

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



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2nd – 6th February 2009

Cocoa Producers' Alliance



UP-COMING EVENTS

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'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)
2nd February	1840.24	2743.62	1958.33	2714.33
3rd February	1861.79	2780.63	1956.33	2747.67
4th February	1852.75	2771.42	1949.33	2724
5th February	1881.11	2812.56	1948.33	2777.33
6th February	1927.66	2874.07	1978	2829
Average	1,872.71	2,796.46	1,958.06	2,758.47

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

Monday 2nd February 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar-09	1970	1972	-23	1980	1941	4,479
May-09	1969	1953	-26	1969	1924	3,147
Jul-09	1940	1950	-23	1955	1920	567
Sep-09	1927	1938	-28	1944	1915	314
Dec-09	1886	1898	-28	1900	1886S	173
Mar-10		1844	-28			0
May-10		1854	-28			0
Jul-10		1862	-28			0
Sep-10		1874	-28			0
Dec-10		1874	-28			0
Totals		1902				8680

Tuesday 3rd February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-09	1953	1968	-4	1988	1953	4,461
May-09	1934	1953	0	1970S	1934	3,690
Jul-09	1940	1948	-2	1960	1938	1,047
Sep-09	1926	1938	0	1957	1924S	2,234
Dec-09	1909	1903	5	1914S	1904S	113
Mar-10	1851	1868	24	1877	1851S	282
May-10		1874	20			0
Jul-10	1867	1882	20	1887S	1867S	135
Sep-10		1894	20			0
Dec-10		1894	20			0
Totals		1914				11,962

Wednesday 4th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-09	1956	1961	-7	1966	1942	8,532
May-09	1940	1946	-7	1950	1928	11,858
Jul-09	1938	1941	-7	1944	1924	1,383
Sep-09	1926	1933	-5	1935	1915	272
Dec-09	1890	1891	-12	1894	1876S	540
Mar-10	1845	1867	-1	1871	1836	347
May-10	1846	1875	1	1875	1846S	11
Jul-10	1848	1882	0	1848	1848	2
Sep-10		1892	-2			0
Dec-10		1892	-2			0
Totals		1908				22,945

Thursday 5th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-09	1947	1966	5	1969	1942	5,638
May-09	1929	1943	-3	1946	1918	6,037
Jul-09	1928	1936	-5	1938	1913	2,185
Sep-09	1916	1929	-4	1931S	1910	562
Dec-09	1880	1899	8	1903	1876S	482
Mar-10	1856	1880	13	1880	1849	429
May-10		1884	9			0
Jul-10		1891	9			0
Sep-10		1901	9			0
Dec-10		1901	9			0
Totals		1913				15,333

Friday 6th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar-09	1968	2000	34	2007	1965	4,269
May-09	1947	1971	28	1975	1943	4,902
Jul-09	1943	1963	27	1965	1936S	1,333
Sep-09	1946	1955	26	1959S	1929S	327
Dec-09	1916	1927	28	1928S	1901	1,537
Mar-10	1896	1904	24	1910	1880	653
May-10	1914	1912	28	1914S	1914S	2
Jul-10		1919	28			0
Sep-10		1929	28			0
Dec-10		1929	28			0
Totals		1941				13,023

Average for the week		1937				14389
Total for the week						71,943

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

Monday 2nd February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2745	2720	-51	2753	2670	5,951
May-09	2775	2726	-53	2779	2681	4,145
Jul-09	2731	2718	-46	2731	2677	1,081
Sep-09	2681	2700	-45	2702	2677	118
Dec-09	2643	2662	-48	2662	2643	30
Mar-10	0	2627	-44	0	0	10
May-10	0	2622	-45	0	0	6
Jul-10	0	2613	-46	0	0	2
Sep-10	0	2701	-46	0	0	0
Dec-10	0	2704	-73	0	0	0
Totals		2679				11,343

Tuesday 3rd February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2720	2746	26	2768	2695	5,212
May-09	2726	2749	23	2768	2702	4,189
Jul-09	2704	2742	24	2761	2704	1,837
Sep-09	2705	2732	32	2747	2705	546
Dec-09	2674	2699	37	2713	2674	188
Mar-10	2635	2674	47	2685	2630	460
May-10	0	2673	51	0	0	13
Jul-10	0	2665	52	0	0	2
Sep-10	0	2753	52	0	0	0
Dec-10	0	2756	52	0	0	0
Totals		2719				12,447

Wednesday 4th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2730	2728	-18	2749	2697	7,878
May-09	2731	2737	-12	2753	2701	6,152
Jul-09	2715	2731	-11	2747	2696	1,726
Sep-09	2704	2722	-10	2732	2685	585
Dec-09	2671	2703	4	2691	2671	1,092
Mar-10	2638	2689	15	2694	2635	1,311
May-10	2684	2685	12	2687	2664	104
Jul-10	2650	2676	11	2650	2650	120
Sep-10	0	2761	8	0	0	0
Dec-10	0	2764	8	0	0	0
Totals		2720				18,968

Thursday 5th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2700	2765	37	2794	2683	8,544
May-09	2698	2770	33	2794	2697	7,038
Jul-09	2704	2767	36	2790	2701	2,106
Sep-09	2720	2760	38	2760	2720	321
Dec-09	2704	2744	41	2747	2701	405
Mar-10	2688	2734	45	2740	2686	519
May-10	0	2731	46	0	0	57
Jul-10	0	2726	50	0	0	52
Sep-10	0	2814	53	0	0	0
Dec-10	0	2817	53	0	0	0
Totals		2763				19,042

Friday 6th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2793	2828	63	2843	2763	8,466
May-09	2794	2833	63	2843	2769	7,037
Jul-09	2815	2832	65	2842	2765	2106
Sep-09	2779	2823	63	2830	2779	321
Dec-09	2744	2806	62	2813	2744	266
Mar-10	2753	2792	58	2795	2737	519
May-10	2788	2786	55	2794	2786	57
Jul-10	0	2786	60	0	0	52
Sep-10	0	2874	60	0	0	
Dec-10	0	2877	60	0	0	
Totals		2824				18,824

Average for the week		2741				16,125
Total for the week						96,749

Spot Prices (US \$ per tonne)

	2nd February	3rd February	4th February	5th February	6th February
Main Crop Ghana, Grade 1	3237	3263	3245	3282	3345
Main Crop Ivory Coast, Grade 1	3088	3114	3096	3133	3196
Main Crop Nigerian, 1	3068	3094	3073	3110	3173
Superior Arriba	3072	3098	3058	3096	3158
Sanchez f.a.q	3087	3113	3078	3115	3178
Malaysian 110	2720	2746	2751	2788	2851
Sulawesi f.a.q	2893	2919	2901	2938	3001
Ecuador Cocoa Liquor	4352	4394	4228	4286	4383
Pure Prime Press African Type Cocoa Butter	7317	7387	7338	7438	7607
10/12% Natural Cocoa Press Cake	1278	1291	1200	1217	1244

Source: Cocoa Merchant Association

News

Health and Nutrition

Eating chocolate for your heart? Here's what you need to know

NutritionData.com, NY

By: Monica Reinagel

February 02, 2009



February might originally have been chosen as Chocolate Lovers' Month because of Valentine's Day, a holiday traditionally linked with chocolate. But the fact that February is also Heart Health Month couldn't be more appropriate.

Consumption of dark chocolate has been consistently linked with a host of heart-health benefits, including lowering blood pressure and inflammation, and improving cholesterol profiles and insulin resistance. As the research has stacked up, sales of dark chocolate have increased 50%!

Most people assume that the higher the cacao percentage of the chocolate, the better it is for you. Not necessarily! Here's an updated guide to selecting the most beneficial chocolates:

Region As with gourmet coffee, you can now buy gourmet dark chocolate with a pedigree that specifies where the beans were grown. On average, cocoa beans grown in Ecuador, Columbia, and on the Ivory Coast have almost twice the flavanol content of beans from the Dominican Republic or Peru.

Variety Upscale dark chocolates may also identify the specific variety of cocoa bean used. The Amazon and Forestaro varieties are higher in flavanols than the Criollo variety.

Processing Flavanols are lost to a greater or lesser degree depending on how the beans are fermented, dried, and roasted. Unfortunately, you can't tell much about the processing method from the product label. But some manufacturers, such as Callebaut and Mars, have developed special processing methods that minimize these losses. Although milk chocolate products are generally lower in flavanols, these flavanol-preserving methods can produce milk chocolate that is just as high in flavanols as dark chocolate! Acticoa (made by Callebaut) and CocoaVia (made by Mars) are two brands to look for.

Alkalization Cocoa powder is naturally high in flavanols but these compounds can impart a bitter, astringent taste along with all the health benefits. Cooks often prefer the smoother taste of alkalized (or "Dutched") cocoa powder, but the dutching process dramatically decreases the flavanol content. For maximum flavanol content, choose un-dutched cocoa powder.

Good news for chocolate milk lovers Preliminary research suggested that mixing milk and cocoa might diminish the bioavailability of the beneficial flavanols in cocoa but several recent studies have shown no significant difference in flavanol absorption from cocoa drinks made with or without milk.

A palatable prescription

All the research on cocoa has led to a very palatable prescription: Eat 1 ounce of dark chocolate (or 1 tablespoon of cocoa powder) daily for a healthier heart. The guidelines above can help steer you toward the chocolate products that are most beneficial. But don't forget that a daily square or cup of chocolate adds a couple hundred calories to your diet--be sure to adjust your calorie intake accordingly.

The joys of chocolate - health

Ledger Independent, KY

By Jane Kabler

February 1, 2009

Mmmm --- So good! Chocolate just might be a girl's best friend other than diamonds. Nothing comes close to soothing your spirits than a good piece of something chocolate. What can be better than a cup of coffee or glass

of milk early in the morning with a chocolate treat? After reading this article you will find that chocolate is not all bad, if eaten in moderation, especially dark chocolate.

The first people known to use chocolate were the ancient cultures of Mexico and Central America. These people, including the Maya and Aztec, mixed ground cacao seeds with various seasonings to make drinks. The Cacao tree was discovered 2,000 years ago and the cocoa beans produced by these trees ended up being used for ingredients in beverages and different kinds of confections. The trees grew well in rainforests and once it was found that chocolate could be useful it became a global sweet used in many cultures and on several continents. The word chocolate literally meant "bitter water." The first chocolate made for eating was in 1847 and the first milk chocolate was produced in 1875 by the Swiss. Several years ago when my sons and I were in Europe, we fell in love with the chocolate ice-cream in Switzerland and the chocolate candy bars. Since then, we have found the candy now in our own large market places. The rich milk is almost as important as the pure rich chocolate used in candy or ice-cream.

When making chocolate the pods of cocoa beans are harvested, pods are split, then fermented in boxes for a week and then dried. In the factory they are roasted and broken down into small pieces. These are then ground to form a chocolate mass. The mass contains cocoa butter, and then it is mixed with more cocoa butter, sugar and vanilla. Manufacturers make three types of chocolate: dark, milk and white. Chocolate has only a small amount of nutrients. Dark chocolate has become popular because of its compounds known as flavonoids. Flavonoids are thought to have protective benefits because they contain antioxidants. Studies have shown that dark chocolate can help lower blood pressure when eaten in moderation. It also helps to boost the body's ability to metabolize sugar from food. Flavonoids are also in vegetables and fruits, so chocolate shouldn't replace these foods. Chocolate is high in calorie, so while it is good for you, you need to be careful of the calories. Eat it in moderation.

Chocolate is one of America's favorite flavors. There are many myths surrounding chocolate one being that anything that tastes good must be bad. Stearic acid, one of the primary saturated fats found in chocolate, is different than other saturated fats. Stearic acid has a neutral effect on blood cholesterol levels. Hershey's cocoa and Hershey's unsweetened baking chocolate have no cholesterol. A milk chocolate bar has a small amount of sodium, a small amount of caffeine and a small amount of cholesterol. Very few people are allergic to chocolate and the myth that it makes children hyperactive has no scientific proof.

The love of chocolate

Jamaica Gleaner, Jamaica - 6 Feb 2009

Heather Little-White, Contributor

Love is universal but there is one word that transcends all cultures: chocolate - that perfect food that sweetly embraces all that is good in life.

Bitter, sweet, crunchy or smooth, all chocolates are not created equal. Chocolates come in several flavours and consistencies. Specialty chocolates crafted in the French tradition, using exotic French ingredients free from additives, cannot be compared to the more common machine-made artificially enhanced varieties.

Apart from making special gifts, chocolate is good for you. Really? Chocolate for good health is unbelievable, but, yes, chocolates do offer health benefits.

Research has shown that chocolate contains flavonoids, a type of antioxidant with relatively higher quality and quantity compared to other high-antioxidant foods. Research conducted at the University of Scranton has demonstrated that cocoa powder ranks the highest of the chocolate products nutritionally, followed by dark chocolate and milk chocolate. Magnesium and potassium are also found in chocolates.

Antioxidants

According to the Chocolate Manufacturers Association, dark chocolate contains about eight times the polyphenol antioxidants found in strawberries. Research also showed that cocoa powder and dark chocolate have slightly higher concentrations of good (HDL) cholesterol. It was also found that dark chocolate may lower blood pressure in hypertensive persons.

Despite the nutritive value of chocolate, it doesn't mean that you should eat more chocolates as they are often high in fat, sugar and calories. Chocolate should be moderately eaten once in a while, choosing dark chocolate

for its higher flavonoid content. Your diet should include more foods with high levels of antioxidants, fruits and vegetables, as well as whole grains, fatty fish and skinless lean meat.

World revered

Chocolate is revered in many cultures. Starting with the seeds of the cocoa tree, first discovered by the ancient cultures of the Mayas and Aztecs in Mexico and Central America, the cocoa seed is valued in cultures around the world.

Its versatility in food and in religious ceremonies is well known. The first form of chocolate was an unsweetened hot beverage made with spicy chillies, annatto and flavoured with vanilla, popular among the Spaniards, and a hundred years later, made its way to Europe.

The virtues come from a bean and are translated to a dark confection enjoyed by masses as factories churned them out at the time of the Industrial Revolution widening varieties and reducing prices. Dark chocolate has become popular, especially among chocoholics.

Comfort food

Chocolate is a comfort food. It satisfies the soul. The feel-good factor is a result of the endorphins released when chocolate is eaten. Imagine unwrapping a decadent chocolate square and taking a bite. The intense chocolate aroma wafts through your nostrils and into your brain and releases some of your stresses. Your body relaxes and you pop another piece into your mouth, allowing it to melt slowly as you float on air, feeling totally relaxed. Chocolate is considered by some persons an aphrodisiac, which is why it makes the perfect gift for Valentine's Day.

Euphoric feelings may come from chocolate early in the morning or late at night with a cup of decadent hot chocolate. Two different types of chocolate and evaporated cream used make for an extra rich cup of chocolate to be served up on Valentine's Day morning.

Valentine gift of chocolate

The valentine chocolate gift is such a great way to celebrate one of the sweetest celebrations of the year. Amid the excitement of Valentine's Day come roses, wine, jewellery, lingerie, the loving look and, of course, chocolates! When two of nature's greatest pleasures are paired, they stimulate the palate and challenge the mind and will make for a memorable evening.

It is said that when you treat that someone special to a truffle, chocolate bar or pot de crème, you are really showing how much you take their well-being to heart. Apart from the traditional heart-shaped box of chocolates, there are now several other choices, including having a chocolate fountain right in your bedroom. If you are the kind of person who has lots of valentines to treat, you may save by making wholesale purchases.

To make your gift extra special, try to make your own valentine chocolates to add that hand-crafted home-made touch. Your valentine should feel extra special to know that you made the effort. You can make your chocolates ahead of time and package them on the day.

Chocolate making is a pleasurable activity and if both of you decide to make it them together, it can be quite romantic. Pack these in a novelty mug and fill with individually packages and strategically place in the bedroom.

Storing chocolates

So you get a tonload of chocolate for Valentine's Day but you are not so sure how to store. The first thought is the refrigerator but, on the contrary, chocolate should not be refrigerated. Chocolates absorb odours easily, plus the excessive moisture in the refrigerator may cause the sugar to rise to the surface causing discoloration. (champlainchocolates.com)

Chocolates need a cool, dry place away from sunlight and strong odours. Chocolate can keep for months in consistent temperature less than 70 degrees F.

Solid milk chocolates will last for nine months and dark chocolates for a year. Filled chocolates like truffles will last for about four months. To keep longer, it is best to freeze them in an airtight container. When ready to eat, thaw chocolates inside the container.

Production & Quality

Ivorian cocoa arrivals seen about 710,000T by Feb 1

guardian.co.uk, UK

By Ange Aboa

February 2 2009

ABIDJAN, Feb 2 (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast held up well over the past week and the weather was favourable, fuelling optimism for a strong end to the October-March main crop after a poor start to the season.

Supply problems in Ivory Coast, where administrators late last year slashed the crop forecast to about 1 million tonnes from 1.3 million, and fears about neighbouring Ghana, the neighbouring No. 2 grower, have driven up world prices. Arrivals for the 2008/09 season reached around 710,000 tonnes by Feb. 1, exporters estimated on Monday, compared with 925,035 tonnes in the same period of the previous season.

Around 45,000 tonnes of beans were delivered to Ivory Coast's ports between Jan. 26 and Feb. 1, around the same level as the previous week and up from 26,199 tonnes in the same week a year ago, the exporters estimated. Supported by a weak sterling, cocoa futures traded in London hit 24-year highs when they broke through 2,000 pounds a tonne last month. Benchmark U.S. March closed at a five-month high when trading closed on Jan. 29.

Arrivals at Ivory Coast's ports of Abidjan and San Pedro have been picking up in recent weeks, offering hope for a season that has been hit by poor weather, disease and chaos "We remain of the view that the tail of the main crop will be significantly better than was the case last season," brokers Fortis said in a report on Friday. "The next few weeks of Ivory Coast arrivals will be crucial not only in determining the actual size of the main crop but also the direction of the market," the report said.

U.S. cocoa was trading was down \$56 or 2 percent at \$2,715 Monday morning while London May was down 36 pounds to 1,943 pounds per tonne at 1308 GMT. "I'm not sure whether we will maintain this level of arrivals for a long time but we have to be happy that we are receiving these volumes at the moment," the manager of a European cocoa exporting company said in Abidjan.

Fears that a poor October-March main crop could be followed by a disappointing mid crop, due to harsh winds damaging young cocoa pods, were eased by farmers reporting that the dry, dusty winds had not ravaged Ivory Coast's main growing areas. Farmers around Gagnoa, Divo and Abengourou were also pleased with sporadic rain mixed with hot weather over the last week that should boost the mid crop, which starts in April. But hot, dry weather was reported from most of the western cocoa belt, while many in Ivory Coast feel the gap will be too much to overcome after such a difficult start to the season.

Another exporter said that volumes of cocoa coming out of the bush would drop rapidly by the middle of the month.

"In theory, we are expecting the (weekly) volumes to go from round 40-45,000 tonnes to below 30,000 tonnes after Feb. 15 because we are at the very end of the main crop," said an Abidjan-based sales director of an international exporter.

Ghana Bought 5.9% Fewer Cocoa Beans So Far This Year (Correct)

Bloomberg

By Emily Bowers

Feb. 3, 2009

(Bloomberg) -- Ghana, the world's second-largest cocoa producer, bought 5.9 percent fewer beans from farmers by the 19th week of this year's main crop harvest, Ghana Cocoa Board Chief Executive Officer Tony Fofie said.

Purchases amounted to about 480,000 metric tons in the period, though the crop is "picking up a little bit" before mid-season rains, Fofie said in a telephone interview today from the capital, Accra. He didn't provide a reason for the decline, which he estimated at about 30,000 tons from a year earlier. "It is getting closer to what we actually expected compared to this time last year," he said.

Ghana's annual cocoa harvest, which is produced mainly by small-scale farmers in the rural center of the country, may rise to about 700,000 tons this season, from 680,000 tons a year earlier, the Cocoa Research

Institute of Ghana said in October. The cocoa board, known as Cocobod, officially opened this season's harvest on Sept. 12, more than a month ahead of the previous year's mid-October opening. The harvest usually ends in June.

While rain has started coming, "it isn't sufficient yet," said 54-year-old farmer Gordon Minta on his four-acre farm at Krodada, in Ghana's Western region, about 90 kilometers (56 miles) from Kumasi. "Last year was better than this year."

Harmattan Winds

Ghana's central growing region is emerging from the annual harmattan, when dry winds in December and January bring hot weather and little to no rainfall. If the rains come, the harvest will be good, Minta said. "But if it stops in the middle you'll get small beans."

Insects and disease also threaten the cocoa crop, said 26-year-old Bio Jackson, from the Western region village of Dormibo. While the cocoa board has provided fungicide to prevent the spread of black pod disease, more is still needed, he said.

In the Ashanti region village of Anwifutu, 24-year-old Okey Adade balances farming a five-acre plot with weaving kente, a traditional Ghanaian cloth, to sell in Kumasi. "This year is not good," Adade said. He doesn't expect to match the 24 bags of cocoa he produced last year. "When it's dry season, the insects are worrying us," he said. "When it rains, it can help."

PNG farmers look to cocoa

Radio Australia News, Australia

4 Feb 2009

Farmers in Papua New Guinea's Sepik district are said to be replacing their existing crops with cocoa. PNG National Development Bank officials have told the Post Courier newspaper there's been a jump in loan applications, from farmers wanting to buy cocoa seedlings and other cocoa-related products.

Jeffrey Marfu from PNG's Cocoa Coconut Institute says one reason the price of cocoa has gone up is because of the end of civil conflict in Bougainville. "Bougainville was the leading cocoa producing province in Papua New Guinea," he said. "Because of the crisis much of the production dropped, because there were no farmer involved in cocoa production. "Now after the crisis the farmers are starting to go back to harvest cocoa from some of the existing plantations that were there before the crisis, and also a lot of the farmers are starting to plant new cocoa."

SW Nigeria Graded Cocoa Steady At 370,000 Naira/Ton - Buyers

IBADAN, Nigeria, Feb 06, 2009 (Dow Jones Commodities News via Comtex) -- The price of graded cocoa in southwestern Nigeria remained steady Friday at 370,000 naira (\$2,494) a metric ton, the same price as last week, buyers said.

Graded cocoa has been inspected and certified fit for export

"Cocoa prices have not risen because of the stability of the naira in the past one week. It has not depreciated wildly against the dollar," a buyer in Akure, capital of Ondo state, said. He said the recent depreciation of the naira against the dollar helped to drive up local prices of cocoa. The currency has fallen by more than 20% against the dollar between December and the last week of January, he added.

"We have seen some stability in the value of the naira. Cocoa prices will rise steeply again if the currency depreciates further against the dollar," he said. An employee at the Cooperative Produce Marketing Union in Ibadan, Oyo state, said local buying agents, or LBAs, were delivering cocoa to Lagos exporters at NGN370,000/ton.

He said exporters were buying cocoa in spite of its record high price because they "still have orders to fulfill abroad."

Cocoa has never been sold at NGN370,000/ton in any part of Nigeria, he said. "We usually see exporters stepping up cocoa purchases when the main crop harvest is nearing its end. The rush for beans will continue until next month and this could drive up prices further," he said. Harvesting of the main crop began in the southwest in late August and will end before the end of the month. The southwest accounts for 70% of Nigeria annual cocoa production of 242,000 tons.

The Market

Cocoa price drops in London as Ivory Coast increases exports

Ghana Business News, Ghana

Source: Bloomberg

3 Feb 2009



Cocoa fell for a second session in London on increased supply from Ivory Coast, the world's biggest producer.

Arrivals of beans for export at the Ivorian ports of Abidjan and San Pedro jumped 67 percent to 50,171 metric tons in the week ended Jan. 25, an industry official with access to the information said today. The official, who declined to be identified because the figures are confidential, based them on information provided by the state-run Bourse du Cafe et du Cacao.

The "next few weeks of Ivory Coast arrivals will be crucial not only in determining the actual size of the main crop, but also the direction of the market" for cocoa, Brussels-based Fortis forecast in a Jan. 30 report.

Cocoa for March delivery fell 23 pounds, or 1.2 percent, to 1,972 pounds (\$2,816) a metric ton at the close on the Liffe exchange. The chocolate ingredient is the best performer in the UBS Bloomberg CMCI index for the past year.

A "weak Harmattan," or dry wind, in cocoa areas of Ivory Coast and Ghana may increase stress to the developing mid-crop, Meteorologix LLC reported today.

Net-Long Positions

Hedge-fund managers and other large speculators increased their so-called net-long position in New York cocoa futures in the week ended Jan. 27, according to U.S. Commodity Futures Trading Commission figures.

Speculative long positions, or bets prices will rise, outnumbered short positions by 21,119 contracts on ICE Futures U.S., formerly known as the New York Board of Trade, the Washington-based commission said in its Commitments of Traders report.

Among other agricultural commodities, robusta coffee for March delivery dropped \$12, or 0.7 percent, to \$1,665 a ton. White sugar rose \$6.40, or 1.7 percent, to \$379.90 a ton.

Four of eight traders, analysts and brokers surveyed last week by Bloomberg forecast that raw sugar traded in New York would rise this week. Two predicted a drop, and another two were neutral. Five of eight surveyed also said white sugar traded in London would gain, while two expected a decline and one person forecast little change.

Cocoa Futures drop in New York as Ivory Coast Supplies Climb

Bloomberg

By Yi Tian

Feb. 4, 2009

(Bloomberg) -- Cocoa futures fell for the third time in four sessions in New York as supplies increased from Ivory Coast, the world's biggest producer. Arrivals of beans for shipment from the Ivory Coast ports of Abidjan and San Pedro jumped 67 percent in the week ended Jan. 25 from a year earlier, an industry official said. The United Nations said cocoa-eating caterpillars in Liberia, Ivory Coast's neighbor, may be easier to control than expected.

Cocoa "has always been driven by what's going on in Ivory Coast," said James Calcagnini, the president of East Coast Options Services in New York. Cocoa futures for May delivery fell \$12, or 0.4 percent, to \$2,737 a metric ton on ICE Futures U.S. in New York. Prices are down 2.3 percent since Jan. 29.

The moth larvae that devastated crops in Liberia spin cocoons on the ground under fallen leaves, making it easier to destroy them, the UN Food and Agriculture Organization said today.

In 2008, cocoa climbed 31 percent, the most among 19 raw materials in the Reuters/Jefferies CRB Index. Global demand exceeded output for a third straight year.

Prices may rise to \$3,000 in three weeks because of a supply shortfall, Calcagnini said.

Output in Ivory Coast may total 1.1 million metric tons, or 20 percent less than last year, Ali Lakiss, a director at cocoa exporter Saf-Cacao, said on Jan. 29. The start of harvesting in October was delayed because of bad weather and prolonged rainfall.

Indonesian cocoa prices hit new high

Reuters, 2009

06 February 2009

JAKARTA (February 06 2009): cocoa bean prices in Indonesia's main producing island of Sulawesi hit a record 27,750 rupiah (\$2.40) per kg on Thursday, as a drop in the local currency offset weakness in New York cocoa futures, traders said. The previous all-time high was 27,650 rupiah struck in July 2008.

Sulawesi bean prices tend to move in tandem with New York futures, which hit a five-month high of \$2,801 a tonne a week ago on fears over crop prospects in the Ivory Coast and Ghana, respectively the No 1 and No 2 producers in the world.

New York's benchmark May contract eased \$12 to close at \$2,727 per tonne on Wednesday. On Thursday, the rupiah fell as far as 11,950 per dollar, down almost 1.9 percent on the day, as investors bought the greenback on fears of its shortage. The rupiah has lost 7.2 percent this year. Exporters offered to sell Sulawesi beans at about a \$300 discount to New York futures. On Thursday, exporters bought beans at 27,500-28,000 rupiah per kg in Makassar, South Sulawesi, and in Palu, Central Sulawesi, the two main ports for cocoa exports on the island.

"With prices staying high like this, farmers must be encouraged to take better care of their cocoa trees," Herman Agam, chairman of the Central Sulawesi chapter of Indonesian cocoa association, Askindo, told Reuters. Sulawesi bean prices have bounced 75 percent from a low of about 16,000 rupiah in October, supported by a rally in New York futures and the weak rupiah.

Though prices have been surging, shipments have slowed due to bad weather in January, Agam said, adding that he expected bigger shipments this month if more vessels come to Makassar and Palu. About 5,400 tonnes of beans were shipped out from Palu in January, down from 9,700 tonnes a year ago, trade data showed. Export data from Makassar was not yet available.

Agam said at least 4,000 tonnes of beans are now being prepared for shipment on February 16 to the United States from Palu. A trader in Makassar said his trading firm was planning to ship 6,000 tonnes to the United States this month out of Makassar, and around 2,000-3,000 tonnes out of Palu to Malaysia and some other countries.

Indonesia, the world's third-largest cocoa producer after Ivory Coast and Ghana, is forecast to produce 480,000 tonnes of cocoa beans in 2008 against 520,000 tonnes in 2007, after the spread of a fungal disease, the Vascular-Streak Dieback (VSD), killed cocoa trees in plantations across Sulawesi.

South, Southeast, West and Central Sulawesi provinces normally account for about three-quarters of Indonesia's total output. cocoa exports from Sulawesi fell nearly 10 percent to 274,994 tonnes in 2008 from 304,353 tonnes in 2007, according to trade data.

Foods and Softs Outlook for February 6, 2009

Friday, February 06, 2009

by [*CRB Research Team of Commodity Research Bureau*](#)

Foods and Softs Outlook - **An Excerpt from CRB'S Futures Market Service**

COFFEE—March Nybot Arabica coffee prices fell to a 2-week low from their recent 3-1/2 month high. Bearish factors include (1) ICO's report that global coffee exports in Dec rose 18% y/y to 8.87 mln bags with a

+37% y/y rise in Dec Brazilian coffee exports to 3.2 mln bags, and (2) ICO's forecast for a 15% hike in global coffee production in 2008/09 to 134.2 mln bags from 116.2 mln bags in 2007/08. Bullish factors include (1) the plunge in Columbian coffee inventories to a 17-month low as Colombian coffee production in 2008 fell -9% to 11.5 mln bags, and (2) ICO's 2009-10 forecast for a 5 mln bag world coffee deficit. Large specs aided the recent coffee price gain as they more than doubled their small long position to 7,894 as of Jan 27. USDA coffee summary: 2007-08 world coffee production 117.8 mln bags (-4.7% vs 2006-07's 122.9mln); 2007-08 world ending stocks at a record low 18.3 mln bags.



COCOA—March cocoa prices are consolidating just below their recent 5-month high. Bullish factors include (1) possible infestation of a cocoa-eating caterpillar in the Ivory Coast, (2) the +1.9% rise in US cocoa bean processing in Q4 2008 y/y, and (3) ICO's upward revision of its global cocoa deficit forecast to 77,000 MT (from 41,000 MT) due to a cut in its 2007-08 global cocoa crop forecast to 3.65 mln tons. Bearish factors include (1) increased supply as arrival of beans for export at Ivory Coast ports jumped 67% in the week ended Jan 25 y/y, and (2) the slowest rise in 2008 European cocoa bean processing in 6-years. Large specs as of Jan 27 added to a moderate long position of 21,119.



SUGAR—March sugar prices surged to a 4-month high. Bullish factors include (1) the decline in sugar production in India, the world's second-largest sugar producer, by -20% y/y to 9.5 MMT in the 4 months through Jan, (2) talk that India may import 1 MMT of sugar this year after no sugar imports the last 2 yrs, and (3) ISO's forecast for a 3.6 MMT global deficit and an overall 4% cut in global sugar production in 2009. Bearish factors include (1) the fall in crude oil prices to a 4-3/4 year low, undercutting ethanol and sugar prices, and (2) a lack of trade finance for importers, weakening demand. As of Jan 27, large specs held a large long position of 127,746. USDA Sugar crop summary: 2008-09 world production 158.8 MMT (-4.7% y/y vs 166.6 MMT in 2007-08), consumption 162.1 MMT (+3.2% y/y from 157.1 MMT in 07-08), ending stocks 38.6 MMT (-9.6% y/y from 42.7 MMT in 07-08).



Processing & Manufacturing

Quality, not quantity, is what really matters

The Herald, UK

By JOHN KIMBLE

February 05, 2009

I DON'T think that reducing the size of chocolate bars is really going to help people eat less unhealthy food. The problem is not just the size of the bar, it's the content. Chocolate is made up, basically, of cocoa, cocoa butter and a wee bit of sugar. If you look at the kind of chocolate that people eat on the Continent, it usually has between 30% and 80% cocoa butter. In Britain, it's between around 16% and 24%.

That's because cocoa butter is very expensive, so manufacturers tend to fill their products with sugar and vegetable fat. The result is that you have to eat a lot more to get the same amount of chocolate. People are not accustomed to getting a decent amount of cocoa in their chocolate, they're used to getting a sugar rush. On the Continent, people can eat a much smaller amount of dark chocolate and get the same level of cocoa as they get from a normal chocolate bar here.

Over the years, we've seen the size of snacks and fizzy drinks go through the roof. A large Coke portion - the kind dispensed in a drinks machine - when I was young is the size of today's small portions. They keep making things bigger and bigger to get more money out of you. But I think we should try to get people to eat high quality chocolate, not simply reduce the portions.

I John Kimble co-founded Kimble's Chocolates with his wife in 2002. The business operates a shop and cafe in St Enoch shopping centre in Glasgow, selling mostly Belgian luxury chocolates.

Costs overshadow turnover rise for German confectionery in 2008

By Lindsey Partos, 04-Feb-2009

ConfectioneryNews

Germany's confectionery trade saw a boost in turnover in 2008 across all product segments, but higher raw material and energy costs ate into potential gains. "Whereas prices increased by about 6.8 per cent on the purchasing side, the price increases on the sales side were only 5.8 per cent," said the organisers of the major confectionery and biscuit show ISM that kicked-off in Cologne this week.

Citing figures released by the Federation of German Retailers, the Association of German Grocery Wholesalers, and the Central Association of German Cooperation Groups, ISM stated that as a percentage of total food turnover, the confectionery business shrank slightly from 9 to 8 per cent.

Despite this contraction, there was actually a 4 per cent increase in turnover across all confectionery areas, which includes sugar confectionery and snack items.

Price pressure

A two-pronged impact, last year was characterised by significant price increases through higher raw materials and energy costs, and the parallel need to pass on these higher prices to customers, even when "not entirely possible because of the widely acknowledged intense competition," said the ISM organisers.

Looking forward to 2009 and the issue of price, ISM suggested that industry players "will have to prepare themselves well for the coming years, because the turnover is relativised by increased raw materials and purchasing prices."

Retail trade

Newspaper and web pages are devoting inches to speculation about how consumers, particularly in western Europe and the US, will alter their spending patterns as their budgets start to tighten. For ISM, 2009 "need not necessarily end in a downward spiral" for the industry.

It points out that over the past ten years, turnover in the retail trade has mostly fluctuated in a narrow range of plus or minus 2 per cent around the base line. "The trade has thus decoupled itself from the development of the overall economy in good times as well as bad," it said.

Positive market impact

Taking the point further, the organiser claims that certain observers believe the current situation could even result in an added positive effect for the confectionery business.

"According to these optimistic views, a difficult economic environment could generally have a positive effect on the confectionery business," writes ISM, suggesting, as many other industry participants and observers have done recently, that the depressing mood could lead the consumer to forage for a small chocolate or ice cream luxury by way of a reward.

Biscuits and chocolate turnover grow by over 5 per cent, suggesting satisfactory growth in turnover across the sector. Biscuits rose 6 per cent, sugar confectionery saw a rise of 3.3 per cent, chocolate grew by 5.4 per cent and snack items saw a climb of 5.6 per cent.

In terms of the retail trade, large supermarkets and the discount stores in Germany enjoyed better-than-average growth in the confectionery segment. Smaller companies in the food sector and companies that offer confectionery as a peripheral product were not, according to ISM, about to keep pace with this growth.

Innovation short in 2008

In terms of innovation, 2008 "made no particular mark", said the ISM organiser. Trends like the wellness boom of recent years and functional confectionery have held their own and are now practically part of the standard product range, they continue.

This shift is having a corresponding effect on growth rates, and "there was no recurrence" of the soaring growth seen in recent years.

Chocolate bars to be downsized.

Evening Standard (London UK), (ACPM), 05 February 2009, p. 13, ISSN: 0958-5907.

DANNY BRIERLEY.

THE Government is set to order manufacturers to shrink the size of chocolate bars and fizzy drinks. Health Secretary Alan Johnson will tell firms such as Mars, Coca-Cola, Britvic and Nestlé that smaller versions of their products should be available in all garages and corner shops to help stop people piling on weight.

He will also say small packs of dried fruit, nuts and fresh fruit should be widely available at places where people buy on impulse and warn that sugar levels must be cut in all products.

The obesity drive is part of the Change4 Life campaign and could lead to tougher regulation if the warnings go unheeded. Mr Johnson will say: "People want to eat more healthily. I challenge the industry to come up with healthier snacks.

That's not just good for the nation's health, it's also good for business." The Government believes businesses can create a world leading "healthy market".

Business and Economy

Cocoa Stays in Deficit but Downturn Hits Demand - Analysts

Source: Reuters

02/02/2009

New York, Feb 2 - The world cocoa market will remain in deficit but lower-than-expected demand due to the weak global economy and bigger crops will push prices below recent levels by year-end, a Reuters poll of analysts showed on Friday. "I believe that cocoa demand is being hurt far greater than current market expectations and as such, global ending stocks will be larger than current expectations," said Shawn Hackett, president of Hackett Financial Advisors in Florida.

On Friday at 1220 GMT, ICE Futures U.S. March cocoa futures prices were down \$35 at \$2,766 per tonne. Liffe May was 22 pounds lower at 1,980 pounds per tonne. According to a median of 13 analysts polled by Reuters, the spot ICE cocoa contract futures will fall 17.5 percent year-on-year to \$2,200 per tonne by the end of 2009.

Cocoa futures trading on the London market, where sterling weakness has been a key factor, was seen climbing against the end-2008 price, but the median forecast was slightly below current prices that reached 24-year highs this week.

The London second-position cocoa was forecast to rise 7.7 percent to 1,900 pounds per tonne by end-2009 year-on-year.

Tight supplies in top grower Ivory Coast helped make cocoa a leading commodity performer last year. London prices ended 2008 up 66 percent on 2007 and ICE up 31 percent year-on-year.

U.S. cocoa grindings, typically a measure of demand for the key chocolate ingredient, rose in last year's fourth quarter nearly 2 percent from a year earlier, while they edged up 0.1 percent year-on-year in Europe.

Hackett said there has been too much emphasis on the slow Ivorian cocoa arrivals and the upcoming midcrop would be huge. "Given that larger supplies are on the way against the backdrop of waning demand spells a correction from the current surge in prices," he said, although he cautioned that unforeseen weather could change this.

The expectation that the U.S. dollar will trend higher in 2009 will also play a role in price pressure, said Luis Rangel of Rockford Brownstone Rangel in New Jersey. "While the cocoa market has been able to overcome the rising dollar during the current period of shortage at origin, I expect that the strong dollar will pressure the market once the selling of the 2009/2010 (crop) gets under way," Rangel said.

SUPPLY DEFICIT FOR 2008/2009

The median cocoa supply/demand balance was a 65,000 tonne deficit in 2008/09. This compares with the International Cocoa Organization's (ICCO) most recent estimate in December of a 77,000 tonne deficit in 2007/08.

The ICCO said earlier this month a global deficit in 2008/09 was probable as West African crops got off to a late start.

But analysts pointed to potentially better harvests to come. "I think global use will drop more than people are currently anticipating due to the higher prices. I also think the market focus will shift away from the lower arrivals for the main crop and better midcrop," said Judith Ganes-Chase, president of J Ganes Consulting in New York.

The median forecast by analysts for the total crop of top cocoa grower Ivory Coast in 2008/09 was 1.2 million tonnes. The upcoming 2009/2010 midcrop was pegged at 308,000, compared with the median estimate for the 2008/09 midcrop at 280,000 tonnes.

Cocoa arrivals at Ivorian ports may be down by around 15 percent year-on-year by the time the main crop ends in March, due to crop disease and administrative disorder, pod counters and exporters said earlier this week. "Essentially, the lower year-end prices are a reflection of the next crop and not the current crop," Rangel said.

Median estimates pegged the total Ivory Coast 2009/10 crop at 1.31 million tonnes. The second-biggest cocoa grower Ghana was projected to produce 700,000 tonnes in 2008/09 and 727,500 tonnes the following crop year. Some analysts pointed to ageing trees in West Africa and No. 3 producer Indonesia, the threat of plant disease and decline of husbandry as factors that will stop output from trending higher. "Rubber might also be taking over some cocoa acreage," one cocoa trader said.

Cocoa farmers want fair buying price for beans

Mindanao Times, Philippines

By Joel B. Escovilla

05 February 2009

While a leading chocolate manufacturer in Springfield, Missouri in the United States has unveiled Davao 77% Dark Chocolate brand last January 30, cocoa farmers are dejected over the marked-down price of beans set by the middlemen here.

Cocoa farmers have made good on their commitment to supply US importers with seven tons for the initial shipment in November last year, but the buyers were the ones who reaped profits from the P141 per kilo of dry

beans purchased by Askinosie-USA, said Dagohoy P. Magaway, community organizer of the Mindanao Farmers Development Center, one of the pioneering members of the Success Alliance.

Success Alliance is a loose organization comprising the Department of Agriculture, Department of Agrarian Reform, Mindanao Farmworkers Development Center (MFDC), Kinaiyahan Foundation, and cocoa farmers in barangays Sirib and Subasta, and five farmers groups in Davao del Sur. He said the prices of dry cocoa beans in Davao City is a measly P91 per kilo and one buyer even bought beans for P25 per kilo, which was then shipped to Missouri for the Davao Dark Chocolate brand. "Sure, it was wet beans when purchased but the ra-tio is three kilos of wet beans to one kilo of dry (beans)," he said. "At least the capitalist could have bought the beans at P100 per kilo."

As of 2006, the area planted to cocoa in Davao City was 394,128 hectares but Magaway said the data needed to be updated since a lot of farmers in the outlying barangays have already shifted to banana and pineapple. On Tuesday, the city council passed a resolution commending Askinosie Chocolate for the release of the Davao 77% Dark Chocolate as its newest premium chocolate line in the United States. For the first time in 25 years cocoa beans from Malagos and Calinan were exported to the US through the Success Alliance, Mars Cocoa Development Center, and the City Agriculturist Office.

The author of the resolution, Councilor Peter T. Laviña, committee chair of commerce and trade, said the Davao chocolate was described as "dark and deep with a touch of toastiness. It's dry like a full-bodied, well-aged red wine." "This successful effort creates new opportunities for Davao cocoa farmers, breaks new export market in the US, and carves a new name for Davao as a premium brand of exotic chocolate," the official said. A single Davao Chocolate bar sells for \$7.50 while a five-pack bar fetches for \$34.95.

On April 2, 2008, Mars, Inc., maker of chocolate brands M&M and Snickers, launched the Mars Cocoa Development Center (MCDC) inside the Malagos Garden Resort to serve as the model farm for sustainable cocoa cultivation. The center sits on the 24-hectare cocoa plantation at the resort owned by the Puentespina family, more known for their exported orchids and flowers, and will serve as a standard of excellence to sustain cocoa production in the Philippines. The center has trained about 3,000 farmers on modern and correct ways to cultivate cocoa.

According to Howard Y. Shapiro, global director of Plant Science and External Research of Mars Inc., the center will implement local and international best practices in all aspects of cocoa farming such as germplasm evaluation, breeding, farm rehabilitation methods, integrated pest management, post-harvest practices, and good agricultural practices. "Mars is committed to long-term solutions to enhance the lives of the people and communities where cocoa is farmed, and we expect these collaborations to positively benefit thousands of Filipino farmers and their families," he said.

But Magaway said that without a marketing strategy, the cocoa farmers will remain at the mercy of the middlemen and capitalists. "We are asking the government to look deeper into the issue if indeed the farmers have directly benefited from the export," he said, adding that Mars has not really put up a buying station here that would have made things easier for everybody. He said the cocoa farmers are now consolidating their ranks to fight back against the middlemen as they look for highest bidder to directly negotiate with the US importers. "I'm very frustrated because I felt we were used by the capitalists but we are coordinating with the cocoa farmers and we will look for other traders to get a higher price," said Magaway.(with Yas D. Ocampo)

Food to Rise on Lack of Credit, Nestle's Brabeck Says (Update1)

By Andreas Scholz and Thomas Mulier

Feb. 2 (Bloomberg) -- Food prices may rise because a lack of credit for farmers curbed their ability to buy seeds and fertilizers and may limit production, Nestle SA Chairman [Peter Brabeck-Letmathe](#) said.

Cocoa, used to make chocolate, reached its highest since at least 1989 in London on Jan. 29. Robusta coffee has advanced 8 percent this year, while the arabica variety is about 5 percent higher. Wheat, corn, rice and soybeans on the Chicago Board of Trade have all declined.

"Many farmers over the world didn't have access in October, November, December for credits," the chairman of the world's biggest food company said in an interview at the World Economic Forum in Davos, Switzerland, on Jan. 31. "They were limited in acquiring seed and acquiring fertilizer."

Prices of wheat, rice and corn rose to records last year, sparking riots from Haiti to Ivory Coast. World food production may drop in the next crop year as falling prices and the recession prompt farmers to lower investment and cut plantings, the United Nations said this month.

The UN's food-price index fell for a sixth consecutive month in December to 148 points, from a peak of 219 in June.

Demand for cereals to use as animal feed is rising about 5.4 percent a year, while demand for cereals for people is increasing 1.3 percent to 1.5 percent, according to Brabeck.

"It is probable that in 2009 we have a decline in production and we will have an increase in demand," the chairman said. "This will have another push on raw materials."

Nestle, based in Vevey, Switzerland, makes products from Haagen-Dazs ice cream to KitKat chocolate bars.

Corn Prices

Corn for March delivery is trading at \$3.72 a bushel in Chicago, while grain for supply a year later is at \$4.35. The wheat contract closest to delivery is at \$5.64 a bushel, rising to \$6.50 a bushel for the March 2010 contract.

The London-based International Grains Council on Jan. 29 raised its forecasts for wheat and corn production this year. Fortis a day later raised its estimate for how much cocoa supply fell short of demand in the 2007-08 season, increased its forecast for the surplus in supplies of robusta and narrowed its outlook for the oversupply in arabica.

Labour Issues

2.4 million Ghanaian children in worst forms of child labour

Ghanaian Chronicle, Ghana

From Zambaga Rufai Saminu, Daboase

February 03, 2009

THE elimination of child labour in cocoa growing communities worldwide has been a challenge to governments, and a source of worry to civil society organisations, including non-governmental organisations (NGOs) and human rights activists.

In Ghana, the situation is not different, with the latest figures and statistics indicating that 2.4 million Ghanaian children were engaged in worst forms of child labour. As a result of this statistics, the government of Ghana came out with a five-year programme, which began in 2006, to drastically deal with the problem.

The team leader of the Support for Community Mobilization Project (SCMPP), one of the NGOs working in the Western Region to support the government eliminate child labour in the country, Mr. Gyapah Buah, who disclosed this at Daboase recently, attributed the situation to ignorance of the law.

For the stakeholder institutions to address these, he said, some activities have been going on in the affected areas through engagements, dialogue, and sensitisation. Through this, he said, the communities were able to develop their own action plans, to be implemented by the leaders, to ensure that the issue of child labour was seriously tackled. According to him, Nine Implementing Partners (IPs) had been selected in some of the cocoa growing districts in the Western Region, to work effectively to educate cocoa growing communities on the dangers of child labour.

These IPs include the Hope for Humanity and Save Life Foundation in New Edubiase, Community Development Consult Network (Codesult) in Asankragwa, Support for Community Mobilisation Project/Programme (SCMPP), as well as Help Advance Community Opportunity Goals (HACOG) in Daboase.

Others include the RECA in Wassa Akropong, Oasis of Love Foundation in Assin Fosu, as well as PROMAG in Sefwi Wiaso. All these organisations, according to Mr. Buah, were helping with their various contributions to kick out the worst forms of child labour in six districts, identified in the Western and Central regions.

Buah told hundreds of students and stakeholders, who thronged the exhibition grounds this year that one of the responsibilities of the partners involved, was to sensitise district stakeholders to understand the consequences of child labour. He said their work was to also commit the communities to understanding the consequences of child labour in the cocoa growing areas, with special reference to cocoa farmers, who were willing to abide by their advice, to take measures to address the problem of child labour.

Environmental Issues

Cocoa Pest may be Easier-Than-Expected to control, FAO Says

Bloomberg

By Rudy Ruitenberg

Feb. 4, 2009

(Bloomberg) -- Cocoa-eating caterpillars in Liberia may be easier to control than previously thought because they don't burrow into the ground to cocoon, the United Nations said.

The moth larvae that devastated crops in the West African country spin their cocoons on the ground under fallen leaves, making it easier to curb them, the UN Food and Agriculture Organization said on its Web site today. "Team members returning from the field reported villagers destroying cocoons by stamping on them or collecting and burning them," the FAO said. The team "confirmed that the caterpillars had polluted water bodies and damaged crops such as coffee, cocoa, plantain, bananas and wild flora."

The UN, which previously attributed the infestation to armyworm, yesterday identified the pest as a moth of the *Achaea* genus. Armyworms bore 4 to 5 centimeters (1.6-2 inches) into the ground to pupate, making them harder to control with pesticides.

Ivory Coast, which accounts for about 39 percent of global cocoa output, shares a border with Liberia. "The caterpillars moved to other food sources after having eaten through the leaves of the Dahoma trees where they chiefly reside," the FAO said. "Staple food crops such as maize, rice, sorghum and millet, which are scarce during this dry season, had generally not been affected."

Liberian authorities don't have measures in place for further outbreaks, the FAO said. The moth whose larvae are causing the devastation is *Achaea catocaloides rena*. The caterpillars are mainly feeding on cocoa and banana trees, FAO representative Winfred Hammond said in an interview yesterday.

The UN last week reported the caterpillars had started to cocoon, after about 100 villages in northern and central Liberia had been affected, as well as six communities in neighboring Guinea.

Caterpillars Bypass Ivorian Cocoa but Remain a Threat

Source: Reuters

06/02/2009

Abidjan, Feb 6 - A plague of moth caterpillars that has devastated vegetation and infested villages in Liberia is moving north and is unlikely to attack cocoa plantations in No. 1 grower Ivory Coast, a top researcher said on Thursday. Millions of caterpillars have eaten the leaves off trees and contaminated water courses with their faeces in Liberia, whose agriculture minister has said they threaten the food security of an estimated 350,000 people.

The creatures were first thought to be army worms, a moth caterpillar, but they were identified this week as the young of another kind of moth, the *Achaea catocaloides*, which are also known to damage cocoa and other tree crops. "We heard about the caterpillar invasion in central Liberia in mid-January, and as far as we know the caterpillars are moving towards Sierra Leone and Guinea," Tiemoko Yo, managing director of the National Centre for Agronomic Research (CNRA), told Reuters in an interview. "But as Guinea and Liberia border us, clearly that constitutes a serious risk," he said.

The region of Ivory Coast bordering central Liberia, around the towns of Man, Danane, Bolequin and Toulepleu, produces around 100,000 tonnes of cocoa and 70,000 tonnes of robusta coffee a year. Coffee is generally grown further north than cocoa, and could therefore be more at risk if the moths and their caterpillars were to switch direction from their present northwest advance and head east into Ivory Coast. "Given the

direction they are moving in, for the time being we don't think there is a large risk these caterpillars will reach the cocoa belt in Ivory Coast," Yo said.

Ivory Coast produces around 1.4 million tonnes of beans a year, representing around 40 percent of global supply.

Slow harvests since the crop year began in October have already helped push U.S. cocoa futures up by more than 40 percent since November. The contract for May delivery was down 0.66 percent at \$2,719 a tonne by 1125 GMT on Thursday.

Ivory Coast is also Africa's top rubber producer, and exported over 210,000 tonnes of rubber last year, much of it grown in the west of the country. The major oil palm and banana plantations are further to the south and east. "What we are hearing from Liberia is that these insects devour everything in their way, all vegetation, including food crops and perennial crops like cocoa, so if they arrive in the cocoa belt they could present a serious risk," Yo said. The CNRA has sent an expert mission to Liberia on a fact-finding mission to find out more about the caterpillar invasion and its effects, and to monitor any movement towards the border with Ivory Coast, Yo said.

Research & Development

Scientists Find First Traces of Chocolate in the US

Softpedia, Romania

By Tudor Vieru, Science Editor

3rd of February 2009



Researchers from the University of New Mexico (UNM) and the Hershey Center for Health and Nutrition (HCHN) reported on Tuesday, in a recent edition of the journal *Proceedings of the National Academy of Sciences*, that they've discovered the oldest known traces of chocolate in what is now the United States, and have added that the samples collected are over 1,000 years old. The evidence that proves the sweet stuff was also consumed in Northern America has been found near the city of Pueblo Bonito, in Chaco Canyon, New Mexico.

Archaeological pieces of evidence have thus far proven that chocolate was extensively used in central America before the year 1000, especially in religious rituals such as weddings. But UNM researcher Patricia L. Crown says that the investigators have been unsure regarding how much the use of the sweet had spread, and how far away from central America it had reached. The new discovery has prompted the hypothesis that the inhabitants of the Chaco Canyon area were engaged in active trade with cocoa growers from what is now Latin America, which allowed for the spreading of chocolate northwards.

The remnants that have been found in New Mexico have been dated to around 1000-1250 AD, which makes them the oldest ever to be found in the area the US is currently located on. However, the new find has also yielded some questions, such as for instance how was the stuff carried? According to scientific estimates, the nearest cocoa plantation was more than 1,000 miles away, so this probably means that chocolate was a very luxurious good at the time, and that only the wealthy had access to it, and in very low supplies.

One possible way of transporting chocolate around could have been in Mayan jars, a specific type of vessel that is believed to have been especially designed to serve this purpose. In Central America, the use of the sweet dates back to around 1,500 BC, although, in all fairness, the stuff had no resemblance to today's product, as far as taste goes. Historical records even show that Central Americans even put chili peppers in their chocolate, so it probably had a very different savor than that we're used to.

Others

Wassira counsels cocoa growers

DailyNewsOnline, United Republic of Tanzania

Dailynews Reporter

February 03, 2009

COCOA farmers were yesterday advised to form co-operative societies to enable them bargain for better prices for their crops. The societies could also help farmers set up processing factories to add value to their produce. The Minister for Agriculture, Food Security and Cooperatives, Steven Wassira, said cocoa production in the country has been growing steadily, pointing out that the crop had of late turned out to be a reliable cash crop.

He said in 2005/06 about 35 tonnes were produced, in 2006/07 production went up to 61 tonnes and the following year, it doubled to 122 tonnes. He said currently, the crop was sold to private companies – Bioland, Olam, Mohammed Enterprise and Uhai -- and that forming a cooperative society would enable the farmers sell the crop under warehouse receipt system which was more beneficial to farmers.

He said the ministry in collaboration with that of Industries, Trade and Marketing will strive to find lucrative markets within and abroad to promote the crop. He said the ministry will also look into the possibility of sending cocoa experts working with the farmers mainly in Kilombero, Morogoro for a study tour in Ghana with a view to learn more on ways to improve the crop. He said seven out of 45 agricultural experts working with farmers in Kilombero were helping the cocoa growers. The minister was answering Castor Ligallama (Kilombero – CCM) who had sought to know the government plans to support cocoa growers and send their experts to Ghana to learn more. Ghana is one of the world leading producers of cocoa.

Nkrankwanta Cocoa farmers commend Produce Buying Company

Source: GNA

Posted on: Thursday,

5, February, 2009



Cocoa farmers in and around Nkrankwanta in the Dormaa Municipality have commended the Produce Buying Company (PBC) for its continued hard work and the cordial relationship with farmers. A renowned cocoa farmer at Berekum-Akuraa near Nkrankwanta, Kwabena Kyeremeh said, the company has never relented in making good its promises to the farmers. He said recently, the company distributed beverages to farmers in all its 32 societies in the area to motivate them.

Mr. Kyeremeh said, the PBC also ensured that the farmers complied with laid down practices to produce internationally accepted cocoa beans. The

Nkrankwanta District PBC Manager, Hayford Sakyi-Bediako praised the farmers for their diligence and desire to sustain the cocoa industry. He said, there has been a tremendous increase in the company's purchase of cocoa beans within the past five weeks, recording 2,500 tonnes. Mr. Sakyi-Bediako debunked rumours that the Mills administration intends slashing down the producer price of cocoa and urged the farmers to keep faith with the company.

Agric: Nigeria Earned N50.6bn in 2008 –FG

THISDAY, Nigeria

02.06.2009

Nigeria realised over N50.6 billion (\$341.8 million) from export of agricultural produce in 2008, the News Agency of Nigeria (NAN) reports. The Federal Ministry of Commerce and Industry in the export statistics made available to NAN in Lagos said that the figure was N2.9 billion higher than the N47.7 billion realised in 2007. The report, however, said that the total volume of the nation's produce exports plummeted to 270 million tonnes in 2008 from 279 million tonnes recorded in the previous year.

According to the report, some of the produce exported during the period under review include cocoa, cocoa butter, cocoa cake, ginger, sesame seeds, cashew nuts, sheanuts, cotton lint, palm kernel cake, shea butter,

rubber, chilies, among others. A further breakdown of the statistics showed that export of some produce like cocoa beans increase from 141,084 tonnes to 159, 189 tonnes , ginger, 2,052 tonnes to 2, 712 tonnes, cotton lint, 14,054 tonnes to 20,695 tonnes and cashew kernels, 693 tonnes to 4,531 tonnes. Export of cocoa butter, cocoa cake, cocoa powder, gum Arabic, sesame seeds, cashew nut, sheanuts, palm kernel, shea butter, rubber, and hibiscus flower however, recorded, appreciable drop.

Shedding more light on the performance of the non-oil sector, the Head of Federal Produce Inspection Service (FPIS), Mr Rufus Akinrodolu, expressed concern over the drop in the volume of export of sesame seed, rubber, gum Arabic, cassava chips and palm kernel. He lamented the effect of the activities of smugglers on the export commodities, saying that apart from denying government revenue, they have also been giving the country a bad image by flooding the international market with ungraded and unclassified produce.

Ghana: Financial Crunch Will Not Affect Cadbury's Commitment - CEO

Public Agenda (Accra)

9 February 2009

Accra — Cadbury, the world's leading confectionery company, says the global credit crunch will not affect its commitment to improving Ghanaian farmers' livelihoods and the development of their communities. The company last year launched the Cadbury Cocoa Partnership, a 45-million pound sterling initiative to secure the economic, social and environmental sustainability of farmers and their communities in Ghana, India, Indonesia and the Caribbean.

In Ghana, the partnership is investing 30 million pounds sterling over the next 10 years to secure the future of cocoa farmers and their communities.

Already, the partnership is active in 100 Ghanaian communities, which have identified their main development needs, including the construction of new school buildings or forming Cocoa Youth Clubs to encourage the next generation to remain with agriculture, particularly cocoa farming.

However, there are fears that the company may cut back on its support for the project due to the financial crisis. Speaking at a press conference in Accra, Mr Todd Stitzer, Chief Executive Officer of Cadbury, told journalists that such fears were unfounded.

"We are out to provide solid support to enhance the livelihoods of farmers and we shall do all within our power to ensure that our objective is met," he said.

Mr Stitzer said he was impressed with the progress made by the partnership in its first year and expressed the hope that the company's work would help secure the lives of thousands of Ghanaian cocoa farmers. This year the partnership is focusing on improving farm income levels through best cocoa management practices and exploring carbon reduction techniques to secure more sustainable cocoa farming.

The initiative, which is being carried out in partnership with the United Nations Development Programme (UNDP) and other organisations such as CARE, Voluntary Services Organisation (VSO) and World Vision, is focusing on improving cocoa farmer incomes through increased yields and production of top quality beans, introducing new sources of rural income through microfinance and business support to kick start new rural businesses and introduce additional income streams such as growing other crops.

Other areas of support include investing in community-led development to improve life in cocoa communities, for example, supporting education through schools and libraries, supporting the environment through biodiversity projects, and building wells for clean and safe water.

Farmers, governments, NGOs and international agencies will work together to decide how the funding is spent and work with local organisations to turn plans into action.

Cadbury initially invested one million pounds in 2008 as a seed fund to establish the Partnership and annual funding levels are expected to rise to a steady rate of five million pounds over the next several years.

TIT BITS

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

US MIDDAY: cocoa and coffee ease

NEW YORK (February 03, 2009): US cocoa futures corrected lower in early trade on Monday, off last week's five-month high and on pressure from the weak sterling, while arabica coffee futures also eased as the dollar firmed, traders said. Arabica coffee for March delivery down 1.00 cent at \$1.1790 per lb by 9:05 am EST (1405 GMT).

US MIDDAY: cocoa up, coffee down

NEW YORK (February 04, 2009): US cocoa futures made modest gains in early trade Tuesday, while arabica futures were quietly lower, with volume in both markets boosted by position rolling out of the spot contract into the second, traders said. Arabica coffee for March delivery down 0.80 cent at \$1.1895 per lb by 9:11 am EST (1411 GMT).

cocoa, coffee and sugar fall in London

LONDON (February 05, 2009): cocoa eased on Wednesday with concern about possible softer demand linked to the economic downturn encouraging profit taking after last month's advance. Coffee and sugar prices also fell, weakened partly by a firmer dollar, dealers said. "There is an element of rumour about demand being weaker than people thought. It is nothing concrete but has encouraged some of the longs to take profits," one dealer said.

US MIDDAY: cocoa, coffee ease

NEW YORK (February 05, 2009): US cocoa and arabica coffee futures eased in thin dealings Wednesday, pressured by chart-based indicators and a firmer dollar, traders said. Arabica coffee for March delivery down 0.25 cent at \$1.19 per lb by 9:17 am EST (1417 GMT). Trading range from \$1.1840 to \$1.1925.

Ivorian cocoa prices extend gains

ABIDJAN (February 05, 2009): cocoa farm-gate prices in Ivory Coast's main growing regions extended gains to exceed 750 CFA francs (\$1.49) per kg last week, propelled by firm competition for supply amid ongoing concern about crop size, farmers and exporters said on Wednesday.

London sugar rises, cocoa lower

LONDON (February 06, 2009): cocoa futures on ICE rose on Thursday with the market still underpinned by concern about crop prospects in top producer Ivory Coast although a stronger pound kept London prices in check. Raw sugar futures edged higher but remained rangebound while coffee showed mixed trends with robustas buoyed by roaster buying, dealers said.

US MIDDAY: cocoa down

NEW YORK (February 06, 2009): US cocoa consolidated lower early Thursday, after last week's volatile moves, while arabica coffee futures eased on chart-based pressure and the firm dollar, traders said. Arabica coffee for March delivery down 0.45 cent at \$1.1545 per lb by 9:19 am EST (1419 GMT). Narrow trading range from \$1.1510 to \$1.1610.

Indonesian cocoa prices hit new high

JAKARTA (February 06, 2009): cocoa bean prices in Indonesia's main producing island of Sulawesi hit a record 27,750 rupiah (\$2.40) per kg on Thursday, as a drop in the local currency offset weakness in New York cocoa futures, traders said. The previous all-time high was 27,650 rupiah struck in July 2008.