

# COPAL COCOA *Info*

*A Weekly Newsletter of Cocoa Producers' Alliance*



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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)
19 <sup>th</sup> January	1656.32	2508.47	1759.33	2469.33
20 <sup>th</sup> January	1668.24	2526.51	1846.67	2468.33
21 <sup>st</sup> January	1771.78	2641.45	1956.33	2599.00
22 <sup>nd</sup> January	1769.46	2647.70	1951.33	2597.00
23 <sup>rd</sup> January	1816.65	2702.91	2006.00	2670.33
Average	1736.00	2605.00	1904.00	2561.00

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

**Monday 19th January 2009**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2009	1758	1780	14	1804	1758	2,336
May 2009	1742	1754	14	1771	1741S	2,049
Jul 2009	1739	1744	14	1765	1735	252
Sep 2009	1732	1732	12	1753S	1722S	344
Dec 2009	1674	1678	12	1679	1674	22
Mar 2010	1643	1648	12	1650	1643	178
May 2010		1653	12			0
Jul 2010		1666	12			0
Sep 2010		1678	12			0
Dec 2010		1678	12			0
<b>Average/Totals</b>		<b>1701</b>				<b>5,181</b>

**Tuesday 20th January 2009**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1795	1866	86	1885	1788	12,967
May 2009	1774	1846	92	1860	1769	9,955
Jul 2009	1760	1828	84	1836S	1758	1,544
Sep 2009	1758	1816	84	1830	1750	309
Dec 2009	1700	1762	84	1762	1695S	611
Mar 2010	1665	1726	78	1720	1660	677
May 2010	1670	1731	78	1680	1670	152
Jul 2010		1744	78			0
Sep 2010		1756	78			0
Dec 2010		1756	78			0
<b>Average/Totals</b>		<b>1783</b>				<b>26,215</b>

**Wednesday 21st January 2009**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1896	1980	114	1986	1876	10,269
May 2009	1861	1955	109	1968S	1853S	9,913
Jul 2009	1840	1934	106	1946S	1838	1,175
Sep 2009	1838	1918	102	1934S	1825S	1,172
Dec 2009	1773	1867	105	1884S	1770	588
Mar 2010	1746	1840	114	1859	1740	1,049
May 2010		1843	112			0
Jul 2010		1856	112			0
Sep 2010		1868	112			0
Dec 2010		1868	112			0
<b>Average/Totals</b>		<b>1893</b>				<b>24,166</b>

**Thursday 22nd January 2009**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1988	1969	-11	1994	1961	7,410
May 2009	1965	1949	-6	1970	1937S	6,186
Jul 2009	1937	1936	2	1958	1918	1,948
Sep 2009	1906	1921	3	1945S	1903S	368
Dec 2009	1845	1865	-2	1908	1845	1,698
Mar 2010	1830	1834	-6	1870	1830	265
May 2010		1837	-6			0
Jul 2010		1850	-6			0
Sep 2010		1862	-6			0
Dec 2010		1862	-6			0
<b>Average/Totals</b>		<b>1889</b>				<b>17,875</b>

**Friday 23rd January 2009**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1991	2025	56	2027	1987	9,534
May 2009	1977	2004	55	2005	1968	7,273
Jul 2009	1949	1989	53	1991	1949	814
Sep 2009	1941	1969	48	1972	1941	468
Dec 2009	1905	1924	59	1925	1893	624
Mar 2010	1865	1890	56	1890	1850	422
May 2010		1897	60			0
Jul 2010	1894	1909	59	1909	1884	137
Sep 2010		1920	58			0
Dec 2010		1920	58			0
<b>Average/Totals</b>		<b>1945</b>				<b>19272</b>

<b>Average for the week</b>	<b>1945</b>					<b>18542</b>
						<b>92,709</b>

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

<b>Monday</b>	<b>19th January</b>	<b>2009</b>				
<b>Month</b>	<b>Open</b>	<b>Price</b>	<b>Change</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
Mar 2009	2391	2463	96	2492	2391	8,576
May 2009	2409	2473	97	2499	2405	3946
Jul 2009	2445	2467	97	2493	2445	597
Sep 2009	2431	2453	100	2470	2431	704
Dec 2009	2420	2422	100	2435	2414	358
Mar 2010	2393	2393	98	2408	2387	104
May 2010	2402	2389	100	2402	2389	1
Jul 2010		2398	101	2398	2398	
Sep 2010		2398	101	2398	2398	
Dec 2010		2454	112	2454	2454	
Average/Totals		2431				<b>14286</b>

<b>Tuesday</b>	<b>20th January</b>	<b>2009</b>				
<b>Month</b>	<b>Open</b>	<b>Price</b>	<b>Change</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
Mar 2009	2400	2470	7	2488	2340	5,673
May 2009	2425	2480	7	2498	2350	2,499
Jul 2009	2384	2470	3	2487	2353	404
Sep 2009	2371	2452	-1	2465	2330	567
Dec 2009	2352	2421	-1	2422	2304	329
Mar 2010	2306	2396	3	2396	2285	169
May 2010	2298	2390	1	2392	2290	9
Jul 2010		2399	1	2399	2399	
Sep 2010		2399	1	2399	2399	
Dec 2010		2471	17	2471	2471	
Average/Totals		2435				<b>9650</b>

<b>Wednesday</b>	<b>21st January</b>	<b>2009</b>				
<b>Month</b>	<b>Open</b>	<b>Price</b>	<b>Change</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
Mar 2009	2460	2602	132	2645	2444	14,803
May 2009	2460	2608	128	2653	2455	6,264
Jul 2009	2460	2588	118	2640	2456	1,123
Sep 2009	2440	2562	110	2611	2440	1,023
Dec 2009	2405	2520	99	2562	2401	641
Mar 2010	2375	2493	97	2540	2372	417
May 2010	2385	2487	97	2509	2382	84
Jul 2010	0	2515	116	0	0	0
Sep 2010	0	2508	109	0	0	0
Dec 2010	0	2580	109	0	0	0
Average/Totals		2546.3				<b>24,355</b>

**Thursday 22nd January 2009**

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2630	2580	-22	2657	2570	14,461
May 2009	2636	2592	-16	2665	2582	6,191
Jul 2009	2610	2582	-6	2626	2575	1073
Sep 2009	2595	2567	5	2596	2550	1022
Dec 2009	2525	2538	18	2555	2516	641
Mar 2010	2511	2507	14	2511	2500	417
May 2010	2521	2505	18	2521	2505	84
Jul 2010	2525	2512	-3	2525	2512	
Sep 2010		2505	-3	2505	2505	
Dec 2010		2638	58	2638	2638	
Average/Totals		2553				23889

**Friday 23rd January 2009**

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2587	2661	81	2680	2572	8,630
May 2009	2603	2668	76	2685	2584	3,278
Jul 2009	2604	2656	74	2672	2585	881
Sep 2009	2600	2634	67	2650	2592	253
Dec 2009	2561	2599	61	2600	2550	464
Mar 2010	2525	2569	62	2569	2515	87
May 2010	2518	2567	62	2567	2518	24
Jul 2010	2552	2581	69	2582	2541	6
Sep 2010		2574	69	2574	2574	
Dec 2010		2629	-9	2629	2629	1
Average/Totals		2614				13624

Average for the week		2516				17,161
Total for the week						85,804

## Spot Prices (US \$ per tonne)

	19 <sup>th</sup> January	20 <sup>th</sup> January	21 <sup>st</sup> January	22 <sup>nd</sup> January	23 <sup>rd</sup> January
Main Crop Ghana, Grade 1	3011	3018	3150	3133	3214
Main Crop Ivory Coast, Grade 1	2855	2862	2994	2972	3053
Main Crop Nigerian, 1	2838	2845	2977	2955	3036
Superior Arriba	2821	2828	2960	2940	3021
Sanchez f.a.q	2840	2847	2979	2948	3029
Malaysian 110	2476	2483	2615	2597	2678
Sulawesi f.a.q	2658	2665	2797	2777	2858
Ecuador Cocoa Liquor	3974	3985	4198	4051	4178
Pure Prime Press African Type Cocoa Butter	6732	6751	7112	6975	7194
10/12% Natural Cocoa Press Cake	1084	1087	1145	1109	1144

Source: Cocoa Merchant Association



## ***Health and Nutrition***

### **Chocolate is healthy for you in small doses**

Tulsa World, OK

By CARY ASPINWALL World Scene Writer

1/22/2009



It sounds too good to be true: Chocolate as health food. In most cases, it is. Chocolate in most forms is very calorie-dense and high in fat — not exactly health food credentials.

But it does have antioxidants — healthy substances known as flavinoids that can help prevent heart disease and possibly improve cognitive function as you age. "I wouldn't recommend using the excuse that chocolate has powerful antioxidants to justify devouring a whole bar of dark chocolate," said Julie Pryer, fitness & wellness dietitian with the St. John Healthy Lifestyles Department.

Dark chocolate is full of antioxidants, but that is not an excuse to devour a whole bar. Tulsa World file

If your diet can afford the extra calories found in dark chocolate blocks, it is a way to boost your antioxidant intake, Pryer said. But it's important to remember that there are plenty of other ways to incorporate flavinoids into your diet, including onions, grapes, red wine, tea and other plant foods.

For fewer calories, choose cocoa powder that can be substituted in recipes or made into a drink, Pryer said. Always opt for pure cocoa powder or dark chocolate, as milk chocolate has less antioxidant power.

Another reason to avoid overindulging on chocolate is that many of the chocolate products on the market have been processed, which removes most of the beneficial flavinoids. "Overall, if you want to add antioxidants to your diet, until more research has been done on the benefits of chocolate, choose more fruits, vegetables, nuts and whole grains," Pryer said. "They supply less calories and more variety of vitamins and minerals in your daily diet."

The American Institute for Cancer Research recommends a 1-ounce serving of at least 70 percent dark chocolate a few times per week. That's typically a quarter of a small candy bar, or one square of chocolate. Antioxidant-rich cocoa powder can be bitter on its own, so try adding it to hot breakfast cereals such as oatmeal or farina, or mixing up a healthier cup of hot cocoa or chocolate milk (see recipe below).

According to a Cornell University study, hot cocoa made with unsweetened cocoa powder has double the antioxidants of red wine and four times the amount of green tea.

One health benefit that's not surprising to chocolate lovers — it's a mood elevator. Chocolate is thought to improve mood and pleasure by boosting serotonin and endorphin levels in the brain, according to the University of Michigan Health System.

### **Study: Unsweetened cocoa powder packs antioxidants**

NCA SmartBrief | 01/23/2009

Unsweetened cocoa powder is one of the most healthful ways to eat chocolate. Hot cocoa made with unsweetened cocoa powder has four times the amount of antioxidants as green tea does, a study found. Tulsa World (Okla.) (01/22)

### **Learn health benefits of wine, chocolate**

Village News Network, CA - 22 Jan 2009

ESCONDIDO — Dr. Philip Goscienski will give a talk on “Health Benefits of Wine and Chocolate” for the San Diego Archaeological Center’s Second Saturday Visiting Scholar Lecture Series on Saturday, February 14, from 11 a.m. to 1 p.m. Philosophers and poets have gushed over the benefits of wine for centuries and modern scientists are doing the same over chocolate.

Wine, especially the red variety, has hundreds of ingredients that help ward off infection and heart disease. Chocolate really does have health benefits but it is important to know what kind of chocolate and how much is enough.

Dr. Goscienski retired from the Navy with the rank of captain and was head of the Infectious Diseases Branch in the Department of Pediatrics at the Naval Regional Medical Center in San Diego.

Areas of self-study have included nutrition, exercise physiology, anthropology and the development of human languages. He currently serves on the San Diego Archaeological Center’s Advisory Board. His award-winning book “Health Secrets of the Stone Age” is available at the Center’s gift shop.

Dr. Goscienski is a certified instructor in CPR for both the American Red Cross and the American Heart Association. He is the medical director of a Public Access Defibrillation program in Oceanside, where he resides with his wife, Pat. They have five children and six grandchildren.

### **'Chocolate keeps me young' says Sylvia, aged 106**

The Star, UK - 23 Jan 2009

Sylvia Lindley

SHE may be Doncaster's oldest woman – and she has just celebrated her 106th birthday.

Sylvia Lindley has lived through two world wars and the reigns of five monarchs – and once worked playing the piano in Doncaster's cinemas for silent films.

She cut her birthday cake with daughter Nadia and grandchildren Miles and Gina at the Armthorpe home where she now lives.

Sylvia, a resident at Rose House on Church Street, was born on January 22, 1903, and grew up in Thorne after her parents moved from Derbyshire. She and husband Reginald ran the town's Lindley's garage for a living and Sylvia later set up her own florists shop.

She reckons her long life has been helped by her love of chocolate, say care staff at Rose House.

Rose house manager Pam Castle said: "Sylvia does eat a lot of chocolate and she likes to talk when she's in the mood. She's marvellous."

## **Production & Quality**

### **2009 Cocoa Production: 1m Tonnes Targeted**

Daily Guide, Ghana - 19 Jan 2009



**The Ghana Cocoa Board is projecting a production output of one million metric tonnes for the 2008 and 2009 crop season in the medium term.**

The company also projects a slight increase of one and half million metric tonnes from 2010 to 2012 in the main crop season.

Anthony Fofie, the new chief executive of Cocobod, said since 2004 when cocoa production in Ghana reached 736,199 tonnes, production levels have not fallen below 600,000 metric tonnes.

According to Anthony Fofie, the estimates are based on weather



conditions which seem to play a vital role in the industry.

The New Chief Executive of Cocobod assured cocoa farmers of bonuses and improved living conditions, adding, he would pursue initiatives which will lead to continuous improvement in the industry and boost increased farmers' earnings. He noted adequate logistics and funds have been procured for a successful season.

#### **Indonesia To Give Away 70M Cocoa Plantlets To Boost Output.**

SINGAPORE, Jan 20, 2009 (Dow Jones Commodities News via Comtex) -- The Indonesian government is going to upgrade 70,000 hectares of cocoa in the next three years by distributing free plantlets with expected yields five times as high as existing trees, an industry official said Tuesday.

The Indonesian Cocoa & Coffee Research Institute will distribute 20 million plantlets this year to nine provinces, said Danu Aluisius, executive director of the Indonesian Cocoa Industry Association. The agency under the Ministry of Agriculture plans to send another 25 million plantlets, prepared with somatic embryogenesis technology, in each of 2010 and 2011 as part of a three-year program, he said.

Last year, the agency distributed 1.1 million plantlets prepared with the technology.

Somatic embryogenesis is a technology for cloning plants using tissue culture. The technology was donated by Nestle S.A. (NSRGY). Officials from the Indonesian central and local governments and industry associations attended a meeting held last Wednesday in Jember to settle the program details.

Propagation trials show that the SE technology will enable cocoa trees to start production four months earlier than ordinary seeds. The annual yield of the first crop is nearly 500 kilograms per hectare, or five times as much as the current trees, and by the fifth year, the seeds are expected to yield 1.6-2 tons a year per hectare, according to Aluisius.

Indonesia is currently the world's third-largest cocoa producer, and the association chairman forecast the country's output this year is likely to rise by 20% to 600,000 tons, which will probably result in more exports. The government launched the initiative last year to improve the output and quality of cocoa, which have been hurt by aging trees and diseases. It aims to achieve a total output of 1 million tons in 2011, which will make the country the world's No. 2 producer.

#### **1M tonne cocoa projection attainable but...**

The Statesman Online, Ghana

Adu Koranteng ,

21/01/2009

Economic experts have predicted that the one million tonne projection by the Ghana Cocoa Board for cocoa production is attainable but would depend on government's commitment to assisting farmers to increase productivity.

The Ghana Cocoa Board is projecting a production output of one million metric tonnes for the 2008 and 2009 crop season in the medium term. However, this has been hit by low purchases in January. Purchases to cocoa board declared by private buyers in the first 16 weeks of the 2008/9 season fell 14 percent to 405,000 tonnes, the figures show. The company also projects a slight increase of one and half million metric tonnes from 2010 to 2012 in the main crop season.

In an effort to improve cocoa production, Cocoa Board would have to continue with the mass cocoa spraying exercise and improve on security measures to avoid smuggling of Ghana's cocoa to places such as la Cote d'Ivoire and Togo for sale.

The newly appointed CEO of Cocoa Board, Tony Fofie, in a recent interview with the media, noted that smuggling of cocoa from Ghana to La Cote d'Ivoire was a major problem for his outfit. He accused private exporters in Ghana's neighbours of masterminding the dastardly act by influencing farmers to smuggle Ghana's quality cocoa beans to mix with their traditional beans for competitive pricing.

Seemingly buttressing Mr Fofie's point, experts have warned of a serious down turn in the world's largest cocoa producer, Cote d'Ivoire and the sector as a whole, raising fears of a global shortage. Only 530,000 tonnes have turned up from the country's main harvest, which started in October, down more than 35 per cent from about 835,000 in the same period last year, according to an FT report. The harvest ends in mid-March. This season's poor harvest is taken by some to be a warning of what lies ahead for the world's cocoa market. Bean arrivals until last week were the lowest in years, according to data from Abidjan's Bourse du Café et du Cacao.

In 2004, cocoa production in Ghana reached a high of 736,199 tonnes, and has since not fallen below 600,000 metric tonnes, thanks to the favourable weather conditions that have played a vital role in the industry over the past years. Farmers' effort would also need to be boosted by high bonuses and improved living conditions and other initiatives that would possibly lead to continuous improvement in the industry, the experts noted.

#### **DJ Nigerian Official Sees 190,000-200,000-Ton Main Cocoa Crop**

Expansion Management, OH

By Obafemi Oredein, Dow Jones Newswires; 234 2 7510489

Jan. 22, 2009

ILE-IFE, Nigeria, Jan 22, 2009 (Dow Jones Commodities News via Comtex) -- Nigeria's 2008-09 (September-October) main cocoa crop will be 190,000-200,000 metric tons up from last season's 180,000 tons an official of the state-supported National Cocoa Development Committee, or NNDC, has forecast. He said output would rise in the current season because of adequate rainfall in the southwest and southeast cocoa belts, proper farm management and a reduction in black pod disease.

Harvesting of the main crop in southwestern Nigeria will end in about three weeks because there are few pods left on the trees, farmers and buyers said Thursday. The southwest accounts for 70% of Nigeria's annual cocoa production of 242,000 tons. "There is not much main cocoa left on the trees. Harvest will be over by the middle of February," Olu Makinde, a buyer at Ile-Ife, a key cocoa-growing and marketing town in Osun state, told Dow Jones Newswires. He said the bulk of the cocoa has been harvested between December and January, which he added was the peak harvest period for the current season's main crop.

Harvest of the 2008-09 main crop began in late August in the southwest and normally ends in January or could be prolonged until February. "My main crop harvest in December and January has been good. But the trees on my farm are virtually bare of the main crop now. Its harvest will be finished in two to three weeks," Jide Olorunsola, a farmer at Erefe village, near Ile-Ife said. He said the good rainfall for much of last year helped the growth of the main crop in the southwest.

#### **SW Nigeria Graded Cocoa Rise To 345,000 Naira/Ton - Buyers**

MarketWatch (press release) - 23 Jan 2009

IBADAN, Nigeria, Jan 23, 2009 (Dow Jones Commodities News via Comtex) -- The price of graded cocoa in southwestern Nigeria has risen to 345,000 naira (\$2,366) a metric ton up from NGN330,000-NGN340,000/ton last week, buyers said Friday.

A buyer in Ile-Ife, an important cocoa-growing and marketing town in Osun state, attributed the increase to the "rush by local buying agents to purchase beans,"

LBAs buy graded cocoa, which has been inspected and certified fit for export, from farmers for exporters.

He said the volume of cocoa in the market was decreasing while several exporters still have overseas orders to fulfill, adding that LBAs were making efforts to purchase cocoa for them.

He said harvesting of the main crop cocoa was nearing its end in the region but demand by exporters for the crop was high and this has led to the rise in the cocoa price.

A buyer in Akure, Ondo state, said: "We may see higher cocoa prices next month due to the big demand by exporters for beans."

Harvesting of the main crop began in the southwest in late August and it is expected to end in mid-February.

A buyer in Ado-Ekiti, capital of Ekiti state, said cocoa was selling at NGN345,000/ton in the state as in the other four cocoa-growing states in the southwest-Ogun, Oyo, Ondo and Osun.

"Local buying agents will step up demand for cocoa in Ekiti state between now and end March because exporters want more cocoa," he said.

The southwest cocoa belt accounts for 70% of Nigeria's annual production of 242,000 tons.

## ***The Market***

### **ICE Cocoa Review: Modest Gains After Lower Opening.**

Jan 20, 2009 (Dow Jones Commodities News via Comtex) -- (Dow Jones)--ICE Futures U.S. cocoa futures shrugged off hefty early losses to settle at marginally firmer levels Tuesday.

ICE March cocoa futures settled up \$7 at \$2,470 per metric ton. Early on, weakness in the British pound and a sharp rally in the U.S. dollar sparked initial selling pressure in cocoa, which took the March contract as low as \$2,340 per metric ton, the lowest level since Dec. 12. However, underlying bullish fundamentals sparked commercial buying near the lows and speculative buying as the market began to trim its losses.

By midday, the market probed modestly into positive territory. "Cocoa came out of the box with early problems - the British pound got hammered," noted Sterling Smith, vice president at Futures One. However, Smith noted that the market's willingness to close above \$2,440 per metric ton was encouraging and said if follow-through gains are achieved on Wednesday, the market could challenge the \$2,700 level in the days or weeks ahead. Looking at the fundamental outlook, Smith explained: "cocoa is a comparatively recession-proof commodity. No matter how rough things get, people will still buy a candy bar."

Jimmy Tintle, analyst at Transworld Futures in Tampa noted that ICE March cocoa hit "technical support" on Tuesday's intraday selloff. The market matched the Dec. 12 low at \$2,340 and then bounced from that floor. Overall, Tintle added: "there is not too much fundamental news on cocoa lately."

Volume was estimated at 15,200 contracts, according to the exchange as of 1 p.m. EST. In options, approximately 1,121 calls and 319 puts traded. Shifting over to London, Tuesday's action saw Liffe cocoa hit a 24-year high amid speculative buying on March and May, a London-based broker said. The U.S. dollar index rallied sharply Tuesday, posting a gap open higher on the daily chart. The index hit its highest level since Dec. 9.

Close	Change	Range
Mar \$2,470	+7	2,488-2,340
May \$2,480	+7	2,498-2,350

### **MARKET TALK: ICE Cocoa Charges Off Its Lows.**

Jan 20, 2009 (Dow Jones Commodities News via Comtex) -- 1154 EST (Dow Jones) - ICE March cocoa futures shrugged off the early dollar inspired weakness and have climbed back into positive territory. The market plunged early to a low at \$2,340 per metric ton, basis March, but has erased nearly all of its hefty early losses. "We were quite weak early with the incredible strength in the U.S. dollar.

But, there is great fund interest in the softs right now and cocoa has extremely strong long-term fundamentals," says James Cordier, founder of OptionSellers.com. Cordier pointed to commercial buying early in the session and now speculative buying as support for the cocoa market.

The U.S. dollar index remains sharply higher as the index posted a gap up on the daily chart Tuesday. Crude oil has shrugged off its early weakness with nearby futures edging into positive territory. ICE March cocoa is up \$23 at \$2,485 per metric ton.

### **Cocoa hits 23-year high**

Financial Times, UK

By Javier Blas and Esther Bintliff

January 21 2009

Cocoa prices in London rose further on Wednesday, setting a fresh 23-year high, supported by the weakness of sterling and concerns about low output in Ivory Coast, the world's largest cocoa bean producer.

Liffe May cocoa, the market's current benchmark, rose to £1,875 a tonne, its highest level since April 1985. In late morning trading it was 1.25 per cent, or £23, at £1,869 a tonne.

Stephanie Garner, of London-based commodities brokerage Sueden, said that concerns continued to be raised regarding “the slow and slowing pace of arrivals out of the Ivory Coast as we move ever closer to the end of the main crop period.”

The West African country supplies about 40 per cent of the world’s cocoa but the current harvest, from October to March, has been disappointing, with cocoa beans arrivals at ports in the Ivory Coast about 30-40 per cent below last season’s level.

The cocoa market has been also supported by better than expected consumption figures both in Europe and the US in the fourth quarter.

Gold extended the previous session’s sharp gains as the gloom surrounding the financial sector sent investors fleeing from riskier assets.

Gold gained 0.3 per cent to trade at \$859.15 a troy ounce, moving between a low of \$846.6 and a high of \$863.75, after ending trading in New York on Tuesday up 2.4 per cent at \$855.80.

John Reade at UBS said: “Developments in the banking sector have truly spooked investors again, with strong demand for gold coins and small investment bars seen since the start of the week.”

Silver was also higher, adding 1.7 per cent to \$11.33 an ounce. The Peruvian silver-miner Hochschild said it was considering closing a mine after reporting a 3 per cent fall in fourth quarter output due to lower precious metals prices.

In a statement, the company said it would “reduce production, close, or put into care and maintenance any mines that are considered uneconomic,” and highlighted its Selene mine for potential closure.

Hochschild also said it had sold forward 4.5m ounces of its 2009 silver production at an average price of \$11.10 per ounce, in order to hedge against market volatility. The company warned that although it remained positive about long-term prospects for precious metals, it expected the global downturn to “present challenges for the mining sector” in 2009.

Oil prices inched slightly higher, with ICE March Brent adding 5 cents to \$43.67 a barrel while Nymex March West Texas Intermediate gained 28 cents to \$41.20 a barrel. Brent is now seen as a better indicator of global supply and demand than Nymex WTI.

### **SOFTS-Funds push London cocoa above 2,000-pound barrier**

By Marcy Nicholson and Nigel Hunt

NEW YORK/LONDON, Jan 23 (Reuters) - Cocoa futures rallied on fund buying and continued supply concerns in West Africa Friday, pushing the London market's benchmark second month through the 2,000-pound barrier for the first time in 24 years, dealers said.

"We're seeing funds flowing back into commodities at the moment," said Ralph Preston, a futures analyst with HeritageWestFutures.com in San Diego, California.

Arabica coffee reversed direction to close quietly higher at a 2-1/2-month high for the second straight day, while nearby premiums for robusta coffee climbed further.

Sugar prices rose on the prospect of Indian imports in the near future.

May cocoa in London ended 55 pounds higher at 2,004 pounds a tonne, after peaking at 2,005 pounds, the highest level for the benchmark second month since March 1985.

Dealers said the market was supported by investment

## **Cocoa prices at 24-year high as pound weakens**

By Javier Blas and Esther Bintliff

Financial Times, UK - 24 Jan 2009

Cocoa prices in London surged above £2,000 a tonne yesterday for the first time in almost 24 years. Liffe May cocoa futures, the market benchmark, jumped 2.9 per cent to £2,005 a tonne, the highest level since April 1985.

Cocoa gained more than 13.5 per cent on the week, helped by sterling's weakness against the dollar and the euro, but also boosted by worries about low supplies from the Ivory Coast and Ghana, which together account for about 56 per cent of global cocoa production.

Elsewhere, aluminium tumbled to a seven and a half year low, as ballooning stockpiles in London Metal Exchange warehouses revealed a severe decline in demand for base metals.

Aluminium touched an intraday trough of \$1,316.5 a tonne yesterday, its lowest level since October 2002.

It was down 8.2 per cent on the week after LME data showed inventories surged to a record high of almost 2.7m tonnes, breaking the previous record set in June 1994.

Eugen Weinberg, at Commerzbank, said: "While producers have responded with output cuts, these are evidently not yet sufficient to balance out the drop in demand, especially from the car industry."

The grim outlook for metals worsened after China, the world's driver of commodities demand, reported its slowest economic growth in seven years.

Gold continued to benefit from the worsening economic climate, soaring 14.1 per cent on the week to an all-time high in sterling terms, at £651.07 a troy ounce, as the haven attraction of the metal coincided with investors taking refuge from the weakness of the pound. In dollars, gold leapt 4.2 per cent to \$893.2 an ounce, its highest point in more than three months, up 6.2 per cent on the week.

Oil rose on the week, propped up by Opec's stern stance on supply cuts, which offset a worse than expected surge in weekly stocks of crude oil. ICE March Brent rose \$1.85 to \$47.24, up 1.7 per cent on the week. The less representative Nymex March West Texas Intermediate rose 7.1 per cent on the week to \$45.68.

## ***Processing & Manufacturing***

### **Chocolate-maker Lindt braced for historic business challenge.**

GENEVA, Jan 20, 2009 (AFP) - Swiss chocolate-maker Lindt and Spruengli on Tuesday said it achieved "encouraging" sales last year but warned that business conditions this year would be "more challenging than at any other time in history."

Full-year sales reached 2.94 billion francs (2 billion euros, 2.56 billion dollars) in 2008, up 5.8 percent in local currencies but flat in Swiss francs due to the much stronger franc against the euro, pound sterling and dollar. "Considering the market conditions, this result is encouraging," it said in a statement.

Even in the United States, the group's expansion in wholesale distribution offset effects from the country's overall retail slump. However, the chocolate-maker warned that this year would pose serious challenges.

"The worldwide uncertainty prevailing in 2009 will probably be more challenging than at any other time in history," it said. At 9:30 am (0830 GMT), the stock was up 1.23 percent at 22,270 francs, outperforming the Swiss Performance Index, which was flat at 4,445.3 points. ale-hmn/pac/nh Switzerland-food-industry-company-earnings-Lindt

### **ADM begins production of Cocoa at Facility in Pennsylvania**

Expansion Management, OH

HAZLETON, Pa. (Jan. 22) — Investments from the commonwealth of Pennsylvania has helped Archer Daniels Midland Co. (ADM) launch operations at a new cocoa processing facility here, with an expected creation of more than 200 jobs within three years.

The new 500,000-square-foot facility, which is built on 74 acres of land at Humboldt Industrial Park, will handle ADM's East Coast cocoa operations, including bean grinding, chocolate production and cake milling. The company began operations with between 20 and 25 employees. "This is the type of competitive project that could easily have been located elsewhere, and without the aggressive economic development efforts of the Governor's Action Team, it might have," said Gov. Ed Rendell. "Instead, Pennsylvania will benefit from the large private investment and the hundreds of family-sustaining jobs that will be coming to Hazleton." ADM, headquartered in Decatur, Ill., is a global producer in cocoa processing. In addition to its new Hazleton facility, the company has other plants in North America, as well as in South America, Europe, Asia and Africa.

CAN DO Inc. was instrumental in helping ADM obtain a \$4.6 million funding offer from the commonwealth's Department of Community and Economic Development. The funding includes a \$925,000 opportunity grant, \$2.5 million in infrastructure development program funding, \$1.05 million in job creation tax credits and \$100,000 in job training assistance.

ADM is also eligible to apply for a \$5.25 million loan through the Citizens Job Bank program, which offers low-interest-rate loans to companies that commit to creating or expanding jobs in Pennsylvania. "CAN DO is proud to have played a role in the location of ADM's newest cocoa processing plant," said Kevin O'Donnell, president of the organization. "Our agency looks forward to providing ADM's local management with support for years to come."

The company's project was coordinated through the Governor's Action Team, economic development professionals who serve as a point-of-contact for businesses considering locating or expanding in Pennsylvania.

## **Business and Economy**

### **Ivory Coast Oct-Dec Cocoa Bean Exports -20% On Year -Ports.**

ABIDJAN, Jan 20, 2009 (Dow Jones Commodities News via Comtex) -- Ivory Coast exported 255,890 metric tons of cocoa beans in October-December, the first three months of the 2008-09 season, down 62,390 tons, or almost 20% on the 318,280 tons shipped in the preceding season, official port data showed Tuesday.

Adverse weather has slowed maturation of the 2008-09 main crop (October-March), which is also expected to be down by at least 8% on last season's 1.066 million tons.

Bean exports have also fallen because new local cocoa processing plants beenbuilt in the past year. The following table shows exports in December 2008, December 2007, the cumulative total for this season and last season. The season runs from Oct. 1 to Sept. 30.

All figures are in metric tons.

Port	Dec 08	Dec 07	Cum 08-09	Cum 07-08
Abidjan	49,811	68,991	88,264	130,919
San Pedro	103,225	109,606	167,626	187,361
Totals	153,036	178,597	255,890	318,280

The port export data can differ from export declarations made by shippers and published by Dow Jones Newswires every 14 days because of errors or delays in registration by the different statistical departments.

### **Ivory Coast Oct-Dec Cocoa Product Exports Up 34% On Year.**

ABIDJAN, Jan 20, 2009 (Dow Jones Commodities News via Comtex) -- Ivory Coast exported 96,344 metric tons of semi-manufactured cocoa products in October-December, the first three months of the 2008-09 season, up by 24,636 tons, or 34% on the 71,708 tons shipped in the same period last season, official port data showed Tuesday.

Local grinding is up on year as new cocoa processing plants became operational and Barry Callebaut doubled the capacity of its San Pedro plant to 105,000 tons/year. The following table shows the net weight of shipments per port, all in metric tons.



Port	Dec 08	Dec 07	Cum 08-09	Cum 07-08
Abidjan	22,655	21,003	76,249	64,281
San Pedro	5,668	3,124	20,095	7,427
Totals	28,323	24,127	96,344	71,708

Follows a breakdown per product of Abidjan shipments:

Product	Dec 08	Dec 07
liquor	9,070	9,810
butter	5,615	4,957
powder	3,260	2,617
cake	4,119	2,450
unspecified	591	1,169
Totals	22,655	21,003

Products shipped from San Pedro in December comprised 4,836 tons of liquor and 832 tons of chocolate, compared to 2,873 tons of liquor and 251 tons of cake in December 2007.

The export data as given by the ports may differ from export declarations made by shippers and published by Dow Jones Newswires every 14 days. The port data show products which have left the port, while the export declarations include products which are being made ready for export.

#### **China Dec Cocoa Bean Imports 1,425 Tons, Down 48.6% On Year**

MarketWatch (press release) - 21 Jan 2009

BEIJING, Jan 21, 2009 (Dow Jones Commodities News via Comtex) -- China's cocoa bean imports in December fell 48.6% on year to 1,425 metric tons, the General Administration of Customs said Thursday.

In 2008, the country brought in 54,532 tons of cocoa beans, an increase of 38.1% on year.

China imported 380 tons of coffee in the same month, the data showed, an increase of 49.7% over December 2007. In 2008, it imported 3,964 tons of coffee, up 68.5% on year.

China exported 2,743 tons of coffee in December, up 19.5% on year.

In 2008, it exported 26,079 tons of coffee, up 4.4% on year.

### **Labour Issues**

### **Environmental Issues**

#### **Caterpillars in Liberia are Destroying Crops, Causing a National Emergency**

by Cara McDonough

findingDulcinea, New York - 23 Jan 2009

Caterpillars are the culprit of Liberia's recent food and health crisis. The insects, believed to be "African armyworms," are native to the area, and could take some time to stop.

#### **Caterpillars Everywhere**

The United Nations Food and Agriculture Organization (FAO) suspects that the caterpillars are African armyworms. The caterpillars, which are known for destroying crops, are widespread throughout Africa, Asia and Western Australia.

In addition to making life miserable for farmers, the pests aren't too nice to look at. According to Bloomberg, "millions of black, hairy caterpillars" are eating through vegetation and crops in Liberia and could spread to neighboring countries, including the Ivory Coast, the world's biggest producer of cocoa.

“They seem to be eating everything: cocoa, cash crops, leaves and food,” Christopher Matthews, a spokesman for the FAO in Rome, said to Bloomberg. The FAO has declared the situation a “national emergency,” but said that a solution to the problem may take some time; the FAO cannot prescribe a pesticide until it has determined exactly what subspecies of armyworm is involved.

This isn’t the first time Liberia has been hit, but this invasion is believed to be the worst in Liberia in 30 years, reports Voice of America. FAO Representative Winfred Hammond called the situation “quite alarming,” and said that the infestation of caterpillars was “spreading very fast and was also causing damage not only to crops but contaminating waterways and therefore making it difficult for many villagers and the inhabitants to get access to good drinking water.”

A similar crop emergency occurred in East Asia in May when a tiny insect called the brown plant hopper caused extensive damage to rice crops there, compounding what was already a dire global food crisis. Experts said the problem could have been prevented if more funding for agricultural research had been provided over the years. The issue of funding for agricultural research has not yet been brought up in relation to the African armyworm problem in Liberia.

## ***Research & Development***

### **High-Tech Chocolate: Reinventing the Path from Pod to Palate**

Timothy Childs (TCHO ), Maribeth Back (FX Palo Alto Laboratory)  
O'Reilly Radar, CA - 22 Jan 2009

What happens when high-tech chocolate company meets high-tech research lab? TCHO of San Francisco is a new kind of chocolate company, combining innovative methods and a sense of social mission with a commitment to creating obsessively good dark chocolate. Founded by a Space Shuttle technologist and a grizzled chocolate industry veteran, TCHO’s aim is to create a direct, transparent connection between farmers and consumers, illuminating – and sometimes reinventing – the chocolate production process at every step to the benefit of everyone concerned.

Since 2007, TCHO has been working with FX Palo Alto Laboratory (FXPAL), a high-tech research lab in Silicon Valley, to apply emerging technologies in clarifying end-to-end chocolate production processes. The two companies see this collaboration as a way to innovate in bringing people closer to the products they consume. TCHO, already well-versed in high-tech applications for their factory, immediately saw where FXPAL’s expertise in smart environments and computer vision could sync with TCHO’s own technologies. Together the two companies are experimenting with new technologies for fine-grained monitoring, mobile process control, and real/virtual collaborations based on real users and real-world problems in manufacturing industries. In the process, we are finding new applications for existing technologies, as well as insight into real-world needs in globally distributed systems.

For example, inside the newly developed TCHO Factory virtual environment, you can click on a machine to see its status, or move closer to it to trigger an in-world video overview of its function. You can track what’s happening to the chocolate as it moves from machine to machine. The virtual environment will import real-time data from hundreds of sensors on the factory floor, and will be capable of tracking processes in detail over extended periods of time – and playing them back upon request. This allows us to create multi-user collaborative spaces for tasks like factory observation, virtual inspections, customer visits, education/training of employees, process monitoring and inventory tracking. Different users can see different aspects of the data; for instance, we are designing ways for customers to track their own product from point of origin to finished product.

Meanwhile, an experimental iPhone app provides mobile laboratory monitoring. In the TCHO lab, where intricate processes are developed to bring out the best in each bean, accurate tracking of time and temperature are essential. One of the first physical/digital applications we collaborated on was an iPhone application to allow TCHO a real-time view into their lab (via PTZ or Pan-Tilt-Zoom steerable camera) and to import sensor data as well. Not only does the iPhone app provide greater accuracy and transparency for the people operating the TCHO Lab, it runs via a database that allows accurate tracking over months of the myriad combinations of cacao bean selection and treatment.

For a process as complex as making great chocolate, this kind of clarity and accuracy is vital. Through this collaboration, both TCHO and FXPAL are finding rich opportunities for extending their understanding of ways to use new technologies to map complex, real world processes.

#### Timothy Childs

TCHO

Timothy Childs is a successful chocolate entrepreneur, with previous experience co-founding and launching Cabaret Chocolates, an early pioneer of single-origin chocolate with distribution through Whole Foods and other national outlets. Prior to his initiation in the chocolate industry, he worked on machine vision with NASA's Space Shuttle program, and launched several early-stage companies in the internet and computer graphics industries. Timothy has a deep background in community building, and was a cofounder of both VerGe and Web3D RoundUP. Timothy's other obsessions are paragliding and video timelapse projects.

#### Maribeth Back

FX Palo Alto Laboratory

Maribeth Back is a senior research scientist at FX Palo Alto Laboratory. Her current research focuses on the intersection of virtual environments and real-world collaboration, with a bit of ubiquitous computing mixed in. She leads the Mixed and Immersive Realities group at FXPAL, looking at how the interplay of virtual environments with mobile systems and sensor-fusion networks can be useful in enterprise settings. Previously, Maribeth's research included smart environments (real and virtual), multi-modal interface design, ubiquitous computing, new forms of reading and writing, and interactive audio systems design and engineering. Maribeth holds a doctorate from the Harvard Graduate School of Design in Computational Design.

#### **Theo Chocolate teams up with UW to sniff out the Perfect Bean**

Xconomy, MA

Rachel Tompa

1/23/09

Theo Chocolate, Inc. wants to unlock the cocoa bean's secrets. Together with chemists at the University of Washington, Theo's chief operating officer and food scientist Andy McShea is using "electronic nose" lab techniques to identify the best organic bean he can find.

I met with McShea in the Seattle chocolate company's office, which overlooks the factory floor and is filled with the pungent smell of roasting cocoa. McShea, a transplant from England and more recently from biomedical research (he came to Theo two years ago from the biotech company CombiMatrix, and before that worked at the Fred Hutchinson Cancer Research Center), is really enthusiastic about chocolate—good, organic chocolate, that is.

Last week, the organic and fair-trade chocolate company, which has been in production for three years, won a one-year grant from the Washington Technology Center (WTC) to develop new lab techniques for quality and safety tests of cocoa beans. Together with UW chemistry professor Rob Synovec, McShea aims to take chocolate production beyond the "look and sniff test," the currently used, less-than-quantitative means of assessing bean quality.

In part, the research could help them consistently find a better bean. But the technologies can go further than that, McShea said. The company wants to increase production—the factory is currently operating at less than 20 percent capacity, McShea said—but to do that, it needs a bigger supply of high quality, organic cocoa beans from fair-trade sources.

"There are actually very few farms with great organic cocoa and high production levels, and they usually sell out," McShea said. Since going for lower quality is not an option, Theo wants to use its knowledge of the bean to convert cocoa farms from conventional to organic—raising the quality of the beans and chocolate in the process.

Theo and the UW's proposal for the WTC was entitled "Magic Bean." "It's more in reference to, 'What is the magic of the bean?'" McShea said. "We're not trying to create chocolate flavor out of some hideous chemistry combination, that's not the goal. The goal is to try to identify what makes organic work, and bring that to the forefront."

McShea is wary of revealing too much about the lab techniques they'll be using to examine the elusive bean. The research is in early stages, and he's worried about competition. But the technologies all rely on the fact that the cocoa bean goes through big changes from its growth to final form in a bar, confection, or hot drink.

The cocoa bean begins life as a seed, nestled in white pulp inside football-sized cocoa fruits. Farmers ferment the pulp and beans in giant, bacteria-filled piles before shipping the beans to factories like Theo's. Once factories receive fermented and dried beans, they are roasted, ground, cured, and further refined into what we think of as chocolate. All of these steps produce signatures of changing chemical compounds, McShea said, and the chocolate scientist knows which signatures he's looking for. By reading these chemical fingerprints using "electronic noses"—lab equipment that separates and pinpoints a wide range of molecules—the chocolate makers can identify the best beans at each step.

These technologies have already changed the way Theo is doing some of its business, McShea said. By looking at the compounds in its shipped beans, the Theo team realized that the beans were not being kept at the optimal humidity and temperature during shipment.

The company is especially interested in putting these techniques to use on site in Africa and South America, McShea said. While helping farmers convert from conventional methods to organic, they can use the electronic nose to check the fermentation of the beans. The fingerprint in organically fermented beans is pretty different from those treated with pesticides and other chemicals, McShea said.

Theo is not the only company using laboratory techniques to test cocoa beans, but McShea thinks Theo has an edge as a small organic company trying to use innovative means to improve the quality of its product. The big chocolate companies using this kind of science have different goals, he said. "They want a low price, and they don't want rocks in their cocoa, and that's about it," McShea said. "We want to make something superb, and that's really hard!" he said, chuckling. "But chocolate's fun. It really is a fun business."

### *Promotion*

### *Others*

#### **Cameroon-EU Sign Interim Economic Partnership Accord.**

Leocadia Bongben.

Jan 20, 2009 (The Post/All Africa Global Media via COMTEX News Network) -- Cameroon has appended its signature to the Economic Partnership Accord, APE, with the European Union, EU, thereby providing a legal document that exempts Cameroon's exports to the EU from heavy duties. The Director of in Charge of Economic Development at the EU, Peter Thomson, signed for the EU and the Minister of the Economy Planning and Regional

Development, Louis Paul Motaze signed for the Cameroon government. Five Ministers attended the occasion at the Conference Hall of the Ministry on January 15.

The interim accord, considered as a stepping stone to the full APE agreement between the Central African sub-region and the EU, is considered to combine the benefits of a trade agreement with development assistance targeted at accelerating growth and development.

To Thomson, the final goal is to conclude a full EPA with all the countries of the Central African sub-region that would promote competitiveness, growth and investment while accelerating regional integration. The gains of the accord are evaluated in terms of providing duty free access to EU markets for all imports from Cameroon as of January 1, 2008 with a transition period for sugar and rice.

It equally provides for an asymmetrical and gradual opening of Cameroon's markets to EU goods and trade defence with bilateral safeguards allowing each party to reintroduce duties or quotas if imports of the other party disturb or threaten to disturb the economy amongst others.

While liberalised EU imports are mostly industrial machines, pumps, generators, vehicles, Cameroon's exports exclude agricultural and non-agricultural processed goods into the EU market.

It will maintain fiscal revenue on goods such as meat, wine, spirits, malt, milk products, flour, certain vegetables, wood and wood products, textiles, used clothed, paints and used tyres.

It was equally highlighted that cooperation on more efficient customs procedures as well as fiscal adjustments would be promoted to ensure the removal of tariffs so as not to destabilise a country's public finances. It would be recalled that Cameroon agreed on an interim accord with the EU in December 2007 when the trade provisions of the Cotonou Agreement expired and provided additional time to negotiate full APE.

On the instruction of President Paul Biya, Cameroon ventured alone out of the countries of the Central African sub-region as it alleged that its exports such as cocoa, banana, aluminium and other agricultural products go through heavy customs duties.

The civil society condemned government's action, stating that the APE is detrimental to development and those Cameroonian enterprises needed to be made competitive for their products to stand high competition in the world market. The development dimension identifies development of basic infrastructure, agriculture and food security; improvement of the business environment and implementation of the rules of trade with a regional dimension.

In order to render enterprises competitive, the EU delegate identified a support programme for the reinforcement of enterprises to the tune of 5 million Euros, and 50 million Euros in 2010 in the European Union Fund For Development, 10 FED.

Despite Thomson's argument, the difference identified with other countries of the sub-region are not significant, only Cameroon was really under pressure to sign the accord given its markets exports. The latter, however, acknowledged that Congo and Gabon have minimal stakes, while Chad is considered a least develop country with access to EU markets.

#### **COCOBOD dismisses rumours of cocoa price cut**

Joy Online, Ghana

23 January 2009

Ghana Cocoa Board (COCOBOD) on Thursday dismissed rumours of a reduction in the producer price of cocoa and asked farmers and the public to ignore them.

A statement issued by the Public Affairs Department of COCOBOD stressed that the price of cocoa had not changed since the last review in September, 2008. It said the producer price per tonne (16 bags) remained GH¢1,632.00 which translated to GH¢102.00 per bag of 64 kilos.

#### **Cocoa foundation outlines sustainability goals**

Truth about Trade & Technology, IA

By Truth About Trade & Technology

21 January 2009

January 16, 2009 The World Cocoa Foundation is offering a guide to the cocoa industry on sustainability principles that focus on equitable profit, labour standards and environmental issues. The foundation said its principles and goals are designed to help cocoa farmers, guide industry efforts and prioritize its development projects in West Africa, Southeast Asia and the Americas.

Sustainability is high on the chocolate industry agenda. And in general, shareholders are increasingly looking for evidence that a food company has green projects ingrained in the management strategy, according to Nizo Food Research, which conducts R&D for food processors.

However, Nizo added that there is an increasing need for projects that build both sustainability and profitability for companies. The foundation's goals were developed over two years through discussions among foundation members, producing country governments, and program partners. They are intended to help guide economic and social development as well as environmental stewardship in cocoa-growing communities around the world.

Bill Guyton, President, World Cocoa Foundation, said they will “ensure that our partnerships and programs are strategically focused and help drive positive change in cocoa-growing communities where it is most needed”. The sustainability initiative commits the foundation and its members to working toward three categories; profit, people and planet.

For the people category, the aim is for healthy and thriving cocoa-farming communities, where international labour standards are followed and farming practices are safe.

The planet category refers to responsible, sound environmental stewardship in cocoa-farming communities where soil and water are conserved and Integrated Pest Management to limit the use of agricultural chemicals, protecting the fragile tropical ecosystem.

And in terms of profit, the aim is to improve equitable economic returns for farmers built upon expanding entrepreneurial skills, stronger and more effective farmer associations, and more productive, profitable farming practices.

Commenting on the foundation initiative, Sona Ebai, secretary general of the Cocoa Producers' Alliance, said” “It's critically important that the chocolate and cocoa industry share not only the good work it's doing to help cocoa farmers today, but to state what its sustainability objectives are over the longer term.”

#### Social responsibility

Examples of companies that have introduced sustainability initiatives include Barry Callebaut's tree-planting project for organic smallholders in Tanzania, with the exporter of certified organic cocoa Biolands.

Launched last year the project will see 250,000 cocoa seedlings being grown in over 100 tree nurseries in various villages of the Mbeya region.

By March the saplings will be planted out "in order to rejuvenate the existing cocoa plantations".

Patrick De Maeseneire, CEO of Barry Callebaut, said at the time: “Our efforts in the area of corporate social responsibility start at the very beginning of the value chain, namely with the cocoa growers, in order to find ways to achieve greater sustainability in the complex and fragmented chain that extends from cocoa cultivation to the end-product.”

#### **New Book Chronicles World's Love Affair With Chocolate**

UC Davis, CA - 21 Jan 2009

Nothing says Valentine's Day quite like chocolate, but long before it was paired with hearts and flowers, chocolate played important roles in cultures around the world, according to a new book co-edited by a UC Davis nutritional geographer.

“Chocolate: History, Culture, and Heritage,” was edited by Louis Grivetti, a professor emeritus in the UC Davis Department of Nutrition, and Howard-Yana Shapiro, a plant scientist with Mars Inc. It offers a scholarly examination of chocolate, from ancient civilizations to the present.

“Chocolate is the glue that has held people together from remote antiquity to the 21st century, serving as food, medicine and an object of barter,” Grivetti said. “The story of chocolate is the story of human nature, replete with joy, heartache and even treachery.

“Perhaps no other food, except wine, has such a rich history that can be gleaned by searching the dusty archives of museums and libraries of the world,” he said.

The new book is the product of the Chocolate History Group, formed in 1998 by UC Davis and Mars Inc. to document the history of chocolate. It features 56 chapters that explore a broad range of chocolate-related topics. The writings represent the work of more than 100 contributors from such diverse fields as anthropology, archaeology, biochemistry, culinary arts, gender studies, engineering, history, linguistics, nutrition and paleography.



The authors explore the role of chocolate through the ages in its many forms in cuisine, medicine, economics and even religion, with careful documentation throughout. They offer an overview of historical chocolate recipes and highlight chocolate's use during various periods in American history.

The 984-page hardcover book, published by John Wiley and Sons, includes 150 color illustrations, as well as new and previously unpublished information. It will be available by the end of February.

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## TIT BITS

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

### **Indonesia exchange to start CPO physical trade**

JAKARTA (January 20, 2009): Indonesia plans to start physical trade in crude palm oil (CPO) via an exchange in the second half of 2009, a move that will give the world's top producer its own benchmark price, a Jakarta Futures Exchange official said on Monday. Indonesia is a leading supplier of other commodities including cocoa and coffee but plays almost no role as an exchange for these products.

### **London cocoa rises**

LONDON (January 20, 2009): cocoa futures in London rose on Monday, boosted by the weakness of sterling and bullish data on port arrivals at top producer Ivory Coast while white sugar edged up and robusta coffee remained little changed. Volumes were light with US markets closed for Martin Luther King Jr. Day. They will reopen on Tuesday. "It is mostly to do with currency," one cocoa dealer said.

### **Ivorian cocoa arrivals down**

ABIDJAN (January 20, 2009): cocoa arrivals at ports in Ivory Coast from October 1 to January 18 were around 592,000 tonnes, compared with 866,000 tonnes received in the same period last year, exporters said on Monday in a rough weekly estimate. According to the estimate, 30,000 tonnes arrived at ports from January 12 to January 18, down from 30,861 tonnes in the same period of 2007/08.

### **US MIDDAY: cocoa plummets**

NEW YORK (January 21, 2009): US cocoa futures buckled 5 percent to a five-week low in early trade on Tuesday, as sterling sank against the dollar, while arabica coffee dipped along with many other commodities, traders said. Arabica coffee for March delivery dropped 0.70 cent at \$1.1510 per lb by 9:11 am EST (1411 GMT). Trading range from \$1.1390 to \$1.1540. March volume at 2,230 lots.

### **London cocoa soars to 23-year high**

LONDON (January 21, 2009): cocoa futures in London soared to a fresh 23-year high on Tuesday, boosted by a sharp decline in the value of sterling and continued concern about slow port arrivals in top producer Ivory Coast. Raw sugar futures also rose on fund and investor buying of the March contract, while coffee remained slightly down.

### **Some rain, mild winds help main Ivorian cocoa crop**

ABIDJAN (January 21, 2009): Ivory Coast's main cocoa growing areas experienced scattered rain and mild winds last week, raising hopes for a better end to what has been a troubled main crop, farmers and analysts said on Monday. Farmers in the world's top grower reported sporadic showers in the south and east while a dry wind, known as the Harmattan, was blowing across the forest region where many plantations are situated.

### **US MIDDAY: coffee down**

NEW YORK (January 22, 2009): Arabica coffee futures eased early Wednesday, briefly breaking through key support after automatic sell orders were triggered. US cocoa futures slipped on a weak pound, traders said. Arabica coffee for March delivery down 1.25 cents at \$1.1365 per lb by 9:16 am EST (1416 GMT).

### **London cocoa stays at 23-year high**

LONDON (January 22, 2009): cocoa futures in London rose to the highest levels in more than 23 years on Wednesday as talk of a bullish crop report by independent analyst Hans Kilian fuelled fears over West African supplies, dealers said. Sugar was little changed while coffee edged higher but remained rangebound.

### **US MIDDAY: cocoa down, coffee up**

NEW YORK (January 23, 2009): US cocoa futures reversed lower in early trade on Thursday, pressured by the weak pound against the dollar, while arabica coffee futures briefly tapped a 2-1/2-month high on chart-based dealings, traders said. Arabica coffee for March delivery up 0.70 cent at \$1.1825 per lb by 9:13 am EST (1413 GMT).

### **London cocoa falls**

LONDON (January 23, 2009): cocoa futures in London ended slightly lower on Thursday as profit-taking helped to stall the market's advance which had earlier taken prices to the highest levels in more than 23 years. Arabica coffee prices on ICE rose to a two-month peak while sugar eased on investor selling.