

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 312

1st – 5th December 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)
1 st December	1463.55	2171.02	1479.67	2142.00
2 nd December	1479.48	2191.78	1480.67	2165.67
3 rd December	1488.00	2203.75	1502.00	2183.33
4 th December	1526.99	2259.13	1537.33	2242.00
5 th December	1463.49	2172.03	1495.67	2159.33
Average	1484.00	2200.00	1499.00	2178.00

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

Monday 1st December 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2008	1596	1584	-28	1596S	1466S	1,669
Mar 2009	1517	1479	-40	1517	1437	9,330
May 2009	1514	1477	-36	1514	1435	2,427
Jul 2009	1500	1483	-33	1518	1453S	1,706
Sep 2009	1500	1481	-28	1504S	1445	490
Dec 2009	1475	1453	-30	1480	1413	476
Mar 2010		1453	-31			0
May 2010		1462	-31			0
Jul 2010		1462	-31			0
Sep 2010		1462	-31			0
Average/Totals		1480				16,098

Tuesday 2nd December 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1546	1605	21	1610	1546	3,108
Mar 2009	1470	1479	0	1487	1452	4,738
May 2009	1467	1477	0	1485	1450	1,534
Jul 2009	1469	1486	3	1491S	1469	477
Sep 2009	1471	1481	0	1473S	1468S	25
Dec 2009	1447	1453	0	1461	1447	138
Mar 2010		1453	0			0
May 2010		1462	0			0
Jul 2010		1462	0			0
Sep 2010		1462	0			0
Average/Totals		1482				10,020

Wednesday 3rd December 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1607	1660	55	1656S	1585	2,888
Mar 2009	1474	1500	21	1508	1464	5,055
May 2009	1475	1498	21	1506S	1462	1,024
Jul 2009	1487	1508	22	1508S	1474	404
Sep 2009	1480	1503	22	1480	1480	16
Dec 2009	1448	1475	22	1481	1448	68
Mar 2010		1475	22			0
May 2010		1484	22			0
Jul 2010		1484	22			0
Sep 2010		1484	22			0
Average/Totals		1507				9,455

Thursday 4th December 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1655	1754	94	1754S	1650	3,630
Mar 2009	1500	1534	34	1538	1500	11,770
May 2009	1498	1534	36	1538	1497	1,829
Jul 2009	1515	1544	36	1548	1515S	370
Sep 2009	1530	1535	32	1530	1530	41
Dec 2009	1498	1509	34	1512	1498	2,739
Mar 2010		1509	34			0
May 2010		1518	34			0
Jul 2010		1518	34			0
Sep 2010		1518	34			0
Average/Totals		1547				20,379

Friday 5th December 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2008	1744	1635	-119	1744	1630	1,735
Mar 2009	1534	1490	-44	1540	1481	5,494
May 2009	1536	1494	-40	1543S	1488	1,215
Jul 2009	1541	1503	-41	1550	1499	766
Sep 2009		1493	-42	1506	1491	0
Dec 2009	1504	1458	-51			69
Mar 2010		1458	-51			0
May 2010		1467	-51			0
Jul 2010		1467	-51			0
Sep 2010		1467	-51			0
Average/Totals		1493				9279

Average for the week	1493				13046
					65,231

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

Monday 1st December 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008						
Mar 2009						
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
May 2010						
Jul 2010						
Sep 2010						
Average/Totals		#DIV/0!				0

Tuesday 2nd December 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2181	2251	41	2251	2181	4
Mar 2009	2130	2170	6	2203	2112	13078
May 2009	2145	2165	3	2195	2127	2441
Jul 2009	2172	2162	1	2188	2153	722
Sep 2009	2163	2151	1	2176	2145	290
Dec 2009	2135	2140	3	2155	2132	111
Mar 2010		2129	6	2129	2129	
May 2010		2119	6	2119	2119	
Jul 2010		2119	6	2119	2119	
Sep 2010		2119	6	2119	2119	
Average/Totals		2153				16646

Wednesday 3rd December 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2200	2223	-28	2223	2166	10
Mar 2009	2150	2183	13	2209	2115	5,477
May 2009	2140	2180	15	2199	2115	736
Jul 2009	2132	2175	13	2182	2114	120
Sep 2009	2119	2164	13	2164	2119	236
Dec 2009	2107	2155	15	2155	2107	305
Mar 2010		2141	12	2141	2141	16
May 2010		2132	13	2132	2132	
Jul 2010		2132	13	2132	2132	
Sep 2010		2132	13	2132	2132	
Average/Totals		2162				6900

Thursday 4th December 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008	2258	2249	26	2318	2249	10
Mar 2009	2158	2248	65	2250	2141	5,033
May 2009	2155	2242	62	2242	2155	295
Jul 2009	2142	2238	63	2239	2142	19
Sep 2009	2129	2228	64	2228	2129	12
Dec 2009	2150	2216	61	2216	2148	16
Mar 2010		2204	63	2204	2204	
May 2010		2196	64	2196	2196	
Jul 2010		2196	64	2196	2196	
Sep 2010		2196	64	2196	2196	
Average/Totals		2218				5385

Friday 5th December 2008

Month	Open	Price	Change	High	Low	Volume
Dec 2008						
Mar 2009						
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
May 2010						
Jul 2010						
Sep 2010						
Average/Totals		#DIV/0!				0

Average for the week	#DIV/0!				7233
2020					28,931

Spot Prices (US \$ per tonne)

	1 st December	2 nd December	3 rd December	4 th December	5 th December
Main Crop Ghana, Grade 1	2669	2675	2688	2753	2646
Main Crop Ivory Coast, Grade 1	2542	2548	2561	2626	2519
Main Crop Nigerian, 1	2527	2533	2546	2611	2504
Superior Arriba	2512	2518	2531	2596	2489
Sanchez f.a.q	2561	2567	2580	2645	2538
Malaysian 110	2156	2162	2175	2240	2138
Sulawesi f.a.q	2374	2380	2393	2458	2351
Ecuador Cocoa Liquor	3773	3783	3806	3919	3732
Pure Prime Press African Type Cocoa Butter	6045	6062	6098	6279	5981
10/12% Natural Cocoa Press Cake	1075	1078	1084	1117	1063

Source: Cocoa Merchants' Association



Health and Nutrition

Taking the Benefits Of Dark Chocolate to Heart

North American Press Syndicate, NY

04/12/08

(NAPSI)-There's good news for chocolate fans who are concerned about their health. While dark chocolate has come to be recognized for its antioxidant benefits, a new study indicates eating it may also have vascular health benefits.

According to the study-conducted by the Yale-Griffin Prevention Research Center-dark chocolate can have a positive impact on blood pressure and blood vessel function. The study, which used Hershey's Extra Dark Chocolate and Hershey's Natural Cocoa, is the largest of its kind to examine the short-term benefits of solid dark chocolate and cocoa-containing beverages on blood pressure and blood vessel function.

The results of the study, recently published in the American Journal of Clinical Nutrition, showed that consuming dark chocolate (75g) as well as natural cocoa (22g) lowered blood pressure and improved endothelial function in 45 participants two hours after consumption.

The study's release comes on the heels of Hershey's Extra Dark Chocolate, a rich dark chocolate featuring 60 percent cacao, earning renowned health and fitness expert Bob Greene's Best Life seal of approval-the first chocolate bar to earn that distinction. "Our study demonstrated impressive enhancement of endothelial function following the acute consumption of dark chocolate and cocoa," said David L. Katz, M.D., MPH, principal investigator of the study and director of the Prevention Research Center. "The results are exciting because they show that dark chocolate, a highly popular treat long associated with pleasure, has health-promoting properties as well." Greene will incorporate dark chocolate and natural cocoa as he helps consumers to develop balanced, healthy lifestyles through his book, "The Best Life Diet," and the companion Web site TheBestLife.com.

To learn more, visit the Web sites at www.hersheys.com and www.thebestlife.com.

New research indicates that dark chocolate can have a positive impact on blood pressure and blood vessel function.

Can chocolate trigger the feeling of being in love?

by Jeremy Green, Denver Fitness Examiner

Examiner.com - 1 Dec 2008

As the season for continual candy indulgence is now upon us I know you don't have to be persuaded to indulge in nature's most seductive sweet. Fortunately with the antioxidant properties found in cocoa, you can feel good about it so long as it's within moderation and not coming from a foil clothed santa or a crazed sugar fiend count.

Dark chocolate and matters of the heart - A multitude of studies have been conducted to provide support for the dietary use of cocoa flavanols in maintaining cardiovascular health - most likely because there is no shortage of eager volunteers. The research has shown that regular consumption of the flavanols found in dark chocolate resulted in reduction of serum total and LDL cholesterol as well as lowering systolic blood pressure and improving the formation of bioactive nitric oxide. Researchers have also identified chocolate as having anticoagulation effects similar to aspirin as it inhibits platelet function and slows clotting time, exerting an overall cardioprotective effect.

Willy Wonka claimed that chocolate contained a property that triggered the release of endorphins and gave one the feeling of being in love. He actually wasn't just full of it. Studies using functional magnetic resonance imaging showed a significant increase in blood-oxygenation-level-dependent signals in the brains of subjects after they consumed flavanol rich cocoa. This may be the result of increased neuronal activity and cerebral blood flow.

Myth Busted: chocolate is bad for your skin. Researchers have demonstrated that long term cocoa ingestion leads to an increased resistance against UV-induced erythema (redness) and lowered transepidermal water loss. Subsequent to the intake of high flavanol cocoa, dermal blood flow significantly increased and oxygen saturation was elevated nearly two fold.

Rich on flavor - rich in Flavonoids. Cocoa flavanols are powerful antioxidants that reduce harmful chemicals in the blood like free radicals – which hold strong convictions and use extreme and often uncompromising methods to sway the body's healthy cells to vote independent.

Unfortunately for confection candy lovers most naturally occurring flavanols are removed during the processing of cocoa beans so not just any chocolate will do. First and foremost look for dark chocolate products and preferably ones that state cacao content on the label which is usually expressed as a percent. Any product above 50% is great, but be warned that the really hardcore varieties such as those in the 70% and up can be pretty intense. In addition to being packed with sugar, fat and other anti-nutrients most milk chocolate products contain little to none of the health promoting cacao found in its dark counterpart. Moral of the story: this year fill your holiday candy bowl with real chocolate.

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First chocolates released with tooth-friendly sugar

By Caroline Scott-Thomas, 03-Dec-2008

Confectionerynews.com

The first chocolate products endorsed by Toothfriendly International as harmless to teeth have hit the market in Belgium, despite containing a sugar.

Barry Callebaut, which developed the chocolate, claims the secret is in replacing milk powder with milk proteins, and sucrose with isomaltulose, a naturally occurring sugar found in honey and sugar cane.

Two chocolate companies have released products made from Barry Callebaut's new 'tooth-friendly' chocolate: Daskalides, in praline-filled chocolate bars, and Chocolaterie Smet, in its Hopla chocolate figurines, and other manufacturers look set to follow suit.

How it works

Although isomaltulose is composed of glucose and fructose, as is refined sugar, it reacts differently to oral bacteria, protecting teeth from decay by preventing mouth pH levels from dropping below the critical level of 5.7. Like sucrose, it is easily digested and has a similar calorific value of about four calories per gram.

The fact that it is a natural sugar, rather than a sweetener, is crucial, as polyol sweeteners such as xylitol and maltitol have been associated with a laxative effect following excessive consumption.

Spokesperson for Barry Callebaut Ann Maes told ConfectioneryNews.com: "“Sometimes kids do eat a lot of chocolate, so it is very important to say that it is not a laxative at all, which is a big, big plus. The chocolate is completely natural, with no artificial additives or sweeteners, which is important because mums don't want to give those to their kids. And it has passed the taste test with kids.”"

She said that many major confectionery manufacturers have already bought the chocolate and will be releasing their own tooth-friendly products, but she could not disclose which companies at this stage.

She said: "We have had a huge amount of interest. Functional chocolate has been really strong over the past few months."

Happy teeth

Toothfriendly International is an independent non-profit organisation for the promotion of dental health, which bestows its 'Happy Tooth' logo as a seal of approval on products which it guarantees to be safe for teeth.

Director of Toothfriendly International Dr. Albert Bär said: "All sweets that carry this logo have been scientifically tested by recognised and independent academic institutes for dental health. Their tests demonstrate that the product does not cause dental caries or tooth decay."

While isomaltulose may not be harmful to teeth, a recent European health claim ruling on xylitol goes a step further. EFSA now allows manufacturers of chewing gum sweetened with 100 per cent xylitol to state that it actually reduces the risk of tooth decay.

A similar claim for pastilles sweetened with 56 per cent xylitol was rejected, however, after EFSA found there to be "significant weaknesses" in the presented research.

Production & Quality

Ivorian farmgate cocoa prices surge on demand

Reuters Ghana, Ghana

By Loucoumane Coulibaly

3 Dec 2008

ABIDJAN, Dec 3 (Reuters) - Farmgate cocoa prices rose across Ivory Coast's main growing regions last week, propelled by demand for beans and fears of a poor 2008/09 season in the world's top grower, farmers and exporters said on Wednesday. Prices rose to around 600 CFA francs (\$1.16) per kg in many growing areas as buyers rushed to secure beans from farms in the world No. 1 grower, where this year's harvest has been delayed and hit by disease.

The poor conditions have added to administrative wrangling and strikes that have caused a chaotic start to the 2008/09 season. Cocoa administrators last month revised down from 1.3 to about 1 million tonnes the forecast for this year's crop.

Exporters estimated on Monday that arrivals at ports had reached 251,000 tonnes for the first two months of the season, compared with 459,176 tonnes in the same period last year. "People are worried about not having enough beans to meet contracts," said the purchasing manager for a European exporter based in main city Abidjan. "There are still not enough beans so people are paying more to buy the most they can," he added, saying that some traders were paying 750 francs per kg at the port. Exporters warned earlier in the year of the impact of black pod disease, which, due to wet weather, has spread to many parts of Ivory Coast.

The main crop was likely to be 6-8 percent down on last year, they warned. Some farmers believed the wet weather will mean a longer season. Others said the gap was too large and concerns have turned to the harmattan, the seasonal hot winds that sweep down from the north and, if too strong, can damage the crops.

The average price rose in the southern region of Divo for the second consecutive week. "Prices have broken the 600 franc barrier. All the farmers who had beans in the bush have sold them," said farmer Amadou Diallo, who farms near Divo town and said farmers were closely following price rises at the ports too. Benchmark futures prices as quoted in New York <CCH9> ended Tuesday's business at \$2,170 per tonne, well below the more than 20-year high of \$3,385 in early July, but up from mid-November's low of \$1,903.

Poor prospects for the Ivorian harvest have contributed to the rise in those prices. In the centre-western region of Daloa, which produces a quarter of national output, the average price rose by 40 CFA to 600 CFA per kg as buyers competed for a small amount of beans. "The cocoa is nearly finished in the bush. There is not very much on the trees and the exporters are raising prices to collect the beans," said farmer Attoungbre Kouame. "In my

area farmers are selling at, on average, 625 francs per kg. No one is holding back beans. Everyone is selling because the price is good," he added.

The rise in farmgate prices contrasts with the sluggish start to the season, when a drop in the price of cocoa futures and concerns over quality meant prices were far from the non-compulsory guideline price of 700 CFA francs. Many farmers refused to sell their beans as a result. Prices in the coastal region of San Pedro did drop slightly, shedding 35 francs per kg but farmers said competition between traders was fierce and they were offering between 550 and 575 francs per kg.

Rising prices and the upcoming Tabaski and Christmas holidays mean that farmers are likely to continue selling as many beans as possible in the coming weeks, they said. Below are average farmgate prices in CFA francs per kg for the week of Nov 24-30, 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 24-30</u>	<u>Nov 17-23</u>		<u>Nov 24-30</u>	<u>Nov 17-23</u>
Abengourou	585	540	Aboisso	535	520
Adzope	n/a	550	Agboville	565	n/a
Bongouanou	560	550	Daloa	600	560
Divo	620	575	Gagnoa	n/a	n/a
San Pedro	530	565	Sassandra	n/a	n/a
Soubre	595	560	Abidjan (port)	n/a	n/a
San Pedro (port)	585	625			

Up-country Ivorian cocoa traders hunt scarce beans

Reuters Ghana, Ghana

By Ange Aboa and David Lewis

1 Dec 2008

DALOA, Ivory Coast, Dec 1 (Reuters) - Cocoa traders in Ivory Coast's centre-west region are struggling to find sufficient beans in the bush and fear the 2008/09 crop in the area will be sharply down on previous years due to poor conditions. Two months into the top grower's new cocoa season, volumes of trade in cocoa warehouses in the towns of Daloa and Vavoua are down 25-50 percent compared to last year, traders said.

Exporters estimated on Monday that arrivals at ports had reached 251,000 tonnes for the first two months of the season, compared with 459,176 tonnes in the same period last year. Around 50,000 tonnes are estimated to have arrived during the last week, down from the 61,138 tonnes received in the same week a year ago but up from 43,000 tonnes the previous week. Some traders say the season, which has also been hit by administrative chaos and a strike over farmgate prices, could recover to last longer as cocoa develops later in the year.

But many fear the combination of too much rain and disease points to a poor crop. "It is difficult this year in Daloa -- there is no cocoa," said Fadel Bougi, a local trader. "By this time last year, I had loaded 17 trucks but this year I have only loaded four." "It's not just me -- it is everyone," he added. "People say that in two months more will come out of the bush but I don't believe it. There are pods on the trees, but not many."

Many 40-tonne trucks stood idle in the usually bustling cocoa towns of the centre-west region that produces 25 percent of Ivory Coast's annual crop of around 1.3 million tonnes. Traders have largely blamed the weather for this year's problems. Excessive rain in August and September continued into October in some zones, delaying the development of the crop and causing the spread of black pod disease in many areas. "There was too much rain -- it ruined the crop. If the harmattan (wind) lasts a long time, that will spoil the pods and reduce the crop even more," Bougi said.

The harmattan, a dry, dusty wind that sweeps down from the Sahara desert from December to March, can damage the crop by withering flowers and buds on the branches.

QUALITY AND FINANCING PROBLEMS

Ivory Coast's new cocoa administrators, installed to replace a previous team accused of corruption, have revised down targets for the 2008/09 crop to around 1 million tonnes. Exporters had warned earlier in the year that black

pod would reduce the 2008/09 main crop by 6-8 percent. "There is no cocoa this year," said Abibou Coulibaly, a Daloa warehouse manager. "It is 50 percent down on last year."

Coulibaly said he was loading five 40-tonne trucks a day in early December 2008, but was currently filling two, at most. "We hope there will be cocoa until March. At least, that is what they (farmers) tell us," he said.

A strike in October called by farmers' unions demanding that buyers pay the full 700 CFA franc (\$1.38) per kg non-compulsary guideline farmgate price added to the slow start to the season. Due to the lack of cocoa in the bush, prices around Daloa and Vavoua are now averaging around 600 CFA francs. Exporters have complained of the decreasing quality of Ivorian cocoa, saying that the wet weather and poor storage techniques used by farmers are resulting in moist beans. Some buyers have also been hit by financing problems as a result of the global credit crunch. (For full Reuters Africa coverage and to have your say on the top issues, visit: <http://africa.reuters.com/>) (Writing by David Lewis; Editing by Pascal Fletcher)

Female cocoa farmers cry for help

Modern Ghana, Ghana

By Stephen Odoi-Larbi - Ghanaian Chronicle

04 December 2008

Female cocoa farmers in the Wassa Atobiase, in the Western Region, have appealed to the government to come to their aid, by making credit facilities easier and accessible.

This, they said, would help expand their activities to produce more in subsequent seasons. According to the cocoa farmers, they lacked funds to hire labour to work on their farms, especially during the crop season, which makes it impossible for them to produce more. "I have a very big cocoa farm, but because I don't have money to hire labourers to work in it, most of the cocoa are not harvested, and are left in the bush to rot. The little that I'm able to do by myself, is what I feed on till the next harvest season," noted Ante Amoh, one of the women cocoa farmers this reporter spoke to. She commended government for its efforts to increase cocoa production in the future, but said, "That dream will not be a reality, if government fails to provide us credit facilities."

Another farmer also complained bitterly over the government's inability to repair the bridge on River Subiri, that linked Ankaako to Atobiase and its surrounding villages, a situation, she said, which made it impossible for them to cart their goods, when there is a heavy downpour of rain. "That bridge is very dear to us and the surrounding villages. When it breaks down, economic activities cease. It has been there for decades, and it must be changed. When there is fault, we have to carry our goods on our heads, walk through the river, if the level is low, or swim to the other side, before one can reach his or her destination. Others, who are unable to do it, are left at the banks of the river to their own fate," said Adwoa Pokuwaa. When this reporter visited the bridge, it was in a dilapidated state, which needed to be changed, to help save the communities that lie beyond it.

Ivorian sun kills cocoa disease, but drought risk

By Loucoumane Coulibaly

ABIDJAN, Dec 2 (Reuters) - Dry weather in No. 1 cocoa grower Ivory Coast last week removed black pod disease, but farmers said on Tuesday that total absence of rain in some regions would cut the amount of beans to be harvested in coming months.

After two months of the 2008/09 season, tonnages of beans ready for export are well down on last year, and though the pace of deliveries for exports is picking up, any further disruption could seriously affect the harvest.

Farmers' next concern is the harmattan, a dry, dusty wind that sweeps down from the Sahara desert from December to March, which can damage the crop by withering flowers and buds on the branches.

"The harmattan is already blowing in the north. In two weeks it will be able to reach the cocoa regions," said one analyst.

Cocoa traders are closely watching Ivory Coast, where the state of the crop and the paucity of arrivals has contributed to a 14 percent rise in world prices in the past two weeks.

Benchmark March New York futures contract <CCH9> ended Monday's business at \$2,164 a tonne, well below the more than two-decade high of \$3,385 per tonne, basis front month, hit in early July. But it was up from mid-November's low of \$1,903.

Farmers have consistently said they expect to harvest large amounts as the 2008/09 season develops, but so far exporters have received much less than at this stage last year, and on Monday farmers in the centre-west region said bad weather will cut the crop sharply. [ID:nL1613849]

In the eastern region of Abengourou, badly affected by black pod disease this year, farmers reported patchy rains mixed with sunny spells.

"It has rained here, but above all it's been hot," said farmer Jonas Aziz whose farm is on the outskirts of Niabre near the border of Ghana, the world's second largest cocoa producer.

"The sun is killing black pod disease. Right now, we're not seeing it any more," he said.

The start of the 2008/09 season in the Ivory Coast has been disrupted by, amongst other things, black pod disease, a fungal infection that thrives in wet conditions.

In the western region of Gagnoa, one analyst told Reuters about 50 millimetres fell over the region last week with more than four hours of sunshine per day.

Farmers said they were happy with the weather as it could trigger new flowering this month and aid the crop by improving the size of beans inside pods to be harvested next year.

In the western region of Soubre, at the heart of cocoa belt, farmers reported dry weather, but warned that lack of adequate rainfall in December would sharply reduce the amount of beans from February.

"It's no longer raining but cocoa is continuing to grow well. There will be plenty of beans until January," said farmer Koffi Kouame. "But if there is no rain this month, cocoa will be difficult to find in February," he said.

The Market

Cocoa prices remain resilient despite commodity slump

By Caroline Scott-Thomas,
28-Nov-2008

Cocoa prices have proved resilient in the economic downturn, even as other commodity prices have slumped, and confectionery manufacturers are concerned that tight supply will keep prices high for some time yet.

In recent months chocolate has been hailed as immune to the economic crisis, but uncertainties surrounding world cocoa and sugar supplies have seen both commodities on the rise, leading to higher ingredient costs putting pressure on manufacturers.

Chocolate and cocoa manufacturer Barry Callebaut is one of those taking a cautious view. It said in its latest cocoa market report: "Despite its reputation as a 'recession-proof' item, few in the industry are willing or able to provide a clear outlook on demand at consumer level for the months to come."

Cocoa supply deficit

The report also foresees problems with cocoa supply to continue into 2008/09, after a second year of cocoa deficit contributed to high prices this year, which topped \$3000 a tonne in June. It cites a wide range of analysts' estimates for the coming year, however, from a 160 million tonne deficit, to a 65 million tonne surplus.

The reason for this is that market operators are twitchy about cocoa exports from the Ivory Coast, the world's biggest producer, where strikes and corporate corruption have affected cocoa supply to ports. Political unrest in the region has also contributed to keeping markets on edge and so far trading volumes are low for the season.

The company's market report for the week ending November 25 said that cocoa bean arrivals at Ivory Coast ports remained "paltry" compared with previous years' levels.

So far this year, London cocoa futures have risen 33.8 per cent, partly in response to a collapse in the pound's value, although dollar-based US cocoa is also up 9.7 per cent, according to Reuters figures. Sterling has lost nearly a quarter of its value against the dollar over the past two months.

SOFTS-Sugar, coffee weaken as economic gloom deepens

Forex Pros, British Virgin Islands

By David Brough

2008-12-04

LONDON, Dec 4 (Reuters) - Sugar and coffee futures fell on Thursday, weakened by a broad-based decline in commodity markets following further bleak economic data, dealers said. Raw sugar futures on ICE fell to a fresh five-week low while March arabica coffee set a contract low. "We seem to be going for another round of general liquidation. Funds felt longer in sugar than they were comfortable with," said Nick Hungate, a soft commodities trader with Rabobank.

Dealers said sugar and coffee were influenced by losses in many other markets including crude oil which dipped to its lowest level since February 2005.

Gloom about the economic outlook deepened with data released on Thursday showing the number of U.S. workers on jobless rolls hitting a 26-year high and U.S. factory orders falling sharply for the third month in a row.

ICE March raw sugar was down 0.20 cent or 1.8 percent to 10.96 cents per lb at 1740 GMT after earlier touching a 5-week low, on a front month continuation basis, of 10.88 cents.

London March white sugar settled down \$6.80 or 2.2 percent to \$307.70 per tonne.

Dealers referred to trade buying on the dips in sugar, and a likely pickup in physical business if prices fell further.

Coffee prices fell even more sharply with March arabica futures setting a contract low of \$1.0555 per lb. The benchmark month was off 4.45 cents or four percent at \$1.0680 at 1740 GMT. Dealers said a sharp drop in the nearby premium for London robustas also added to the bearish mood as concern about short-term supply tightness appeared to lessen.

January robustas settled down \$167 or 8.5 percent at \$1,802 a tonne while March fell \$89 or 5.2 percent to end at \$1,609 a tonne.

Cocoa futures bucked the trend and rose with slow main crop bean arrivals to ports in Ivory Coast, the world's top grower, underpinning the market. Forecasts for dry weather in Ivory Coast were also supportive, dealers said.

London March cocoa settled 34 pounds or 2.3 percent higher at 1,534 pounds a tonne while benchmark ICE March cocoa was up \$65 at \$2,248 per tonne.

Dealers also said demand for cocoa should prove robust despite the bleak economic outlook. "Historically demand for chocolate has held up well during economic downturns and continuous buying from large confectionery processors support this week," Standard Chartered Bank said in a report issued on Thursday. "We maintain our view from last month that risks to prices over the next three months are on the upside," the report said. (Additional reporting by Nigel Hunt and Phakamisa Ndzamela in London; editing by James Jukwey)

US cocoa bounces to end tad up, supply in focus

NEW YORK, Dec 2 (Reuters) - U.S. cocoa futures ended slightly higher Tuesday on a weaker dollar and bargain hunting, but supply concerns from top producer Ivory Coast should support prices.

- Benchmark March <CCH9> settled up \$6 at \$2,170 per tonne.
- Trading range \$2,112 to \$2,203.
- At 12:36 p.m. EST (1736 GMT), March futures were up \$12 at \$2,176 per tonne, and March volume was a quiet 5,296 lots. ICE cocoa futures trade until 3:15 p.m.

- Supply concerns in top producer Ivory Coast continues to provide underlying support to cocoa prices - traders.
- Dry weather in No. 1 cocoa grower Ivory Coast last week removed black pod disease, but farmers said total lack of rain in some regions could cut the amount of beans to be harvested in coming months. [ID:nL1628094]
- Feuding rebels and pay protests in Ivory Coast's new mixed army were creating a security headache that could threaten preparations for an already long-delayed presidential election in the country. [ID:nL2379132]
- U.S. commodities futures and the S&P 500 index have been trending mostly together since the end of August 2008, illustrating the importance of the S&P influence on ICE cocoa - Veronique Lashinski, Newedge USA analyst.
- U.S. stocks rebounds 3.5 percent after a nearly 700 drop of the Dow Jones industrial average on Monday. [N]
- Drier, hotter weather expected during the next few days in top supplying region West Africa - DTN's Meteorlogix.
- Total volume Monday at a heavy 17,374 lots, up from Friday's 6,105 lots. - ICE data.
- Open interest rose by 1,333 lots to 110,672 lots on Dec 1 - ICE.

ICE Cocoa Review: Posts Gain; Soft Dlr, Equities Gains Support

2 December 2008

NEW YORK (Dow Jones)--ICE Futures U.S. cocoa held support Tuesday despite sympathy selling with crude as the U.S. dollar and stronger equities prices underpinned the market.

Most active March cocoa ended up \$6 at \$2,170 a metric ton and the nearby December gained \$41 to settle at \$2,251.

Cocoa opened lower following Monday's sharp sell-off in concert with equities and commodities losses, which was exacerbated by estimates of increased supplies from the previous growing season.

But cocoa turned around in early trade amid the weaker U.S. dollar and equities' gains. Buying was noted from both speculators and manufacturers as analysts said March cocoa has strong support at the \$2,100 level. Trading became choppy by mid session under pressure from sliding oil prices in light of news that OPEC would not change crude production levels.

However, U.S. dollar support and continued light supplies from the Ivory Coast main crop harvest supported prices to an upside close.

News that the International Cocoa Organization Monday revised its 2007-08 production estimates to 3.684 million tons, up from the previous 3.646 million-ton estimate, is counteracted by a 4.9% reduction in ending stocks, analysts said.

"Data aside, there's not a lot of cocoa," said Jack Scoville, vice president at Price Futures Group in Chicago.

Ivory Coast cocoa arrivals to ports are still nearly 50% behind last year, indicating that despite the tight economic situation, manufacturers may need to buy, analysts said.

March cocoa could rise to the \$2,400-\$2,500 level by the end of 2008 if futures can trade on their own fundamentals and independent of equities, said James Cordier, president of Liberty Trading and founder of OptionSellers.com in Tampa.

Stabilization in equities would indicate a steadier economy and allow cocoa to trade more closely with its typical fundamental picture, analysts said.

Cocoa tends to trade inversely with the U.S. dollar, which may be retreating, Scoville said.

Most active Liffe March cocoa futures settled flat at GBP1,479 a ton and nearby December settled GBP21 higher at GBP1,605.

ICE cocoa open interest increased by 1,333 positions Monday to total 110,672, the exchange reported.

Volume was estimated at 6,109 contracts, according to exchange data. In options, approximately 10 calls and 33 puts traded.

	Close	Change	Range
Dec	\$2,251	+\$41	\$2,281-\$2,251
Mar	\$2,170	+\$6	\$2,112-\$2,203
May	\$2,165	+\$3	\$2,127-\$2,195

MARKET TALK: Liffe Cocoa, Coffee Futures Consolidate

2 December 2008

[Dow Jones] Liffe cocoa and coffee futures are consolidating, says a London-based trader. Says the cocoa market is generally consolidating after a larger drop Monday and currency moves sparked a rise in ICE cocoa futures which helped London to pick up as well. "Mainly it is a consolidation after the selloff yesterday," the trader says. March cocoa closed at GBP1,479/ton, unchanged from Monday's close. January coffee closed at \$1,970/ton, up \$5. (DNM)

NY coffee hit by firm dollar, supply helps cocoa

NEW YORK, Dec 2 (Reuters) - U.S. arabica coffee added to Monday's losses as a higher dollar hurt prices, but cocoa futures reversed course on Tuesday to turn higher as quality concerns in Ivory Coast continued to haunt supplies, traders said.

COFFEE

- Arabica coffee for March delivery <KCH9> ceded early gains to trade 1.05 cents, or 0.92 percent, lower at \$1.1250 per lb by 9:35 a.m. EST (1435 GMT).
- Session range ran from \$1.1200 to \$1.1430 per lb.
- The rest were mixed, ranging from down 1.15 to up 0.65 cents.
- March coffee volume came to 3,585 lots.
- Dollar strength continued to have hurt arabica coffee - traders.
- Poor quality in Kenya brought robusta prices down and had a negative effect in the New York market - traders.
- Kenya's coffee prices fell at this week's auction as buyers shunned low-quality grades, and next week's performance hinges on the New York coffee market, participants said on Tuesday. [nL2530732]
- Total arabica volume on Monday almost doubled to 16,021 lots.
- Widely scattered showers and thundershowers are forecast for the next few days in Brazil's coffee growing region - DTN's Meteorlogix.
- Conditions generally favorable for flowering and budding coffee trees in Brazil - DTN's Meteorlogix.

COCOA

- Benchmark March <CCH9> rose \$24, or 1.11 percent, to \$2,188 per tonne by 9:45 a.m.
- Trading range runs from \$2,112 to \$2,200 a tonne.
- March volume at 2,583 lots.
- Supply concerns in top producer Ivory Coast continues to keep a bid under cocoa prices - traders.
- Dry weather in No. 1 cocoa grower Ivory Coast last week removed black pod disease, but farmers said total lack of rain in some regions could cut the amount of beans to be harvested in coming months. [nL1628094]
- Outside markets continue to influence softs markets - traders.
- Dollar gains on sterling capped cocoa's rise, but U.S. stock increases offered some hope that demand would not fall in the face of recession - traders.
- Total Monday volume nearly tripled at 17,374 lots.
- Widely scattered showers and thundershowers are forecast for the next few days in Brazil's cocoa growing region - DTN's Meteorlogix.
- Conditions generally favorable for the main crop harvest in Bahia, Brazil, but rains may cause delays - DTN's Meteorlogix. (Reporting by Carole Vaporean; Editing by Christian Wiessner)

Processing & Manufacturing

Cadbury research tool combines efficiency with green credentials

By Caroline Scott-Thomas, 01-Dec-2008

Confectionerynews.com/

Cadbury has added another string to its eco-friendly bow by introducing a mobile computerised system for its market research data collectors, cutting down on paper and travel while improving efficiency.

The WebDT 'mobile tablet' touch-screen system will be used to gather in-store sales and merchandising information and to send it directly back to Cadbury's headquarters via a satellite link. This will allow faster, more accurate market research, minimise travel to the office to deliver forms and allow more store visits with the same number of staff, according to the company.

While it may deliver advantages in terms of efficiency, the new technology is also in line with Cadbury's environmental agenda, which includes "replacing office supplies with eco-friendly alternatives".

Cadbury spokesman Tony Bilborough told ConfectioneryNews.com: "This certainly helps us to reach our carbon reduction targets. It is beneficial but the primary aim is efficiency...In particular, we have been working strongly on reducing packaging and increasing the efficiency of some of our factory machinery. Now we can see how these two ideas can go hand in hand."

Eco-friendly confectionery

Confectionery manufacturers have been scrambling to prove their environmental credentials recently, adopting reduced, recyclable and biodegradable packaging, and setting ambitious carbon reduction targets in order to reduce their carbon footprint while enhancing their ethical reputation.

The use by a major company like Cadbury is an endorsement for the company behind the technology.

President of DT Research Dr Daw Tsai said: "We are pleased to be able to provide Cadbury with an environmentally beneficial business solution. We hope that more organisations see the value of using the WebDT wireless mobile tablets to decrease both the paper and fuel needed to gather information in the field, while improving their corporate efficiencies."

Cadbury Schweppes Plc is just one of those to buy into the eco-friendly cause with its 'Purple Goes Green' campaign.

Other companies to jump on the eco-trend include Nestle, which has recently adopted a new sweet wrapper made from sustainable wood pulp as well as a biodegradable plastic for its chocolate trays, and Marks & Spencer, which has also adopted the bioplastic.

Sweet times for gourmet chocolate makers

By Santosh Mishra on Thursday, December 4, 2008

Fresh News, India - 4 Dec 2008

While the US economy is experiencing a slowdown and all major companies recording declining revenues and some even losses there is a ray of hope for some unexpected businesses.

Consider the case of the gourmet chocolate industry in the US. The industry had witnessed almost 50% decline in its sales growth in 2007. This has not deterred the industry from picking up slowly and steadily and moving on.

After such a drastic decline the industry has recuperated a bit. The sales growth has shown a positive 9% increase over the bygone 2007 figures. This is indeed good news for the scores of gourmet chocolate makers in the US.

A possible reason for this revival in an industry faced with declining sales growth until last year could be peoples' indulgence in small things rather than spending on big things. The US consumerism is on an all time

low. However, gourmet chocolates are nevertheless a better avenue to spend as opposed to more expensive indulgences.

It is expected that the gourmet chocolate sales will grow at a rate almost five times that of routine chocolates by 2012. This revelation comes from the market research firm Packaged Facts.

Gourmet chocolate makers are therefore looking forward to cash in on this new trend by offering products that not only carry the premium label but also appeal to customers on grounds of wellness through their anti-oxidant, trans-fat free and no preservatives formulations.

US consumers still craving premium chocolate

December 3, 2008

Australian Food, Australia - 2 Dec 2008

Gourmet chocolate continues to capture the attention of shoppers despite cost cutting caused by concerns about the economy. A new market research report released by Packaged Facts, Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th Edition, explains how it is that premium chocolate is thriving despite grim economic times, with a 9% gain over 2007 gourmet chocolate sales.

It seems that Americans, while scaling down consumerism generally, are permitting themselves indulgence in life's "little" pleasures. Sales of upscale chocolates are expected to advance at a rate more than five times that for chocolate overall by 2012. The market figures suggest that chocolate makers can benefit by shifting focus onto gourmet and/or green products.

Filled with dozens of exclusive interviews with industry leaders, the report reveals that product premiumisation claims ("upscale," "gourmet," "natural" or "organic") account for 60% of all claims staked in chocolate packaging and promotion. Wellness and health claims account for an 11% share. "No preservatives," "high antioxidants," "no trans fat," "low calorie," "no gluten," "no artificial colour," "no sugar" and "no trans fat" or "low artificial flavour" are words enticing the premium chocolate consumer crowd to pay more than ever for the satisfying confection.

"What's going on in the world of premium chocolate is a delicious swirl of innovation and flavour still affordable to main street America," Packaged Facts Publisher Tatjana Meerman said.

Growth rates this year are not as high as previous years, however, although the gourmet remains robust as more and more innovative new products enter the fray. At the moment affordable premiumisation is what many manufacturers are striving for as they note a trend toward people staying at home more often. With more in-home entertainment, the sales of chocolate can be anticipated to remain solid but some are expected to "trade down" when purchasing chocolate.

Business & Economy

Ivory Coast grants more cocoa export licences

Reuters Ghana, Ghana

Fri 5 Dec 2008

ABIDJAN, Dec 5 (Reuters) - Ivory Coast has approved additional cocoa exporters' licences for the 2008/09 marketing season which was officially opened on Oct. 5, the country's cocoa sector management said on Friday.

As in an earlier additional list approved on Oct. 25, the extra licences were granted largely to producers' cooperatives. [ID:nLP555322] The first list for the season on Oct 10 gave approvals mainly to exporting companies. [ID:nLA253933]

Below is a list of the newly-approved exporting companies and cooperatives.

Companies: Omni Value

Cooperatives:

CAVRA

CEL
COOPAAAKO Export
COOPACDI
COOPAYA
CCPA

SOCAM (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)

Commodities investors find comfort in cocoa, coffee

Prices have plunged drastically for other raw materials, but some necessities are bucking the trend.

Los Angeles Times, CA - 3 Dec 2008

By Martin Zimmerman

December 4, 2008

In the U.S., the true comfort foods are chocolate and coffee -- which may provide relief for investors battered by plummeting prices for oil, gold, wheat and other products.

The prices of most commodities have tumbled this year as recession has spread around the globe, hammering consumer demand for the raw materials that go into a loaf of bread, your car's gas tank and much more.

But cocoa and, to an extent, coffee have bucked that trend, and some analysts think they can keep doing so.

While oil prices have plunged 51% this year and wheat prices are off 41%, coffee -- currently trading at around \$1.10 a pound -- has fallen a comparatively modest 17% in the futures markets, according to Brad Zigler, managing editor of HardAssetInvestor.com in Santa Rosa, Calif.

And cocoa prices, now at \$2,372 a metric ton, are actually up 15% for the year.

"This is the only good news we can find" now in commodities, said Mark Hansen, director of trading at CPM Group.

Historically, coffee consumption tends to hold up well during hard economic times, Hansen said. What changes is where it's consumed.

"Instead of going to Starbucks, you buy the 2-pound drum of Maxwell House and make it at home," he said.

That isn't good news for Starbucks, which is closing stores amid declining sales, but it is a positive for the market overall and could help put a floor under coffee prices, Hansen said.

In a report last month, Zigler noted that coffee consumption rose an average of 2.2% during recent recessions.

Zigler estimates that an 8-ounce cup of joe brewed at home with Folgers from the local grocery store costs less than a quarter. A 12-ounce ("tall") cup of Pike Place Roast at Starbucks runs \$1.25.

Hansen and Zigler also note that coffee supplies are tight, the result of the frozen credit markets' making it tough for growers to finance purchases of fertilizer and pesticides. Coffee inventories in Brazil, the world's biggest producer, are at 50-year lows, officials estimate.

The outlook for cocoa prices is more semisweet than sweet for sellers of the beans.

Chocolate sales appear to be holding up pretty well in the face of economic hard times, but that could change if things get markedly worse. In particular, sales of pricier dark chocolate -- which uses a much higher percentage of cocoa than milk chocolate -- could melt along with the economy.

Sugar Falls as Recession Drives Commodities to Six-Year Low

By Yi Tian

Dec. 3 (Bloomberg) -- Sugar prices fell as commodities slumped to the lowest in six years on signs the global recession is deepening, eroding demand for raw materials. Coffee also dropped.

The Reuters/Jefferies CRB Index, which includes prices of crops, metals and energy, dropped to the lowest level since November 2002. Before rebounding, U.S. equities fell as much as 2.2 percent, triggered by declines in commodity producers. The dollar rose against a basket of six major currencies, eroding the appeal of U.S. goods.

"The dollar strength and equity weakness are weighing on a lot of commodity markets," said Dan Vaught, an analyst at Wachovia Securities LLC in St. Louis.

Raw-sugar futures for March delivery fell 0.46 cent, or 4 percent, to 11.16 cents a pound on ICE Futures U.S. in New York. Earlier, the price touched 11.13 cents, the lowest for a most-active contract since Oct. 28.

The CRB index has tumbled more than 50 percent from a record in July, led by plunging crude-oil costs. Oil is down more than \$100 a barrel from a record in July.

"Sugar is suffering from the consequences of being so closely linked to energy prices," Vaught said. Lower fuel prices may cut demand for ethanol made from sugar cane, he said.

Arabica-coffee futures for March delivery fell 0.65 cent, or 0.6 percent, to \$1.1125 a pound on ICE. The price has dropped 18 percent this year, while the CRB index has tumbled 37 percent.

Cocoa futures for March delivery rose \$13, or 0.6 percent, to \$2,183 a metric ton. The price has climbed 7.3 percent this year. Among CRB components, only hogs, cocoa and sugar have posted gains in 2008.

Orange-juice futures for March delivery gained 1.1 cents, or 1.4 percent, to 77.45 cents a pound. Still, the price is down 47 percent this year.

Premium Chocolate Market Remains Commercially Delectable Despite Recession

NEW YORK, NY, Dec 02, 2008 (MARKET WIRE via COMTEX) -- How sweet it is! 50% sales growth decline in 2008 is still 9% gain over 2007 gourmet chocolate sales. A new market research report just released by Packaged Facts, Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th Edition, explains how it is this market is thriving despite grim economic times.

It seems that Americans, while scaling down consumerism generally, are permitting themselves indulgence in life's "little" pleasures. Sales of upscale chocolates are expected to advance at a rate more than five times that for chocolate overall by 2012. The market figures suggest that chocolate makers will be wise to go gourmet and to go green.

Filled with dozens of exclusive interviews with industry leaders, Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th Edition reveals that product premiumization claims ("upscale," "gourmet," "natural" or "organic") account for 60% of all claims staked in chocolate packaging and promotion. Wellness and health claims account for an 11% share. "No preservatives," "high antioxidants," "no trans fat," "low calorie," "no gluten," "no artificial color," "no sugar" and "no trans fat" or "low artificial flavor" are words enticing the premium chocolate consumer crowd to pay more than ever before for the singularly satisfying confection.

Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th Edition discusses the characteristics of the premium chocolate market, its size, growth rates, and five-year forecast. New premium chocolate products coming to market and how the marketing planned to drive their success are included along with sales and profiles of the top 15 chocolatiers.

"This fourth edition report is a knock-out in the new and detailed market data it contains," states Packaged Facts Publisher Tatjana Meerman. "What's going on in the world of premium chocolate is a delicious swirl of innovation and flavor still affordable to main street America. Don't miss the wave."

Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th edition presents a comprehensive scrutiny of the gourmet chocolate market in the United States. Current size and growth rates are analyzed in comparison to market projections through 2012. The report identifies the top 10 trends, new

products, and leading chocolatiers and provides premium chocolate consumer demographics. For further information visit: <http://www.packagedfacts.com/Gourmet-Chocolate-1609658/>.

About Packaged Facts - Packaged Facts, a division of Market Research Group, publishes market intelligence on a wide range of consumer industries, including consumer goods and retailing, foods and beverages, demographics, pet, and financial products. Packaged Facts also offers a full range of custom research services. For more information contact Jenn Tekin at (240) 747-3015 or jtekin@marketresearch.com.

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Premium chocolate sales predicted to remain buoyant

By Caroline Scott-Thomas, 04-Dec-2008

Confectionerynews.com

The global market for premium chocolate looks set to remain strong despite a worsening economic climate, according to new market research.

Both Mintel and Packaged Facts market researchers have predicted this week that consumers will continue to treat themselves to premium chocolate in 2009, even though they may be cutting back in other areas.

In a report on premium chocolate in the US, Packaged Facts said: "It seems that Americans, while scaling down consumerism generally, are permitting themselves indulgence in life's 'little' pleasures. Sales of upscale chocolates are expected to advance at a rate more than five times that for chocolate overall by 2012."

Packaged Facts figures for the US market, show that premium chocolate sales reached \$3bn last year, having grown by 17.3 per cent since 2006, and 200 per cent since 2003. In comparison, it said that conventional chocolate had only grown by four per cent since 2003.

Middle market squeeze

According to Mintel, manufacturers of mid-range chocolate will start to feel the pinch, as consumers choose everyday value products, while allowing themselves the occasional upmarket treat.

Mintel's director of research Joan Holleran said: "In the coming year it will be more important than ever for businesses to respond quickly and creatively to changing consumer needs and desires...The middle market will increasingly be squeezed and is going to have to prove its worth when faced with competition from newly improved basic lines."

Mintel said that consumers will mostly be trading down to value brands, but will "indulge in small, affordable luxuries, like premium chocolate, designer sunglasses or a favourite moisturiser."

The company's research into chocolate habits on this side of the Atlantic showed that sales of premium chocolate have nearly doubled in the past two years, with sales in the UK alone reaching £86 billion (approximately €99 billion at today's rates) last year.

The analysts' remarks are backed by the experience of the big market players, many of whom have asserted their companies' financial resilience recently.

Following the announcement of increased sales volumes and profits last month, Barry Callebaut's CEO Patrick de Maeseneire said: "Chocolate is a defensive industry and consumption has proven resilient in previous economic downturns. Indeed, we continued to see good growth in the first two months of the current fiscal year."

Spanish cocoa and chocolate manufacturer Natra has also reported rising profits.

Research & Development

Genetic Roots of Cacao Trees Traced

By [Dennis O'Brien](#)

Agricultural Research, MD - 3 Dec 2008

By examining the DNA of cacao trees, [Agricultural Research Service](#) (ARS) scientists and colleagues from confectionery giant [Mars, Inc.](#), have traced the genetic roots of the key ingredient in chocolate. Cocoa comes from the *Theobroma cacao* tree, which forms the basis of a multibillion-dollar U.S. chocolate industry. The seeds are processed into cocoa beans that are the source of cocoa, cocoa butter and chocolate. But diseases cost growers an estimated \$700 million each year, and scientists have been looking for ways to produce cacao trees that can resist them.

[David Kuhn](#), a molecular biologist at the ARS [Subtropical Horticulture Research Station](#) in Miami, Fla., and the research team published findings this fall that are a step toward that goal, shedding light on *Theobroma*'s genetic diversity. The researchers extracted DNA from the leaves of 952 cacao trees maintained in germplasm collections in Miami, Puerto Rico, Ecuador, Costa Rica, Trinidad and Brazil. The trees were collected by plant explorers over the past 70 years and came from 12 South American countries.

By looking at patterns among 106 genetic markers, the researchers were able to pinpoint where cacao has the greatest genetic diversity and where it likely originated: the upper Amazon basin of Peru.

The researchers also found enough genetic diversity to realign what might be considered *Theobroma*'s family tree, breaking it up into 10 major genetic groups, instead of the commonly accepted three groups.

Kuhn hopes the findings will encourage breeders to increase the diversity of their cacao tree stocks by crossbreeding among the 10 groups. That would reduce outbreaks of diseases that penetrate tree fruit, destroy seed-bearing pods and can cause farmers to lose up to 80 percent of their crop. Breeders should think about using the entire palette of genetic diversity to improve cacao breeding programs and avoid certain diseases such as black pod and witches' broom, according to Kuhn.

The research was published recently in the online, peer-reviewed journal [PLoS One](#).

ARS is a scientific research agency of the [U.S. Department of Agriculture](#).

Labour Issues

Chocolate leaves sour taste on protest

By Rebecca Thistleton

2 December 2008

The Chronicle (Canberra)

CHOCOLATE lovers listen up: 150 young people are on a mission to end unfair chocolate production. The group held a protest on the lawns of Parliament House last Wednesday for the Trek Against Trafficking, against the 75 per cent of the world's chocolate that is produced using child labour in West Africa. The young people came from all over Australia, unhappy with the estimated 284,000 children enslaved to produce coco beans. The children are paid below average wages and are denied the right to a proper education and quality of life. The Trek Against Trafficking, held by World Vision, aimed to raise awareness about the use of child slavery within the cocoa industry among members of the Australian Parliament and the general public. Twenty-year-old Imogen Kimmear is studying international relations and development studies at the ANU, and became involved in the cause through her school in Melbourne.

She has become involved in a Vision group through the ANU, which is generating support and more members. Aged between 16 and 21 years, the Vision Generation members from all Australian states arrived on buses after a two-day trip. They argue that global chocolate manufacturers have failed to meet their own undertakings to

eradicate child labour from the industry. As a result, the Confectionery Manufacturers of Australasia are unable to guarantee that chocolate consumed in Australia is free of child labour.

Vision Generation team leader Brett Louis Woods is not willing to let the figures on child labour go unnoticed. "Trek Against Trafficking hopes to raise the profile of ethical consumerism, highlighting to the government and confectionary retailers that Australians deserve the right to make ethical purchasing choices," he said. "Vision Generation urges Australians to leverage the power of spending in order to send a clear message to the major chocolate manufacturers in this country." While in Canberra the youth volunteers also spread the word to local residents in and around shopping centres and public places. "Vision Generation is a group of motivated and peaceful young people who want to use their voice to make a difference advocating for the rights of those less fortunate, helping to alleviate poverty," Mr Woods said. For more information on this issue,



Côte d'Ivoire: Farmers return to land in west after deadly clashes

DAKAR, 28 November 2008 (IRIN) - Some 70 long-displaced farmers - mostly immigrants - returned this week to a cocoa plantation in western Côte d'Ivoire, despite deadly clashes triggered when armed youths tried to block their return.

UN and local officials say the clashes - in the sub-prefecture of Zeaglo, some 450km northwest of the commercial capital Abidjan - underscore the importance of reconciliation efforts in the volatile west, a zone long wracked by land disputes and hit by some of the worst violence during the country's six-year conflict.

"This is an isolated case but it is clear that social cohesion efforts are extremely important," the UN humanitarian coordinator and deputy special representative for the Secretary-General, Georg Charpentier, told IRIN. "In most places returns have worked very well. But there are some pockets of resistance and this will need some more intensive [reconciliation] efforts."

On 20 November rifle-wielding youths attacked a convoy - organised by local authorities and escorted by security forces - bringing 81 returnees to farms near Zeaglo, according to the UN Office for the Coordination of Humanitarian Affairs (OCHA) in Côte d'Ivoire. Hundreds of farmers have already resettled in the region but the plantation to which farmers were to have returned on 20 November is being claimed by a local cooperative.

The ambush and ensuing unrest, in which at least two people died, forced hundreds of people to flee their homes and take refuge in a local government building for several days. UN aid agencies provided food and other assistance to the displaced.

Despite the clash, some 70 farmers reached the plantation in question, while others, along with extended families, stayed behind in Zeaglo to wait for calm to return.

Manipulation

UN and local officials said it appears some unemployed local youths were manipulated by people with economic interests in the plantation. They said most residents were on board for the return of farmers - immigrants mostly from Burkina Faso as well as Ivoirians, all displaced by conflict.

"Youths in Zeaglo are caught between local authorities advocating reconciliation and cooperation among communities, and a group of individuals who are trying to sow division for their own interests," said Gnonsékan Martin, prefect of Blolequin, the prefecture in which Zeaglo is located.

He said since conflict drove farmers off the land, locals have been cultivating much of it, but the situation has now changed. "The war is over, the situation is normalised. It is time for the illegal occupants of this land to [adjust accordingly]."

Gnonsékan spoke with IRIN on 27 November having just led a delegation of returnees and local youths to the plantation to assess and discuss the situation.

The cooperative claims rights to the disputed plot of land - about 1,000 hectares, according to a report by UN aid workers monitoring the situation. But UN officials say all parties concerned had agreed months ago on the farmers' return.

Land rights

As Côte d'Ivoire struggles to restore stability, one major challenge is the return of the thousands of farmers who fled cocoa plantations in the west. In the past few years families have been gradually returning to the land they farmed before the 2002 rebellion. Even before the conflict, land tenure issues were a source of tension in Côte d'Ivoire, which West African migrant workers helped make the world's top cocoa producer.

Recognising local tensions surrounding the return of farmers to Zeaglo, the authorities and the UN have held numerous meetings to stave off problems. In July 2008 local residents and returnees agreed on a formula for sharing the land, said the UN's Charpentier, who attended the meeting.

"Both sides had agreed at the time," Charpentier told IRIN. "Now, despite that, there has been this resistance." In the Zeaglo incident at least one local resident died in an exchange of gunfire when armed youths blocked the convoy, and a Burkinabé resident was later killed in an apparent reprisal, according to a UN official. Local youths burnt down several homes of farmers who had earlier settled back in the area. The sub-prefect of Zeaglo, Okou Paulin, said: "We were surprised, given how much we had worked on preparing for these returns."

UN and local officials said despite the setback they were confident that all the families would soon be able to return to the plantation. Prefect Gnonssékan said an investigation was under way into the Zeaglo incidents. "Things are still quite fluid"

Most of the 300 or so people who had sought refuge at the Zeaglo sub-prefecture building had returned to their homes as of 27 November, according to Alphonse Munyaneza, head of the UN Refugee Agency (UNHCR) office in the nearby city of Guiglo.

Talking to IRIN from Zeaglo, he said the 80 or so people remaining were those whose homes had been burnt down.

"The situation in Zeaglo is something of a test case, because there are those who want to throw the [July] agreement into question," Munyaneza said. "Their efforts are not working, but they are creating turmoil and a sense of instability. Things are still quite fluid. We must push an agenda of reconciliation."

UN agencies and local authorities are working to convince people that it is in everyone's socio-economic interest to cooperate, he said, pointing out other areas in which communities have been able to deal with population returns and move forward. "We tell them that they have an incentive to work together because aid groups and the government will be behind them on that. It is the socio-economic reality of this region... These communities need each other."

Key Challenges and Issues Facing the Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th Edition

NEW YORK, Dec 02, 2008 (BUSINESS WIRE) -- Reportlinker.com announces that a new market research report related to the Snack - Confectionery industry is available in its catalogue.

Premium Chocolate in the U.S.: Mass, Gourmet, Prestige and Super Premium, 4th edition

<http://www.reportlinker.com/p097968/Premium-Chocolate-in-the-US-Mass-Gourmet-Prestige-and-Super-Premium-4th-edition.html>

In 2007, premium chocolate sales were \$3 billion, having grown 17.3% since the prior year and a healthy 200% since 2003. Conventional chocolate sales, in contrast, grew only 0.7% over the prior year and 4% since 2003. The growth in premium chocolate sales is part of a wider purchasing trend of consumers adopting special occasion brands as their everyday brands.

This all-new report investigates the market and forecasts its growth to 2012. It also analyzes 10 trends driving the premium chocolate category:

- Bean to bar and microbatch production
- Dark milk and upscale white chocolate
- Sustainability
- Premiumizing the familiar
- Exotic flavors

- Exotic functions
- Ultra dark bars
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Technology and good policy will safeguard food supply

By staff reporter, 01-Dec-2008

Foodnavigator.com

More investment in science and technology, good policy, and cooperation with other industries are crucial to securing sufficient food supply for all in the next 15 years, a panel of experts has concluded.

At the Future of Food seminar in Brussels last week, international experts from business, government, science and society turned their attention to current problems facing world food supply, and factors that could affect it in the future.

They concluded that investments in science and technology have been neglected for more than 20 years. In order to safeguard food for the future, investments are needed now.

But they warn that “this alone is not enough”. Rather, “technology has to be embedded in good policy”.

In addition, the food sector should not operate in a bubble, but “open itself for other fields of thinking”; it may be able to learn from examples in other industries, such as telecoms.

Asia and Latin America

The seminar participants also gave great weight to the role of Asia and Latin America in determining supplies for the world at large.

In Asia, a rise in per capita income means more demand for animal products. It is expected that within ten years China will account for half the world’s pork consumption.

This demand translates into more demand for animal feed.

“More and more people live in megacities all over the world and have full time jobs,” said the seminar organisers in the post-event report. “This makes them more and more dependent on processed food that they buy in supermarkets.”

The Future of Food seminar was organised by Schuttelaar and Partners and Wageningen University and Research centre. It forms part of a four-pronged initiative; in 2009 a forum is planned to take place in London, on ‘Long term investments in the global food system’. This will be followed by a conference on ‘Globalisation and the food system’, and a book entitled ‘Groundbreaking views on the future of food’.

TIT BITS

Business Recorder

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London soft commodities plummet

LONDON (December 02, 2008): cocoa, sugar and coffee futures fell sharply on Monday as a strong dollar, weak oil and further long liquidation by index funds help to spark widespread losses across commodity markets. "I think crude has led it as a sentiment indicator and passive index long liquidation has accounted for the rest," said Lars Staffensen, managing director of commodities fund Ebulio Capital Management.

US MIDDAY: coffee, cocoa drop

NEW YORK (December 02, 2008): US arabica coffee and cocoa futures dropped Monday as a dollar rise and sharply lower crude oil prices triggered broad-based selling in soft commodities, traders said. Arabica coffee for March delivery down 2.80 cents or 2.4 percent at \$1.1330 per lb by 9:26 am EST (1426 GMT). Ranged from \$1.1300 and \$1.1600 per lb.

Up-country Ivorian cocoa traders hunt scarce beans

DALOA (December 02, 2008): cocoa traders in Ivory Coast's centre-west region are struggling to find sufficient beans in the bush and fear the 2008/09 crop in the area will be sharply down on previous years due to poor conditions. Two months into the top grower's new cocoa season, volumes of trade in cocoa warehouses in the towns of Daloa and Vavoua are down 25-50 percent compared to last year, traders said.

Soft commodities rise in London

LONDON (December 03, 2008): Soft commodity futures were mostly slightly firmer, underpinned by oil prices which reversed early losses on Tuesday, but dealers said prices risked falling with other markets on fears over a worsening global economic outlook. "This morning we saw that coffee is going to follow what crude does," one robusta coffee dealer said.

US MIDDAY: coffee down, cocoa up

NEW YORK (December 03, 2008): US arabica coffee added to Monday's losses as a higher dollar hurt prices, but cocoa futures reversed course on Tuesday to turn higher as quality concerns in Ivory Coast continued to haunt supplies, traders said. Arabica coffee for March delivery ceded early

gains to trade 1.05 cents, or 0.92 percent, lower at \$1.1250 per lb by 9:35 am EST (1435 GMT).

US MIDDAY: coffee, cocoa down

NEW YORK (December 04, 2008): US arabica coffee and cocoa futures dropped Wednesday as investors liquidated long positions on a stronger dollar, driving both soft commodities to their recent lows.

London coffee falls

LONDON (December 04, 2008): Coffee fell on origin selling on Wednesday, while London cocoa rose on investor demand and sugar dropped under pressure from ample prompt supplies, dealers said. The soft commodity markets were seen vulnerable to further selling, pressured by a bleak global economic outlook.

Ivorian farmgate cocoa prices surge

ABIDJAN (December 04, 2008): Farmgate cocoa prices rose across Ivory Coast's main growing regions last week, propelled by demand for beans and fears of a poor 2008/09 season in the world's top grower, farmers and exporters said on Wednesday. Prices rose to around 600 CFA francs (\$1.16) per kg in many growing areas as buyers rushed to secure beans from farms in the world No 1 grower, where this year's harvest has been delayed and hit by disease.

Sugar, coffee weaken in London

LONDON (December 05, 2008): Sugar and coffee futures fell on Thursday, weakened by a broad-based decline in commodity markets following further bleak economic data, dealers said. Raw sugar futures on ICE fell to a fresh five-week low while March arabica coffee set a contract low. "We seem to be going for another round of general liquidation.

US MIDDAY: coffee slides, cocoa gains

NEW YORK (December 05, 2008): US arabica coffee fell sharply to a contract low Thursday as speculators liquidated positions on fears demand will be diminished in the face of global recession and cocoa futures rose as sterling fell against the dollar, traders said.

Dailyfutures.com

www.dailyfutures.com

Softs (Monday, December 1, 2008)

The International Cocoa Organization estimated that world consumption outpaced production by 77,000 tons in 2007-2008, down from its earlier estimate of an 88,000-ton production deficit. They have not yet made predictions for 2008-2009, but several analysts are looking for another production deficit. March cocoa closed down \$130 at \$2,164.

Cocoa (Thursday, December 4, 2008)

In spite of the strong bearish pressure on most commodity prices, March cocoa finished up \$65 at \$2,248 with ongoing concerns about this year's harvest in the Ivory Coast