa with a large hook nose and rimmed eyes.

But Ek Chua also represented the god of conflict, which could explain why the cacao industry has been plagued by forces far darker and more sinister than any small confectionary pleasure should carry. Unfair trading practices by "Big Chocolate" companies reduce destitute cacao farmers in Africa, for instance, into using child slaves.

Up until this year, when a certification program on cocoa labour practices was put in place, tens of thousands of children trafficked from Mali into the Ivory Coast were beaten, starved and locked in tiny dark huts to prevent them from fleeing, according to a 2001 BBC report. Most have never tasted the end product for which they toil and angrily charge that the West eats their flesh whenever we blithely bite into a \$1.25 bar.

French-Canadian reporter Guy-Andre Kieffer has been missing since 2004 and is presumed dead after he was kidnapped in the Ivory Coast, where he had been asking too many questions about murky machinations in the country's powerful cocoa industry.

### **COUNTRIES THAT GROW COCOA BEANS**

Cocoa trees grow within 20 degrees of the equator. Total annual cocoa production: 3 million tonnes. In her book *Bitter Chocolate: Investigating the Dark Side of the World's Most Seductive Sweet*, and was also warned not to probe too deeply. But in southern Belize, organic cacao farmers have empowered themselves with the formation

of the Toledo Cacao Growers Association, a group of about 200 producers who are sustained by one sole buyer and one powerful mark --Fairtrade.

Green & Black's, an organic chocolate brand based in the U. K., became the first in Britain to launch a Fairtrade product with its Maya Gold chocolate bar in 1994. Farmers are paid more than three times their African counterparts at \$2.30 a pound, thanks to an organic and Fairtrade premium. The cocoa grown in southern Belize is among the world's best. It is, after all, where cocoa was first domesticated. To drink cocoa like the farmers, with a hint of allspice or pepper, is to drink cocoa at its purest. It's a rich, heady broth of authentic cocoa, its intensity evocative of a strong brew of coffee and coats the tongue in dark liquid chocolate.

Young pods are either green or red and ripen to yellow or orange respectively. Children will suck on the pulp of the seeds like candy that tastes faintly like melon, or it will

#### **Chocolate sales grow by 20% in Nov and Dec**

Financiarul, Romania - 27 Nov 2008

Chocolate sales will grow by up to 20% in November and December because winter holidays, Excellence Plus Chocolate Maker director Bogdan Dragnea told Agerpres.

There are already many chocolate connoisseurs in Romania, and they know well what to buy, but most of the times their low purchase power makes them usually buy lower quality chocolate.

Market offer is diverse, but people like to buy milk chocolate most, for winter holidays, Dragnea point out.

But chocolate market's total estimates can be made only in January 2009 when we are likely to undergo the aftermath of the economic crisis in this field as well, Excellence Plus official added.

There still is an ascending trend in the chocolate sales, the Belgian chocolates being very much sought for in the office sector particularly, said the chocolate makers and importers showing in CofeeChoFest (Coffee and Chocolate Festival) taking place at World Trade Plaza Bucharest, on Nov 14-16.

Ever more companies buy chocolate delicatessens to offer their partners as Christmas gifts and chocolate buyers come from all environments, mainly during the winter holidays. This period is the most profitable over the year and presentation is the key to success. Everybody buys presents, but not everybody has time enough to go shopping, said Klasse Delicatessen Store's owner Maria Degeratu.

As a matter of fact, premium chocolate sales on line are increasing and they are expected to grow up to 10%, again in 2009. While most chocolate makers doubt the market developments, Belgian Magic Business laboratories' manager Marius Ciuciula believes that the premium chocolate market still has place enough to develop business, although prices make it somehow an exclusivist sector.

"It is the same as with cars, they seem expensive, but if you want something special and you want high quality, you then buy the best. We deliver our products in 4 and 5-star hotels, luxury restaurants, private parties, and it is the quality that dictates the price, and although we have recently entered the market we have enough profits that make us confident in the future, Ciuciula added.

Romanians prefer milk chocolate for their children, while the grown-ups buy aphrodisiac, antistress, quieting or energizing chocolate, with most alluring flavors, for St. Nicholas and Christmas.

#### **Bloomberg: Chocolate's the Cure for Economic Woes**

Financial reporter shows cocoa commodities directly correlated to unemployment rate.

By Jeff Poor

Business Media Institute, VA - 25 Nov 2008

It may be a bizarre elixir for the current economic crisis, but Bloomberg Television has declared chocolate a potential cure.

On Bloomberg's Nov. 25 "In Focus," Bloomberg News correspondent Su Keenan showed that cocoa commodities tend to do better in tough economic times. "If you've been craving chocolate lately, you may not be alone," Su Keenan said. "Analysts say worries about jobs and the recession have people desiring a little something sweet -- like a Hershey's kiss. And that can boost sales of candy bars and the cocoa that goes into making them." And according to Keenan, the shifts in the unemployment rate are tied to shifts in the price of cocoa commodities. "Over the past decade, cocoa prices and the unemployment rate have gone hand and hand," she said. Keenan pointed out cocoa prices have slumped in the second half of 2008 as investors have liquidated their holdings of commodities in the wake of the economic crisis. However, prices are predicted to rise 22 percent through the beginning of 2009.

Chocolate – or in its raw form, cocoa – is one of the unusual economic indicators the media have used over the last 12 months to exaggerate economic turmoil.

Earlier this year, NBC's "Today" noted the up-tick in pawn shop business. CNN unveiled a sad puppy indicator based on pet abandonment. In May, "NBC Nightly News" created a Craigslist indicator, based on Internet classified ads. Later, "Nightly News" announced the Spam indicator, reporting that increased sales of Spam – which in reality is more expensive than fresh meats – indicated a struggling economy. Others have reported indicators based on Starbucks, RV sales and sweaters. "If people can't afford to go to the restaurant, they'll go and buy a couple of candy bars," Eugen Weinberg, a commodities specialist with Commerzbank (FRA:CBK), said to Bloomberg. Keenan pointed toward shares of Hershey's (NYSE:HSY), which are off only 12 percent versus a 42 percent drop for the S&P 500. Cadbury (NYSE:CBY), down 21 percent, and Nestle (VTX:NESN), down 20 percent, have also managed to weather the crisis relative to other financial indices

### **Chocolate Prices Going Up**

WGRZ-TV, NY - 26 Nov 2008

Posted By: Matt Pitts 1 month ago

Shoppers looking for chocolate for their holiday tables might do a double take when they look at the price this year. Retailers say the price they pay for ingredients has gone up significantly. They've had to pass some of those costs onto consumers.

"We're forced to deal with some pretty high prices for ingredients right now and unfortunately we've had to raise prices on most things accordingly. However, we're a retailer, we've got competition we need to support our customers and we continue to work with our program of providing discounts and special pricing for chocolate lovers," said Ted Marks with Fowler's Chocolate.

The folks at Fowlers say they're starting a preferred customer program to help offset the cost of the increases.

## **Environmental Issues**

### **Pluck cocoa pod infected with "Anonom" – DCO**

Ghana News, Ghana

26 November 2008

Akim Oda (E/R), Nov. 26, GNA - Mr Albert Akomaning, Oda District Cocoa Officer (DCO), has said that it was safer to pluck any cocoa pod infected with "Anonom", the Black Pod Disease, in the course of working on the cocoa farms. Mr Akomaning was explaining in an interview, at Akim Oda in the Birim Central Municipality of the Eastern Region on Tuesday, the safest means for cocoa farmers to increase their yields. He noted that cocoa trees infected with the "Anonom" disease yielded smaller quantity when harvested.

According to him, the farmers needed to prune the branches of other trees that could disturb the cocoa tree and also clear unwanted trees, adding that the only relieve to the affected cocoa diseased tree, was to remove the contact tree by cutting it. The DCO stressed that this could be done during the rainy season to sustain the trees, since when done in summer the trees could perish. Mr Akomaning said the chemicals used for spraying cocoa farms, like the agronomy and CODAPEC were to ensure that the beans that were harvested were good. He said the Ghana Cocoa Board's Control Unit of the Cocoa Swollen Shoot Virus Disease (CSSVD) in the Eastern Region, periodically organised rallies for the farmers. Mr Akomaning stated that it was at such rallies that the farmers had demonstration on specimens of swollen shoot virus disease symptoms, and how to improve their cocoa yields.

**TRADE-WEST AFRICA: Swollen Shoot disease devastating Cocoa Trees**

IPS, Italy

By Francis Kokutse



Cocoa leaves discoloured by swollen Shoot disease.

ACCRA, Nov 27 (IPS) - On a hot November afternoon, Opanin Owusu Adu showed me around his farm on the outskirts of Suhum, a town in the Eastern Region in Ghana.

He pointed out what has happened to the cocoa trees that he had hoped to make a living from. With a sad voice he said, “my son, that is what the people say swollen shoot disease does to the cocoa trees”.

What should have been golden pods, have become blackened, dried up and withered. “You cannot cultivate these ones. It means no money.”

Swollen shoot disease is a problem across the West African region. Farmers in Ghana, Ivory Coast, Togo and Nigeria have not been spared the devastation.

Worried by its long-term effect, Ghana’s President John Kufuor early this year called on the regional grouping the Economic Community of West African States (ECOWAS) to take steps to fight the disease. Ghanaians are worried because the cocoa bean is the country’s main export. The country stands to benefit from this year’s high commodity prices. Issac Osei, chief executive of the country’s cocoa regulator known as Cocobod, has said the country is keen to increase its production to one million metric tons a year.

The Nigeria-based Cocoa Producers Alliance (COPAL), a grouping of global cocoa producers, has taken the lead to find ways to fight the disease. The executive director of Ghana’s Cocoa Swollen Shoot Virus Control Unit, Francis Nsiah, told IPS in an interview, “COPAL is assisting the cocoa-producing countries in the region to combat the disease. “Ghana, Togo, Nigeria and Ivory Coast have signed an agreement to tackle the disease and this has been going on for the past two years with support from COPAL.” He said the disease has devastated cocoa farms all across Ghana's main cocoa-producing areas. “It used to be the Eastern Region alone but it is now affecting farms in the Western Region, which is the country's cocoa basket.”

According to Nsiah, about 32 million trees affected by the disease have been cut down throughout the country in the past 10 years or so. “However only about 60 percent of the replanting has been done so far,” he added. The replanting effort proved difficult because of the attitude of some farmers, Nsiah complained. His unit not only cuts down the affected trees but pays grants to farmers and provides seedlings at subsidised rates for replanting. He said the disease would not in any way affect Ghana's plan to achieve a production target of one million metric tons by 2010 because most of the newly planted trees will mature early.

Michael Owusu-Manu, COPAL’s head of economics, told IPS that, “the swollen shoot disease has been around West Africa for the last 70 years. It was this disease that led to the creation of the West Africa Cocoa Research Institute (WACRI) at Tafo in the eastern region in Ghana.” It provided an opportunity for scientists to find ways to contain the disease. After independence, WACRI became the Cocoa Research Institute of Ghana and “has all these years been working on the disease. To take this more seriously, the Ghana Cocoa Board set up a special unit, the Cocoa Swollen Shoot Virus Disease Unit, to carry out control programmes,” Owusu-Manu added.

Swollen shoot disease is found mainly in the western African sub-region in the countries of Côte d'Ivoire, Ghana and Togo and, to some extent, Nigeria. No reports have been received from Cameroon, but “this is under investigation”, according to Owusu-Manu. The disease accounts for about 15 percent of the total global loss of the crop. Taking this in terms of the 2007/08 crop output of about 3.7 million tons, the disease would account for the loss of approximately 555,000 tons throughout West Africa. “The only way to combat the disease is to cut out infected trees,” he added.

Some farmers, like Opanin Owusu Adu, do not see the sense in this. “Until the new tree produces crops, we need to take care of our families. You don’t tell your children that some disease has affected your wealth so there is nothing to take care of them.” This is the problem that the attempt to control the disease is facing in Ghana.

For Owusu-Manu the answers lies in more research and better coordination of actions. “We have developed a regional project in coordination with Cameroon, Cote d’Ivoire, Ghana, Nigeria and Togo. This is being done under our Scientific Research Committee to bring together researchers, policy makers and other stakeholders in the sub-region.” Hopefully this initiative will provide some answers. Otherwise cocoa farmers across West Africa face a bleak future.

### **Global market review of premium chocolate - forecasts to 2011**

PR-Inside.com (Pressemitteilung), Austria - 25 Nov 2008

[www.companiesandmarkets.com/Summary-Market-Report/Global-market- ..](http://www.companiesandmarkets.com/Summary-Market-Report/Global-market-...)

Premium chocolate represents a fast-growing and dynamic market in many parts of the world, with global sales having risen by over 18% within the last year. Sales and consumer awareness are both growing for a variety of reasons – these include wider availability of premium chocolate at the retail level and high levels of new product activity. Additionally, more consumers are becoming attracted to dark chocolate on account of its health benefits, while ethical concerns have increased demand for organic and Fairtrade chocolate, all of which tend to be positioned at the premium end of the market.

This is a brand new title from just-food, which focuses on the premium segment, which is attracting much interest from many of the large global players.

The report contains a wealth of market data including historic premium chocolate market values by country, financial stats for the major brands and market forecast trends for all major markets out to 2011.

#### Chapter 1 Introduction

For the purposes of this report, premium chocolate is generally defined as different from mainstream offerings on account of factors such as craftsmanship, price, ingredients, cocoa origin and marketing/promotion (including the type of packaging used). Regarding price, a number of different sub-categories are emerging as the overall premium chocolate market develops – for example, what might be termed as ‘everyday gourmet’ chocolate is typically lower in price than products classed as ‘super-premium’, which are much less affordable and represent a much less frequent purchase as a result.

#### Chapter 2 Global market overview

The global market for premium chocolate was worth an estimated US\$6.95bn in 2007. Since 2002, the market has expanded by over 65%, with annual growth for 2007 alone pegged at more than 18%. Much of the recent growth in the market has resulted from the entrance of many of the world’s leading chocolate suppliers, as a result of which levels of new product development have been high. For example, up to 1,500 new products have now been launched in the sector since 2002, with more manufacturers striving to develop a strong portfolio of premium chocolate ranges.

This chapter reviews the main markets with analysis of the latest market trends, segments and provides historic market values and % share statistics.

#### Chapter 3 Current trends

A number of major trends are driving the premium chocolate market at present. Although many are inter-linked, a number of major factors have been identified, as follows:

premium versus mainstream;	provenance;	raw materials;
health/wellness; and	the impact of own-label/branding.	

The chapter reviews each major trend in turn.

#### Chapter 4 Consumer dynamics

This chapter reviews the latest key consumer trends within each major region, covering single-origin, ethical chocolate and milk versus dark.

### Chapter 5 Industry supply

Here, all major premium chocolate suppliers such as Mars, Nestlé, Cadbury and Hershey are analysed. Plus notable recent company activity such as the acquisition of Belgian firm Guylian in June 2008 by Lotte are analysed.

### Chapter 6 New product activity

This chapter provides an analysis of how recent new product activity illustrates how confectionery manufacturers have been driving growth within the premium chocolate market. Innovations such as single-origin, dark, premium range launches and even chilli flavours are discussed.

### Chapter 7 The future

The global premium chocolate market is forecast to reach a value of US\$12.9bn by 2011. This represents an increase of more than 85% in value terms compared with present levels, and provides an indication that the market in many parts of the world has only just started to develop towards its potential. This forecast is supported by the opinions of Nestlé, which claims the global market for premium and luxury chocolate may reach even higher at US\$14bn within the next decade.

Here, we present 2007-2011 market value forecasts for the world, US and European markets.

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### **Chocolates - A New Desi Delight**

November 26, 2008

Deepa Krishnan

Desicritics.org, India - 26 Nov 2008

It is now official, folks. I have no backbone. There I was, watching the History Channel, when they suddenly sprang a programme on the history of Chocolate. Fifteen minutes into the show, my backbone gave way, and I raided the fridge, desperate for anything, just anything chocolatey.

Here's what I found in the fridge - handmade chocolates from Ooty. The purple ones were minty, and the square ones had all sorts of exotic spices and dry-fruits in them (I didn't stop at one, of course).

The cocoa in these chocolates is grown locally, in the spice plantations of Ooty. The cocoa tree is quite happy to grow interspersed with other trees, so it's perfect for Indian spice plantations where it grows between rows of palm, arecanut and other trees, and provides an extra source of income.

Chocolate is quite a newfangled thing in India. Before 1965, the cocoa crop was not commercially produced anywhere in India. Then thanks to Cadbury India, cultivation began in Kerala, and from there, spread to other states in the South (as a matter of fact, in many places, the cocoa tree is actually called the 'Cadbury' tree!)

Although chocolate has been around only a few years, we're already inventing a whole new cuisine around it. Homemade chocolates (which all the honeymooning couples at Ooty go ga-ga over) are just the tip of the choco-craze. Every time I visit my local mithai shop, I see proof that we have happily combined traditional Indian milk-sweets and spices with this new upstart ingredient from South America. Have you tasted chocolate burfi yet? Or hunted down a chocolate laddoo recipe from the internet? How about chocolate peda then? Or "Jain" chocolate mousse!

Even at the poorest end of the spectrum, chocolate has made a conquest - when my maid had a grandchild last month, she rushed out of the house, and came back with a gift pack of Cadbury's Fruit and Nut for us to celebrate.

I'm telling you, there's a chocolate revolution happening in India. It's sneaking up on us, bite by heavenly bite, we just don't know it yet!



## TIT BITS

(Source: Business Recorder – [www.brecorder.com](http://www.brecorder.com))

### **London cocoa, coffee and sugar rise**

LONDON (November 25, 2008): cocoa futures rose on Monday on slow bean arrivals in West Africa, while coffee edged up with the wider commodities complex as markets digested news of a US government rescue deal for banking giant Citigroup Inc.

### **US MIDDAY: coffee, cocoa higher**

NEW YORK (November 25, 2008): Arabica coffee and US cocoa futures charged higher early Monday, buoyed by a weaker dollar and strength in the broader markets, traders said. Arabica coffee for March delivery up 2.55 cents at \$1.1330 per lb by 9:45 am EST (1424 GMT).

### **Ivorian cocoa arrivals down**

ABIDJAN (November 25, 2008): cocoa arrivals at ports in No 1 grower Ivory Coast totalled 201,000 tonnes October 1-November 23, sharply down from 398,038 tonnes received in the same period last season, exporters estimated on Monday. According to a rough weekly estimate, 43,000 tonnes of beans arrived at the ports of Abidjan and San Pedro between November 17 and November 23, down from 57,056 tonnes in the same week of the 2007/08 season, but up by 3,000 tonnes from the previous week.

### **US MIDDAY: coffee, cocoa climb**

NEW YORK (November 26, 2008): Arabica coffee and US cocoa futures rose in early trading on Tuesday as a weaker dollar triggered broad-based buying in oversold markets, traders said. Arabica coffee for March delivery was up 0.75 cent at \$1.1480 per lb by 9:25 am EST (1425 GMT). Session range from \$1.1330 and \$1.1580. Benchmark March cocoa was up \$53 or 2.5 percent at \$2,139 per tonne by 9:27 am. Trading ranged from \$2,080 to \$2,148.

### **London cocoa rises**

LONDON (November 26, 2008): cocoa futures rose on Tuesday on a weak pound and a tight supply outlook, while coffee and sugar were little changed, underpinned by a weak dollar. Benchmark ICE March cocoa was up \$37, or 1.8 percent, at \$2,123 per tonne at 1610 GMT, while London March cocoa was up 10 pounds at 1,426 pounds per tonne in modest volume of 4,449 lots.

### **Ivorian cocoa prices creep higher**

ABIDJAN (November 26, 2008): Farm-gate cocoa prices in Ivory Coast's main growing regions crept higher last week, holding above 500 CFA (\$0.98) per kg in main trading centres as shippers feared tightening supply, farmers and exporters said on Tuesday. "The exporters have pushed up prices because everybody is worried the crop will not be large, and that there will be a supply shortage over the coming weeks," said the purchasing manager for a European exporter based in the main city Abidjan.

### **London coffee, sugar futures rise**

LONDON (November 27, 2008): Coffee and sugar futures rose on light investor buying on Wednesday, and cocoa held steady in dealings dominated by rollover business as markets nervously watched for clues to the outlook of the global economy.

### **US MIDDAY: coffee rises, cocoa falls**

NEW YORK (November 27, 2008): Arabica coffee and US cocoa futures steadied in early business on Wednesday, with moves in the currency markets underpinning both markets, while volumes thinned out ahead of the US Thanksgiving Day holiday, traders said. All agricultural commodity markets will be closed Thursday for US Thanksgiving Day, reopening for business on Friday.

### **London cocoa rallies**

LONDON (November 28, 2008): London cocoa futures rallied on Thursday on fund short-covering due to a tight supply outlook while coffee and sugar futures rose on fund and investor buying as the end of the month approached. US markets were shut for Thanksgiving Day.