

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



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Cocoa Producers' Alliance



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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)
16 th February	1815.11	2694.17	1916.33	2653.83
17 th February	1798.39	2658.69	1900.00	2615.67
18 th February	1767.11	2607.37	1863.33	2566.67
19 th February	1753.37	2591.58	1838.67	2554.33
20 th February	1675.92	2472.40	1754.67	2433.00
Average	1762.00	2605.00	1855.00	2565.00

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

Monday 16th February 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2009	1928	1947	19	1955	1927	1,935
May 2009	1904	1925	20	1929	1900	3,991
Jul 2009	1896	1917	19	1919S	1896S	527
Sep 2009	1899	1907	17	1909	1899S	52
Dec 2009	1887	1882	13	1887S	1877S	230
Mar 2010		1859	14			0
May 2010		1865	14			0
Jul 2010		1873	14			0
Sep 2010		1881	14			0
Dec 2010		1881	14			0
Average/Totals		1894				6,735

Tuesday 17th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1947	1936	-11	1947S	1901	1,893
May 2009	1925	1910	-15	1926S	1879	3,883
Jul 2009	1914	1900	-17	1916	1871	657
Sep 2009	1899	1890	-17	1899S	1860	153
Dec 2009	1878	1865	-17	1878	1870S	266
Mar 2010	1860	1839	-20	1860	1813	387
May 2010		1841	-24			0
Jul 2010		1849	-24			0
Sep 2010		1857	-24			0
Dec 2010		1857	-24			0
Average/Totals		1874				7,239

Wednesday 18th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1931	1900	-36	1937S	1869	3,183
May 2009	1905	1872	-38	1915	1842	9,645
Jul 2009	1896	1864	-36	1896S	1835	2,608
Sep 2009	1860	1854	-36	1885S	1826S	568
Dec 2009	1850	1829	-36	1872	1810	182
Mar 2010	1782	1803	-36	1820	1782	409
May 2010	1805	1805	-36	1805	1805	3
Jul 2010		1813	-36			0
Sep 2010		1821	-36			0
Dec 2010		1821	-36			0
Average/Totals		1838				16,598

Thursday 19th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1882	1873	-27	1886	1869	3,626
May 2009	1850	1848	-24	1864	1841	4,793
Jul 2009	1835	1838	-26	1853S	1833	801
Sep 2009	1825	1830	-24	1841S	1825S	564
Dec 2009	1803	1809	-20	1816	1800	455
Mar 2010	1795	1783	-20	1798S	1778	349
May 2010	1805	1785	-20	1805	1795	97
Jul 2010		1793	-20			0
Sep 2010		1801	-20			0
Dec 2010		1801	-20			0
Average/Totals		1816				10,685

Friday 20th February 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	1855	1786	-87	1858	1784	4,052
May 2009	1824	1762	-86	1834	1760	9,561
Jul 2009	1820	1757	-81	1826S	1757S	3,315
Sep 2009	1820	1745	-85	1820	1742S	981
Dec 2009	1800	1716	-93	1800	1722	354
Mar 2010	1775	1695	-88	1775	1700	562
May 2010	1780	1695	-90	1780	1700	65
Jul 2010		1703	-90			0
Sep 2010	1740	1711	-90	1740	1740	50
Dec 2010		1711	-90			0
Average/Totals		1728	-88			18940

Average for the week	1728				12039
					60,197

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

Monday 16th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2666	2752	108	2778	2666	5,066
May 2009	2659	2672	23	2692	2651	11642
Jul 2009	2685	2669	21	2685	2654	1162
Sep 2009	2670	2656	15	2670	2645	371
Dec 2009	2647	2642	14	2653	2634	197
Mar 2010	2655	2632	8	2655	2632	99
May 2010		2632	10	2632	2632	6
Jul 2010		2641	10	2641	2641	2
Sep 2010	2654	2656	10	2661	2645	8
Dec 2010		2646	-20	2646	2646	2
Average/Totals		2660				18555

Tuesday 17th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2705	2693	-59	2735	2650	77
May-09	2671	2639	-33	2671	2604	4,051
Jul-09	2639	2630	-39	2660	2602	348
Sep-09	2626	2617	-39	2626	2595	78
Dec-09	2590	2603	-39	2604	2575	87
Mar-10	2579	2593	-39	2596	2566	171
May-10	0	2589	-43	0	0	0
Jul-10	0	2597	-44	0	0	0
Sep-10	2568	2610	-46	2569	2568	2
Dec-10	0	2612	-34	0	0	0
Totals		2618				4,814

Wednesday 18th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	2685	2643	-50	2685	2616	77
May 2009	2614	2571	-68	2620	2549	3834
Jul 2009	2608	2565	-65	2610	2554	348
Sep 2009	2594	2557	-60	2596	2543	78
Dec 2009	2580	2547	-56	2580	2532	87
Mar 2010	2517	2531	-62	2535	2514	171
May 2010		2529	-60	2529	2529	
Jul 2010		2537	-60	2537	2537	
Sep 2010	2549	2552	-58	2581	2544	2
Dec 2010		2557	-55	2557	2557	
Average/Totals		2559				4597

Thursday 19th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2640	2655	12	2695	2624	55
May-09	2555	2570	-1	2603	2539	4,760
Jul-09	2590	2563	-2	2600	2540	973
Sep-09	2534	2558	1	2590	2533	177
Dec-09	2530	2550	3	2567	2525	332
Mar-10	2513	2530	-1	2549	2503	170
May-10	0	2529	0	0	0	1
Jul-10	0	2538	1	0	0	0
Sep-10	0	2552	0	0	0	0
Dec-10	0	2567	10	0	0	0
Totals		2561				6,468

Friday 20th February 2009

Month	Open	Price	Change	High	Low	Volume
Mar-09	2618	2528	-127	2620	2510	156
May-09	2557	2430	-140	2557	2419	8,934
Jul-09	2530	2428	-135	2531	2420	1,619
Sep-09	2525	2419	-139	2525	2418	540
Dec-09	2520	2410	-140	2520	2421	295
Mar-10	2499	2395	-135	2500	2403	99
May-10	2424	2397	-132	2425	2424	9
Jul-10	0	2412	-126	0	0	1
Sep-10	2465	2410	-142	2465	2465	7
Dec-10	0	2404	-163	0	0	0
Totals		2423				11,660

Spot Prices (US \$ per tonne)

	16 th February	17 th February	18 th February	19 th February	20 th February
Main Crop Ghana, Grade 1	3267	3156	3088	3087	2947
Main Crop Ivory Coast, Grade 1	3117	3001	2933	2932	2792
Main Crop Nigerian, 1	3092	2979	2911	2910	2770
Superior Arriba	3064	2957	2889	2888	2748
Sanchez f.a.q	3079	2959	2891	2890	2750
Malaysian 110	2770	2639	2571	2570	2430
Sulawesi f.a.q	2910	2767	2699	2698	2558
Ecuador Cocoa Liquor	4146	4020	3916	3915	3702
Pure Prime Press African Type Cocoa Butter	7247	6897	6719	6716	6350
10/12% Natural Cocoa Press Cake	1183	1100	1071	1071	1013

Source: Cocoa Merchant Association

News

Health and Nutrition

Love that chocolate

Canada.com, Canada

By The Vancouver Sun/July

16 Feb 2009

Years after studies began to show the healthful benefits of chocolate, are you still waiting for someone to say, Ha, ha, fooled you! Don't worry -- chocolate's as good as it tastes.



Years after studies began to show the healthful benefits of chocolate, I'm still waiting for someone to say, Ha, ha, fooled you! Or something like that.

I mean, how could decadence be good for us!

Just days before one of the biggest chocolate consumption days of the year, it's a question I've pondered and I'm finally getting to a shameless, remorseless, guiltless place with chocolate. It's quite the opposite, really, so long as I don't gorge every morsel of what's inside that heart-shaped box on Valentines Day.

On second thought, scratch that. The world's oldest centenarians, Jeanne Calment (France, 1875 to 1997) and Sarah Knauss (U.S.A., 1880 to 1999) were chocoholics. Calment ate two pounds a week until her doctor ordered her off sweets when she was 119. Knauss loved nibbling on Turtles chocolates as well as cashews and potato chips. I'll bet she could have lived past 122 if she cut back on those potato chips!

Chocolate starts as a plant. The cacao bean is endowed with some 400 compounds, most of which are yet unexplored, but some have been isolated and shown to be very good citizens of a healthy body. Exactly how much chocolate we must eat for health benefits is still unclear and longitudinal studies are yet to come, but here's what several studies have shown.

The key players are flavonoids [which can also be found in red wine, some teas, fruits and vegetables], notable for the somewhat bitter taste. Flavonoids are friendly compounds and act as antioxidants, preventing cell damage and inflammation. Studies have shown increased blood flow, less platelet stickiness and clotting as well as increased good cholesterol and lowered plaque formation in the blood stream thanks to flavonoids.

In the plants themselves, flavonoids are the repair guys, fixing damaged cells and shielding them from environmental toxins and damage; when we consume such plants, we reap similar benefits.

The American Diabetic Association is all in favour of chocolate with a proviso: Remember that chocolate still has calories and saturated fats and aren't quite replacements for fruits and vegetables.

For health benefits, go for the darkest chocolates -- the more bitter, the more flavonoids. Chocolate processing removes the pungent bitter flavonoid taste and the more it is processed, through fermentation, alkalizing and roasting, the more the loss.

Victoria Pawlowski, Capers Community Markets regional nutritionist, gives chocolate her professional blessing. "I'd say eat chocolate like we drink red wine [in moderation]. What we know is antioxidants seem to have synergistic effects and combining different ones is better than each one alone. Different antioxidants work on different cell structures and it's best to get a wide spectrum. I'd recommend about 100 calories of chocolate a day. A glass of wine and one bon bon -- that's your treat."

Antioxidants, she says, helps counter the ravages of aging and disease. "It helps us keep healthy against a bombardment of pollution, stress, bad diet, smoking -- which play a number on our cells."

A U.S. Department of Agriculture study showed cocoa powders have the highest flavonoid content, followed by baking chocolate and dark eating chocolates. Milk chocolate contained the fewest with about 10 per cent of that found in cocoa powder. Milk also interferes with the absorption of antioxidants in chocolate, negating the full benefits.

The fat in chocolate (cocoa butter) consists of equal parts oleic, stearic and palmitic acids. The first is heart-healthy, the second is a saturated fat, but cholesterol-neutral, the third is linked to increases in LDL (bad) cholesterol. The unhealthy aspect of chocolate is the palmitic acid and sugars added to make it edible.

Some have complained that chocolate causes acne, but 24 German women showed the opposite. In a study, they were given a half cup of flavonoid-enriched cocoa daily for three months and they had moister, smoother, less scaly skin. It has been said that eating chocolate replicates the feeling of being in love, which one could argue is a healthy state of being.

The scientist would say it's not love, silly, it's PEA -- phenylethylamine, a compound that stimulates the nervous system and revs you up. But then again, salami contains PEA, too, and it's certainly not something I want for Valentines.

In chocolate, there are other substances that alter moods and translate into pleasure. Anandamide mimics the effects of marijuana, which probably gives you the munchies and consequently, the need for more chocolate. Another chemical, NPY, creates a sense of well-being, as does tryptophan, releasing serotonin and endorphins for a warm-glow euphoria. And then, there's caffeine doing its thing, too. Is it any wonder chocolate's so irresistible?

Pawlowski says a little chocolate goes a long way when eating mindfully. "Eat it slowly and really enjoy it. Research shows slowing down and taking the time to enjoy food nourishes us in a deeper way and we don't need to eat as much when we pay attention. "In our old way of thinking, we thought healthy foods weren't good. It's been shocking to learn chocolate's good for us. We're coming around to understanding that that food which is luscious, can also good for us."

Production & Quality

Ivory Coast Cocoa Deliveries to Ports Increase 46% (Update1)

By Pauline Bax

Feb. 16, 2009

(Bloomberg) -- Cocoa deliveries to Ivory Coast ports for shipment abroad rose 46 percent in the week ended Feb. 8, according to an industry official with access to the information. Arrivals at the ports of Abidjan and San Pedro from farms in the west African country, a measure of production in the world's biggest cocoa-growing country, totaled 32,131 metric tons in the period, compared with an estimated 22,000 tons a year earlier. Arrivals since the start of the season on Oct. 1 were 748,547 metric tons, the official said.

The official based the figures on data provided by the state-run Bourse du Cafe et du Cacao. The official declined to be named because the data are confidential. The following is a table of the amount of cocoa beans, in metric tons, as registered by exporters and exporting cooperatives in the week from February 2 to February 8.

ADM Cocoa Sifca (ADM Cocoa, US)		Coprad	362
2,956'		CPCM	80
Caud	89	CPCPA	24
Cemoi	2,128	Dafci	396
Cipexi (Amtrada, the Netherlands)	2,712	Ecookim	1,077
Coex Cote da'Ivoire	679	GAD Continental	32
Coopaii	182	Outspan Ivoire (Olam, Singapore)	2,844
Coopase	329	Novel CI	289
Coopradi	2,047	Saco (Barry Callebaut)	n/a

Saf Cacao	n/a	TNCI	6,187
Siaco	138	Uirecgo	292
Socatene	191	Unicao (ADM Cocoa, US)	1,099
Tropicao	676	Zamacom	1,180

40,000 Hectares to be planted with Cocoa By 2020

Bernama, Malaysia -
February 18, 2009

KOTA KINABALU, Feb 18 (Bernama) -- Some 40,000 hectares will be planted with cocoa by 2020 to offset the shrink in cocoa-cultivated areas over the last three years. Plantation Industries and Commodities Minister Datuk Peter Chin Fah Kui said 25,431 hectares were planted with cocoa by smallholders in 2006 and 5,895 hectares of the commodity were cultivated in estates.

In 2007, the hectareage dropped to 23,991 hectares by smallholders and 4,163 hectares in estates. "Last year, the land area planted with cocoa shranked to 16,976 hectares by smallholders and 3,000 hectares by estates," he told reporters after opening a conference for smallholders, estate proprietors and cocoa entrepreneurs.

Bumper harvest and farmers worry over disease attack were the main contributory factors for the slide in cocoa-cultivated areas, Chin said. Chin said his ministry, through the Malaysian Cocoa Board, would step up promotions for cocoa this year, including encouraging consumption of cocoa-derived products among the people. "To reflect the seriousness of the third most important commodity continues to contribute to national economic growth, RM83.5 million has been allocated under the Ninth Malaysia Plan," he said. The money will be utilised to increase cocoa-planted areas under four programmes, he added.

Ivory Coast Cocoa Output Risks Long-Term Decline

FLEXNEWS, France - 18 Feb 2009
Source: Reuters

Abidjan, Feb 18 - Unless Ivory Coast implements reforms to discourage its farmers from turning to more lucrative crops, its cocoa output will fall sharply in the coming years. Many farmers in top grower Ivory Coast are turning to rubber and oil palm due to high cocoa taxes and lack of support, which analysts say will keep cocoa prices high in the short term but could be crippling for the sector here in the long term.

Cocoa has out-performed other commodities so far during the financial crisis, with futures prices soaring. Boosted by sterling's weakness, cocoa traded in London broke through the 2,000 pound mark for the first time in 24 years in January. London May cocoa was down 5 pounds at 1,905 pounds a tonne by 0944 GMT on Wednesday. New York was \$34 lower at \$2,605/tonne, but both markets are up on the year to date.

Prices have risen in part because Ivory Coast, which usually grows 1.3 million tonnes -- about 40 percent of global output -- is enduring a torrid 2008/09 season thus far, with arrivals since the season opened in October down 20 percent year on year.

Analysts say that could be the start of a downwards trend. "It is still extremely difficult to be sure of the balance. We still need one or two years before we can be sure we have a structural decline (in Ivory Coast)," said Francois Ruf of the Paris-based CIRAD agricultural research centre.

"(But) if the policies don't change, it would not be surprising if Ivory Coast's production drops to 600,000 (tonnes per year)," he said, adding taxation must be lowered and farmers needed more technological and financial help.

Ivory Coast has maintained cocoa production levels despite a six-year crisis that was sparked by a 2002-2003 war, which left rebels running the northern half of the country.

DRAWN TO RUBBER AND OILS

But cocoa administrators now say there is a problem. "For some time now, we have noticed diminishing levels of interest (in cocoa) as people turn to rubber and palms," Marie-Louise Acquah, vice president of Ivory Coast's cocoa management board, said at an International Cocoa Organisation (ICCO) meeting in Ivory Coast last week.

"If the cocoa producer is not benefiting from their work, they will move towards other products, as is the case for us. This is a danger for us as our economy depends on this production," Acquah said.

A 2008 report by Agrisystems Consortium, a consultancy service, confirmed the shifting balance away from cocoa, highlighting a surge in rubber cultivation.

Fears of a poor harvest have driven Ivorian farmgate prices above the 700 CFA francs (\$1.36) per kg guideline price that was seen as ambitious when it was set at the start of the season. But the Coffee and Cocoa Bourse (BCC) said prices have averaged closer to 400 francs per kg over the last five years.

Donors such as the World Bank have called on Ivory Coast to reduce its high level of taxes as the burden is passed on to farmers, leaving them with the world's lowest farmgate prices.

As well as low prices, Ivorian farmers also have lower than average yields. Many say they earn more from rubber, which can be harvested nearly all year round and costs less to grow.

The situation contrasts with neighbouring Ghana, the next biggest cocoa producer, which hopes to raise annual production to 1 million tonnes by 2011 from around 700,000 tonnes now, mainly by raising yields through better husbandry.

Despite a disappointing mid crop which prompted the early closure of the 2007/08 season, annual purchases still topped 680,000 tonnes, above the 670,000 five-year average and not far off a record of more than 740,000 in 2005/06.

And that is in spite of a shortage of suitable land. "We have a big problem in the lack of land, but with research, we are hoping to boost productivity," said Manu Amoah, Deputy Executive Director of Ghana's Cocoa Research Institute.

Ghana has partially liberalised its marketing system, but maintains state control over the farm gate price and sales to end-users, allowing it to offer more support for increased use of fertiliser and pesticides and helping to maintain the quality premium long enjoyed by Ghanaian cocoa over Ivorian beans.

Ivory Coast has long talked of reforming its cocoa sector. Allegations that administrators embezzled cocoa taxes led to a series of arrests last year and stoked hopes for broader reforms, but so far the World Bank's efforts to link reforms to aid have failed to bring about change.

Ruf said concrete change was unlikely while talk of cocoa shortages kept world and farmgate prices relatively high. "There will only be reform as a last resort, when there is nothing left in the coffers," he said.

The Market

SW Nigeria Graded Cocoa Price NGN380,000-400,000/Ton – Buyers

MarketWatch (press release)

By Obafemi Oredein, contributing to Dow Jones Newswires

Feb. 16, 2009

IBADAN, Nigeria, Feb 16, 2009 (Dow Jones Commodities News via Comtex) -- The price of graded cocoa in southwestern Nigeria has risen to 380,000-400,000 naira (\$2,585-\$2,721) a metric ton from NGN370,000/ton last week, buyers said Monday. "We opened the cocoa market today (Monday) with cocoa at the highest price in Nigeria. Cocoa has never sold at the current price," a buyer in Akure, capital of Ondo state, told Dow Jones Newswires.

He attributed the rise in prices to the depreciation of the naira against the U.S. dollar. The currency has lost more than 20% of its value in the past two months, he said. "Cocoa prices will continue to go up as long as the value of the naira continues to fall. The current prices are unprecedented," he said.

The manager of the Co-operative Produce Marketing Union in Ibadan, capital of Oyo state, said NGN410,000 was being paid by exporters for cocoa delivered to Lagos by local buying agents. LBAs buy graded cocoa from farmers for exporters. Graded cocoa has been inspected and certified fit for export. The southwest cocoa belt accounts for 70% of Nigeria's annual cocoa production of 242,000 tons.

SOFTS-Cocoa slides on investor sales, sugar, coffee fall

By David Brough

LONDON, Feb 18 (Reuters) - Cocoa futures tumbled on investor liquidation on Wednesday and sugar and coffee fell under pressure from a stronger dollar and on worries over the outlook for demand due to grim global economic prospects. Cocoa futures fell hard as traders felt that the outlook for consumption was discouraging due to the economic downturn and that recent bean arrivals data from top producer Ivory Coast had improved after a slow start.

ICE May cocoa futures were down \$64 at \$2,575 per tonne, while London May cocoa was down 30 pounds or 1.6 percent to 1,880 pounds per tonne in brisk volume of 8,168 lots at 1534 GMT.

"People are unsure about supply and demand," one London cocoa dealer said. "There was spec liquidation (selling) to 1,842 pounds a tonne (benchmark session low)."

The trader added that the stronger dollar had put ICE U.S. cocoa futures under downward pressure, dragging the London market down with it.

The euro hit 2-1/2 month lows versus the dollar on Wednesday on banking system and economic concerns.

Unless Ivory Coast implements reforms to discourage its farmers from turning to more lucrative crops, its cocoa output will fall sharply in the coming years.

Nigeria's cocoa exports dropped by a quarter to 25,321 tonnes in December 2008 compared with the same period of the previous year, data from the Federal Produce Inspection Service (FPIS) showed on Wednesday.

Cocoa farmgate prices in Ivory Coast's growing regions were mixed last week, with prices in the top grower still above guideline prices but falling in places due to easing supply concerns, exporters and farmers said.

STRONG DOLLAR WEIGHS ON SUGAR

The stronger dollar weighed on the sugar market, too, but dealers appeared to ignore news of Indian buying of Brazilian raw sugar, saying that talk of Indian import demand was a well-established market feature now. However, traders are still trying to figure out how much sugar India will need now that the world's biggest consuming country has swung from net exporter to importer. India is estimated to have bought 200,000 tonnes of raw sugar from Brazil after the south Asian nation eased import rules following a production drop, regional dealers said on Wednesday.

India's MMTC Ltd has scrapped a tender to import 35,000 tonnes of raw sugar because the bids were too high, a government source told reporters on Wednesday.

Sugar dealers saw near-term downside price risk after the strong rises earlier this year. "The market is in the short term having a bit of a correction, and some of that is coming from outside influences," said James Kirkup, senior sugar broker with Fortis (other-otc: FORSY.PK - news - people) Commodity Derivatives, referring to the stronger dollar. "The futures market needs to re-connect with the physical market."

UK broker Sucden said in a daily sugar market report, "The funds have added to their longs, so any weakness will involve liquidation, adding to the volatility." It added, "Hence New York should test lower over the short term."

ICE March raw sugar was down 0.32 cent to 12.66 cents per lb at 1536 GMT, while London May fell \$5.3 or 1.4 percent to \$385.70 per tonne in light turnover of 672 lots.

In coffee, dealings were dominated by routine rollover business, but traders said prices fell under pressure from the strength of the dollar and worries over the demand outlook across the commodities complex. "When the dollar strengthens, people will sell coffee," one London robusta futures trader said.

ICE May arabica futures were down 0.75 cent at \$1.0960 per lb at 1535 GMT, while London May robustas were down \$3 at \$1,580 per tonne in light volume of 3,625 lots.

US Dec Cocoa Import Jump Isolated From Future Demand

NEW YORK, Feb 18, 2009 (Dow Jones Commodities News via Comtex) --

By Holly Henschen Of DOW JONES NEWSWIRES

U.S. cocoa imports spiked in December as manufacturers seized buying opportunities, though demand isn't expected to pick up following the one-time event, analysts said. U.S. cocoa bean imports in December rose 201.4% from the previous month and 30% on the year to 66.93 million kilograms, the Commerce Department reported Feb. 11. Analysts said a temporary dip in cocoa prices combined with low manufacturer stock levels and a lower Far East cocoa grind played into the jump in incoming supplies. However, analysts don't expect the sharp increase in imports to continue as the confluence of factors that triggered it was temporary.

The logical correlation that incoming supply is a reaction to increased demand isn't applicable to the boost in U.S. cocoa imports, analysts said. A dip in prices opened the floodgates of manufacturer cocoa buying for import, said James Cordier, president of Liberty Trading and founder of OptionSellers.com in Tampa. Cocoa manufacturers typically buy futures at lows to take delivery of the cash commodity if they assume prices will rise, analysts said.

Cocoa futures on the ICE Futures U.S. exchange traded above the \$2,000 a metric ton level from December 2007 until late October 2008, peaking at the \$3,228 intraday high basis March on July 1. During that timeframe, chocolate manufacturers were thought to have put off restocking low inventories due to the high prices. But commodities tumbled in late 2008, ICE March cocoa futures dipped to \$1,882-\$2,209 a metric ton from late October through mid-November.

Lower manufacturer stocks may be the norm in the foreseeable future as cocoa, once thought "recession-proof," is feeling the effects of the global economic downturn, analysts said. "Stocks did run down a little bit, but part of that might be the market itself," said Peter Johnson, president at Transmar Commodity Group in Morristown, N.J. Consumer chocolate sales are thought to be declining and physical cocoa deliveries are slow with customers asking for delays in some situations, he said.

Hesitance by manufacturers to make forward purchase commitments at high cash prices may also have played into the jump in imports, he said. Higher prices in front month futures contracts encourages merchants to take physical delivery of exchange-traded cocoa rather than paying the storage charges built into a typical futures situation, where back months have a premium to front months, Johnson said.

Decreases in cocoa processing the Far East may have freed up beans from Indonesia, the world's third-leading exporter, Johnson said. The U.S. imports more Indonesian cocoa than European manufacturers do, he noted.

U.S. cocoa imports from Indonesia totaled 17.07 million kilograms in December, according to the Commerce Department.

U.S. manufacturers typically blend 30%-40% of Indonesian cocoa with cocoa originating from West Africa, Johnson said.

The temporary jump in U.S. cocoa imports will taper off in coming months as prices continue to rise and stocks may have been satisfactorily filled, Cordier said. "The demand in the States is very weak and weakening further. If that spreads to Europe, the market is headed for a nasty dip," Johnson said.

SOFTS-Cocoa crumbles 5 pct on demand worries

Forbes, NY –

By Marcy Nicholson and David Brough

20 Feb 2009

NEW YORK/LONDON, Feb 20 (Reuters) - Cocoa futures tumbled around 5 percent to five-week lows on Friday on concerns over the demand outlook as global economic worries continue, and on talk of bearish bean arrivals,

Sugar held steady despite a bullish estimate from a consultancy for the 2008/09 global deficit while U.S. arabica coffee futures fell to seven-week lows, in sympathy with other commodity and stock markets, dealers said.

The Reuters-Jefferies CRB commodities index, a global benchmark for commodities, fell more than 1 percent while global stock markets dropped on worries about worsening economies. The Dow Jones industrials and European shares slid to six-year lows.

Cocoa traders talked of a grim outlook for cocoa consumption and referred to bearish cocoa bean arrivals data from the main crop in top producer Ivory Coast. "It seems that cocoa prices have declined as concerns that economic problems will lead to a fall in the demand for the beans used to make chocolate," said Jaspal Phull, a research analyst at London's Stenham Asset Management.

While year-over-year cocoa arrivals in top grower Ivory Coast ports remain down around 20 percent, weekly figures are picking up markedly. Exporters' data pegged bean arrivals at 25,994 tonnes from Feb. 9 to Feb. 15, up from 18,201 tonnes in the same week of the 2007/2008 season. "(There are) lots of demand worries out there with the world economic meltdown continuing. Cocoa is higher relative to the others, so it can break harder too," said Jack Scoville, a vice-president with brokers Price Group in Chicago.

ICE May cocoa closed down \$140 or 5.5 percent at \$2,430 per tonne, the weakest settlement for the second position since Jan. 15.

London May cocoa settled down 86 pounds or 4.7 percent at 1,762 pounds per tonne, the lowest end since Jan. 19. "We're seeing scale-down selling from specs," one London cocoa dealer said. "It looks like London May could go down to 1,750 pounds per tonne."

In sugar, futures fell in routine rollover trades, with additional pressure felt from another wave of risk aversion that hit the commodity complex.

Dealers digested bullish data from Lausanne-based consultancy Kingsman, which raised its estimate for the 2008/09 global sugar deficit to 11.56 million tonnes from 9.66 million tonnes deficit previously, due largely to lower estimates for Indian and Chinese output.

ICE March raw sugar futures finished 0.13 cent lower at 12.71 cents a lb, while London May white sugar futures finished down \$1.50 to \$392.50 per tonne.

Coffee futures closed at seven-week lows, feeling earlier pressure from the firm U.S. dollar. The market remained in negative territory after the greenback reversed lower, however, on sympathetic pressure from outside markets and long liquidation, traders said.

ICE May arabica coffee futures eased 1.30 cent to close at \$1.1120 per lb, the lowest close for the second-position dating back to Jan. 5. London May robustas closed down \$21 to \$1,565 per tonne, the weakest settlement for the second-month since Dec. 31.

Processing & Manufacturing

Nigerian Cocoa Processors Ask for Urgent Grants on Higher Costs

Bloomberg

By Vincent Nwanma

Feb. 16, 2009

(Bloomberg) -- Nigerian cocoa processors are in urgent need of government grants to help the industry weather rising energy and transportation costs, said Abimbola Oladapo, president of the Cocoa Processors Association of Nigeria. "If the government makes the grants available to us, the question of closing down factories does not arise," he said by phone today from Lagos.

Most of Nigeria's cocoa plants have seen processing costs rise to about \$7,000 per metric ton on rising diesel and transportation costs, compared with an export price of \$5,000 a ton, Oladapo said. Nigeria, the world's fifth-largest cocoa producer, has seen export income slump as the global financial crisis curbs demand for its commodity exports, and particularly oil, which makes up more than 90 percent of exports.

Prices, meanwhile, have spiraled as the Nigerian naira lost 20 percent of its value following a central bank decision in November to allow the currency to depreciate as the slump in oil prices cut foreign revenue.

Business and Economy

Cocoa Board urged to locate buyers at Shia area to stop smuggling

Ghana News, Ghana

16 February 2009

Shai, Feb. 16, GNA- Mr. John Nana Kow-Acquah, Head of Customs Excise and Preventive Service (CEPS) post at Shia, in the Ho Municipal area has appealed to the Ghana Cocoa Board to place a produce buyer in the area to stop the rampant smuggling of cocoa beans into Togo. He said it appeared cocoa farmers were being forced to carry their dried beans across the frontier into Togo because of the unavailability of a buying centre within easy reach there.

Speaking to the Ghana News Agency (GNA) in an interview at Shia on Monday Mr. Kow-Acquah said this situation was putting a lot of strain on CEPS personnel trying to prevent the farmers from smuggling the beans. He said Togolese cocoa buying merchants were cashing in on the situation by crossing over from Togo with weighing machines to locate, buy and illegally transport the produce in bags to Togo. Mr. Kow-Acquah said the only cocoa buying depot at Kpedze serving cocoa producing areas stretching from Atikpui through Nyive, Shia, Klave and Kpedze areas did not open regularly to serve farmers. He said this situation had left the farmers with the choice between transporting their produce at a cost, looking for buyers in Ghana or the ready market offered by Togolese cocoa merchants. Mr Kow-Acquah said CEPS had lately seized weighing scales from some of the alleged Togolese cocoa beans buyers. On import business across the Shia frontier, he said the Togolese government's restriction of exports into Ghana to only two frontiers had greatly slackened commerce at the Shia, Nyive and Honuta border posts. He said one challenge facing his post was battling smugglers of imitation African wax prints. 16 Feb 09

Liberian Cocoa, Coffee Data Blurred by Smuggling, Ministry Says

Bloomberg

By Ansu Konneh

Feb. 17, 2009

(Bloomberg) -- Liberia is unsure exactly how much coffee and cocoa it produced last year because smuggling into neighboring Guinea and Sierra Leone has become an increasingly significant problem, the Ministry of Commerce said. "Receipts from coffee and cocoa exports were considerably lower on account of cross-border trade, a situation which has led to under-reporting of exports," it said in an e-mailed report today.

According to official data, cocoa production rose 55 percent to 3,285 metric tons last year, while coffee output stood at 124 tons, the ministry said. No data on coffee production was collected in previous years, although Agriculture Minister Chris Toe estimated that Liberia produced about 8,000 tons a year before the start of civil war in 1989.

Today's numbers exclude "hundreds of tons" of the crops which are illegally transported across the Liberian border, the ministry said.

Liberia, which is rebuilding its economy after a 14-year civil war, relies on the export of commodities, including rubber, gold and diamonds, for its foreign income. Official shipments of cocoa, the nation's second-largest export, have also been curbed by debts owed by the Liberia Produce Marketing Authority, vice president Joseph Boakai said Nov. 28.

While farmers are gradually returning to their overgrown plantations, abandoned during the fighting, many are now looking to Guinea and Sierra Leone to sell their crop, said Zayzay Kolubah, head of the Lofa county cocoa and coffee co-operative. "We sell cocoa and coffee to agents from the two countries for \$50 to \$75 per ton, but our local agents would prefer to bargain well below those prices," he said by phone from the region today.

Cocoa Still a Good Revenue Earner

istockAnalyst.com (press release), OR

(Source: New Straits Times)

By Jaswinder Kaur

February 18, 2009 9:51 PM

THE government has directed farmers to stop converting land planted with cocoa to other crops such as oil palm as there is money to be made from the commodity which two decades ago was an important revenue earner for farmers.

Plantation Industries and Commodities Minister Datuk Peter Chin Fah Kui wants to arrest the decline in land planted with cocoa nationwide. From 31,326ha planted with cocoa in 2006, the figure dropped to 19,976 ha last year, Chin said. "These figures are stark and worrying. Palm oil has been offering good price and farmers started cutting down on their cocoa plants. Palm oil is also more resilient to diseases compared to cocoa.

Dried cocoa beans have been trading at between RM6,000 and RM8,000 per tonne in the last two years, making it a competitive commodity. Crude palm oil is currently trading under RM2,000 per tonne.

Meanwhile, speaking to reporters after opening the Cocoa Smallholders, Estate and Entrepreneur Convention at the Le Meridien Hotel in Kota Kinabalu yesterday, Chin said cocoa can also be integrated with coconut estates and within orchards. He said the government had under the Ninth Malaysia Plan allocated RM83.5 million to increase cocoa planting through rehabilitation, human capacity building and developing entrepreneurs.

Cocoa and cashews neither rich nor sweet

Seattle Times, United States

By Kristi Heim

February 18, 2009

West African farmers, including young children, supply 70 percent of all cocoa, satisfying the world's cravings for chocolate while staying on the verge of starvation themselves. Annual incomes average \$30 to \$110 per household member, according to the International Institute of Tropical Agriculture.

In West Africa, farmers might get half of the international cocoa price, while in other countries farmers are getting up to 90 percent of that price, says Rajiv Shah, agricultural development director at the Bill & Melinda Gates Foundation. Trying to raise the margins for farmers, the foundation is giving \$23 million to the World Cocoa Foundation, a non-profit industry group of 70 companies, in a partnership to improve productivity and market access.

Some of the World Cocoa Foundation's members, including Hershey and Mars, have been criticized by the International Labor Rights Forum for failing to honor their commitment to ending child labor and ensuring transparency in cocoa supply chains. Here is the 2009 company scorecard. Hershey, Kraft Foods, and Mars, along with Archer Daniels Midland and Cargill, were among those contributing \$42 million in cash and in-kind donations to the Gates project. Starbucks was also one of the corporate sponsors. The money will go toward hiring local extension workers to train farmers and provide much needed technical and management support.

The five-year project will reach about 200,000 small cocoa farming households in Cameroon, Cote d'Ivoire, Ghana, Liberia, and Nigeria, with the goal of doubling their incomes by 2013, says Shah. While farmers in Malaysia produce 800 to 1,000 kilograms of cocoa per hectare, those in Ghana and Cote d'Ivoire produce 200 to 500 kilograms per hectare, he said. "We can double or triple that just by improving the use of best practices, appropriate fertilizers and better tending to the trees," Shah said. "That's a big output gain."

West Africa produces a third of the world's cashews, but the lack of processing facilities in Africa makes the market inefficient and denies Africans the economic benefits of jobs in the sector. With a \$25 million Gates grant to the German development organization Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the cashew project aims to help 150,000 small cashew farming households in Benin, Burkina Faso, Cote d'Ivoire, Ghana, and Mozambique increase their incomes by 50 percent over the next three years.

GTZ will lead the cashew project with assistance from the African Cashew Alliance (ACA), FairMatch Support and TechnoServe. Financial supporters include Kraft Foods and Costco Wholesale.

The roots of the problem of poverty behind sweetness are related to free trade, structural adjustment, and corporate control, says the group Global Exchange, which promotes fair trade products.

Prices are low because "major chocolate and cocoa processing companies have refused to take any steps to ensure stable and sufficient prices for cocoa producers," the group said.

Fair trade advocates may take a dim view of the program, considering that fair trade is not the aim of the corporations involved.

World Cocoa Foundation President Bill Guyton says the Gates-funded program is "looking at improving environmental, economic and social aspects of growing the crop," but that his group "does not get involved with certification of products." Still there is one thing that both sides can agree on as a benefit: cutting out the middleman.

US Dec Cocoa Import Jump Isolated From Future Demand

NEW YORK, Feb 18, 2009 (Dow Jones Commodities News via Comtex) --

By Holly Henschen Of DOW JONES NEWSWIRES

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U.S. cocoa bean imports in December rose 201.4% from the previous month and 30% on the year to 66.93 million kilograms, the Commerce Department reported Feb. 11. Analysts said a temporary dip in cocoa prices combined with low manufacturer stock levels and a lower Far East cocoa grind played into the jump in incoming supplies. However, analysts don't expect the sharp increase in imports to continue as the confluence of factors that triggered it was temporary.

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Labour Issues

Ghana: Cocobod Educates Farmers On Child Labour

AllAfrica.com, Washington - 16 Feb 2009

Accra — Officers of the Ghana Cocoa Board and the Quality Control Division have ended a one day forum for 800 cocoa farmers on the dangers of worst forms of child labour at Nkrankwanta in the Dormaa municipality. The farmers were educated on basic differences between child work and child labour and the main reasons why it was wrong for children under 18 years to be engaged in certain jobs on cocoa farms.

Mr. Benneth Quaicoo, a research officer of COCOBOD, said the board was not discouraging children from helping their parents on their cocoa farms but was only drawing attention to dangers that could befall them. "Apart from denying such children their right to education, they are also exposed to both instant and delayed effects of the hazardous experience", he said.

Mr. Quaicoo said another serious effect of the practice was the dent caused by child labour on Ghana's images in the global cocoa industry, hence the need to halt it.

Mr. Okoh Mensah, Brong-Ahafo Regional Quality Control Manager, urged the farmers not to engage in acts that would tarnish the image they had worked tirelessly to carve for themselves and the nation. "The COCOBOD represents your interests and will not impose any unpopular regulations to discourage existing and prospective farmers", Mr. Mensah said.

He appealed to both farm owners and care takers to ensure that their children accessed formal education, irrespective of distance from the nearest schools.

Mr. Mensah said best agricultural practices for modern farming were taught in schools and formal education would let them to become better farmers in terms of yield and cultural practices.

The farmers assured the board of their readiness not only to comply with the call but also to spread the message to colleagues. GNA

Environmental Issues

New caterpillar plague hits Liberia, spreads to Ivory Coast

Feb 18, 2009

MONROVIA (AFP) — Liberia has been hit by an invasion of so far unidentified caterpillars while another species, which has attacked crops in several areas, has now crossed over into neighbouring Ivory Coast.

"On Friday ... we got information that there was an invasion of caterpillars in the Margibi County area. We know that is not the same species that was found in Bong, Gbarpolu, Nimba and part of Lofa," Agriculture minister Christopher Toe told a press conference late Tuesday.

"Our task force, our crop protection people, are now on the ground addressing this particular issue," Toe said

It will take some time to identify the new species. According to experts, the new pests are white and black while the caterpillars which attacked the Bong, Gbarpolu, Nimba and Lofa regions were black and yellow.

The first wave of crop destroying caterpillars was identified earlier this month as *Achaea Catocaloides*, a very destructive pest that attacks a wide range of crops including coffee and cocoa, key cash earners.

A representative from the United Nations Food and Agriculture Organisation FAO told the press conference that he had received reports that the *Achaea Catocaloides* caterpillars had crossed into Ivory Coast. "I received this report that they indeed found the same caterpillars. They found them in the cacao and coffee farms," FAO representative Winfred Hammond said.

Experts warn that the caterpillars could do devastating damage to Ivory Coast's cocoa and coffee crops. Ivory Coast is the world's top cocoa producer and many of its plantations are in the west of the country bordering Liberia.

Toe said the areas first affected in Liberia by the caterpillars are still suffering from the after effects. "The problem that we face has implication beyond agriculture," Toe warned. "Damage for example to food crops now could lead to food insecurity in the future as well as to loss of revenue and income." He added that the community was also facing health issues as water sources were being polluted by the caterpillars' droppings and by dead caterpillars.

The local population has been warned not to drink affected water.

Over a hundred Liberian villages have so far been affected by the plague and authorities warn that hundreds of thousands of people could face hunger because the caterpillars have devoured all the crops.

Liberia has declared a state of emergency and called on the international community to help it deal with the plague, which has also spread to parts of Guinea and threatens Sierra Leone's border region with Liberia.

GLOBAL WARMING GOUCHEST THREAT - WORLD WITHOUT CHOCOLATE IN 20 YEARS

SanFranciscoSentinel.com, CA - 16 Feb 2009

It's hard to imagine the world without chocolate, but some scientists say that it's possible that chocolate could one day be in short supply. What would the world be like without this decadent, delectable and divine dessert?

Historians say the Aztecs discovered chocolate more than 3,100 years ago and it was revered to the point of worship. Cocoa beans were linked to the feathered serpent god of agriculture and creation called Quetzalcoatl. If you believe the myth, Quetzalcoatl descended from the heavens on the beam of a morning star, carrying a cocoa tree stolen from paradise.

In its early form, chocolate was consumed as a celebratory beer-like beverage described as foamy and reddish and flavored with chilli water, aromatic flowers, vanilla and wild bee honey.

It was also food fit for an army. Legend has it that French Emperor Napoleon Bonaparte carried chocolate morsels on his military campaigns in the 19th century, eating it to conserve energy.

Scientists say that now it is chocolate's sustainability that needs to be monitored.

The Ghana-based Nature Conservation Research Center warns that chocolate may become as rare and expensive as caviar within 20 years. A number of factors, including climate change, are affecting the farming and production of cacao, or the cocoa plant.

Howard Shapiro, global director for plant science and external research for confectionery manufacturing Mars Inc. of McLean, Va., said measures must be taken soon to prevent shortages of chocolate. "If nothing was done, and the temperature was to rise, and the rainfalls were to change and drought became more prevalent ... without looking into new farming practices, then there should be a problem, and there might likely be a problem," he said.

Cacao grows in rainforest conditions with high biodiversity. David Croft, the British chocolate company Cadbury's conformance and sustainability director, said, "cocoa isn't a traditional farmed crop.

If you go to West Africa, it's cocoa trees underneath forest canopy or underneath a canopy of shade trees. So it's important we help to maintain that natural eco-system if we want cocoa to thrive and to flourish."

Because there is a huge global demand for chocolate, farmers are now being forced to clear the forest and use hybrid seeds to produce higher output in a shorter amount of time. There are consequences to this kind of farming.

One of them is soil erosion and a shorter lifespan for the cacao trees. When the trees die and the land is infertile, farmers move onto another patch, clearing forests and adding to the already existing problem of deforestation.

There's also the issue of disease. As with any other crop, pests are a problem. They can spoil and devastate entire cacao growing regions. Eventually, if all the aforementioned challenges are not met, they will lead to an overall shortage of cacao and, thus, chocolate, experts say.

But for all you chocoholics, before you go and hoard all those candy bars, top chocolate companies like Mars and Cadbury are doing something about it.

The companies are training farmers in sustainable cacao cultivation and working with scientists to map the genome of the cocoa bean, which could help battle crop disease and perhaps even improve flavor. "I am quite optimistic with the ongoing activities, the genome, farmer training, understanding the problems, that we believe the plants will survive and thrive in the future using the techniques that we know and we can bear on the production of this wonderful crop," Shapiro said.

Similar efforts are being employed at Cadbury. "In the last two years, Cadburys has really upped the game, to create more sustainable chocolate, cocoa supply chains particularly," Croft said. "We're managing all the factors reasonably well at the moment and there's a lot of anticipatory work going on, looking at cocoa trees that are more temperature tolerant, looking at cocoa trees that are more saline tolerant so that as climate change begins to impact them, we have crops that will work through that change."

In 20 years, he said, chocolate "will still be the world's favorite treat."

Climate Change May Mean No More Chocolate

HULIQ, NC - 16 Feb 2009

In 2007, researcher David Lewis of The Mind Lab knew that chocolate kindled natural anti-depressants in the brain such as serotonin, but was stunned to find that people registered greater brain activity and higher heart rate from eating chocolate than passionate kissing.

An August 2005 article in Hypertension Journal reported that Italian scientists found dark chocolate helpful in lowering blood pressure, and that LDL cholesterol levels dropped in every member of their (albeit small) test group. And of course, everyone has heard of the many studies showing that chocolate contains healthy antioxidants called flavonoids.

Myths about acne and lack of valuable nutrients have been debunked, making chocolate (which has vitamins B, D and E) more popular than ever. The fact that it's also high in fat, sugar and calories deters precisely no one. Indeed, when aliens do land, they may think many Earth cultures base the worship of entire holy days upon the sale of chocolate in varied shapes and packaging.

This wouldn't be a stretch, considering the long history of chocolate as a privilege of the wealthy, and a symbol of religious adherence or noble decadence.

Meso-American cultures first brewed chocolate beverages around 1100 BC, and the tradition survived up through the Mayans, where hieroglyphs showed chocolate was consumed in ceremonial rites. Aztecs used cacao beans as currency, and introduced them to invading Spaniards, who in turn imported chocolate to European royalty in the 1500s, enslaving many tribal societies to keep the expensive bean production running. The 20th century industrial revolution brought mass production, making chocolate an easier treat to obtain.

Now, however, scientists predict chocolate scarcity. Director of the Nature Conservation Research Council, John Mayson says, "In 20 years chocolate will be like caviar... so rare and expensive that the average Joe just won't be able to afford it."

Climate change, among other modern issues, may affect Theobroma cacao evergreens, which are native to the Amazon basin. The trees' natural ripening process requires rich soil, high humidity and rainfall, and many seasons to produce cacao pods, which contain fatty bean-seeds used in the production of cocoa butter.

Spread by humans throughout tropical regions of the world, increasing demand led to hybrid cacao specimens, forced to mature quickly in open fields (often cleared equatorial rainforest patches), stripping the soil barren for the sake of fast, high-volume harvests. When one area is "farmed-out," new areas must be cleared of native trees, interrupting rainfall patterns and intensifying regional climate changes.

Despite efforts to promote “sustainable farming” practices by advocates such as the World Cocoa Foundation (<http://www.worldcocoafoundation.org/>), certification protocols and strategies to protect natural ecosystems are falling short amid the race for profits, thus threatening the world cocoa supply by the very way in which it is produced.

While industry managers at Mars Inc. and Cadbury hope genetic engineering and cultivation control will offer solutions, less optimistic environmentalists say enjoy those valentine chocolates, because your grandchildren may never see such things on store shelves.

Written and guest posted by Heather Archuletta of Pillow Astronaut.

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Research & Development

Promotion

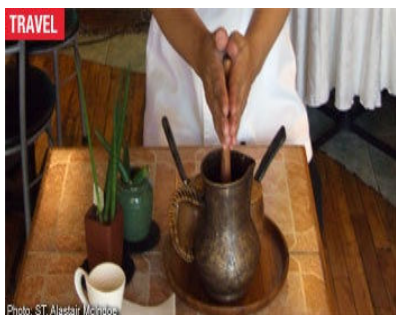
New interest in old chocolate

AsiaOne, Singapore

The Straits Times

By alastair mcindoe, Philippines correspondent

Feb 18, 2009



The Philippines probably does not spring to mind as one of the world's great sweet spots for chocolate. But a local culinary gem, a deliciously velvety drink called chocolate de batirol, is finally gaining wider recognition.

Editors at the popular US-based travel website IgoUgo.com recently compiled a list of top destinations for chocolate lovers. Chocolate de batirol - batirol is the wooden whisk that stirs the chocolate - got the Philippines a mention, alongside the chocolate havens of Switzerland and Belgium.

The mix of ingredients and the way chocolate de batirol is made - by twirling a wooden whisk in a copper pitcher - make it outstanding. Unlike a Starbucks Frappuccino, chocolate de batirol is no brash newcomer on the coffeehouse scene. This rich beverage dates back to Spanish colonial times in the Philippines, first getting a mention in the early 18th century.



Up in the rugged Cordilleras highlands in the northern Philippines, Choco-Late de Batirol at Camp John Hay near Baguio City is one of a clutch of restaurants and cafés countrywide trying to revive the tradition of chocolate de batirol. 'This is slow food,' says Choco-Late's owner Jojo Castro to highlight the difference between this beverage and modern fare like fast food. 'We roast the cocoa beans and prepare the chocolate in traditional copper pitchers called tsokolateras, mixing in ground peanuts to give the drink a slightly grainy texture.'

At Arama, a rustic-looking café in Manila's smart Fort Bonifacio district, manager Gina Yambot uses organically grown cocoa from Bicol Island in the central Philippines for her brew, which is mixed as a paste with hot water, fresh cream, ground peanuts and brown sugar in the tsokolatera. 'There are many of these pitchers handed down through the generations, but most people don't know what they

are for,' says Ms Yambot. She dissolves the mixture in hot water by twirling the batirol between the palms of her hand.

Connoisseurs say it is the mix of ingredients and preparation that makes this cup of hot chocolate outstanding. And the taste? The drink has a mildly nutty taste with a hint of bitter dark chocolate. And it is so rich that a small demitasse cup is the proper serving. The fuss that goes into making chocolate de batirol certainly gives it an old-world aura that harks back to this country's rich Hispanic culinary heritage.

Spanish friars made the drink popular. The country's national hero Jose Rizal mentions it in *Noli Me Tangere* (Touch Me Not), his great novel of Spanish colonial repression published in 1887. Food writer and artist Claude Tayag makes traditional batirols from native narra wood and aluminium tsokolateras. He says: 'Filipinos are taking a greater interest in their culinary roots. There's a romantic ideal of doing things the old way on special family occasions.'

Artist Gilda Cordero-Fernando, 78, says chocolate de batirol was a common household drink when she was a child in the 1930s. But it was overtaken by coffee because of American influence. 'The secret is knowing your chocolate,' she says. 'The best comes from the provinces and is often made by small family businesses.' Visitors can buy high-grade drinking cocoa in the form of rock-solid blocks of cocoa powder called *tablea*. It usually comes in a roll of 12 tablets weighing around 130g. Delis in many five-star hotels here sell gourmet quality *tablea*. Cheaper brands can be found in the remote corners of most supermarkets - a sure sign that hot chocolate made the old-fashioned way is still a rarity.

Others

Cocoa, cashew farmers gain support from Bill & Melinda Gates

Ghana News, Ghana

18 February 2009

Accra, Feb. 18, GNA - The Bill & Melinda Gates Foundation, on Wednesday, announced two significant partnerships and \$48 million in grants to help hundreds of thousands of small cocoa and cashew farmers in sub-Saharan Africa significantly increase their incomes so they can lift themselves out of hunger and poverty.

The two grants - \$23 million to the World Cocoa Foundation and \$25 million to the German development organization, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH - were awarded in conjunction with \$42 million in cash and in-kind contributions from private industry, a statement from the Foundation received in Accra said.

The five-year project would reach approximately 200,000 smallholder cocoa farming households in Cameroon, Cote d'Ivoire, Ghana, Liberia, and Nigeria and aims to help farmers double their incomes by 2013. The project would complement the broader work of the World Cocoa Foundation, which works in partnership with its industry members, to ensure cocoa cultivation is sustainable and delivers greater benefits to the farmers who grow it.

Cocoa and cashew provide income for millions of small farmers in sub-Saharan Africa, who, like a majority of the world's poorest people, live in rural areas and rely on agriculture for their food and income. The statement said these projects would help farmers improve the quality and quantity of their crops and provide them with reliable opportunities to sell their crops so they could build better lives for themselves and their families. It said the grants were part of the Foundation's Agricultural Development initiative, which was working with a wide range of partners in sub-Saharan Africa and South Asia to strengthen the entire agricultural value chain - from seeds and soil to farm management and market access - so that progress against hunger and poverty was sustainable over the long term. "The grants complement financial support and in-kind contributions from the private sector, nongovernmental organizations, and local governments. Farmer associations will also play a significant role in leading training and knowledge sharing," it said.

Dr. Rajiv Shah, Director of Agricultural Development at the Bill & Melinda Gates Foundation said: "Making real progress against global hunger and poverty starts with small farmers" He added: "Creative partnerships like these bring together the knowledge of locally based NGOs and governments with the technical know-how and market expertise of private-sector firms, and have the potential to help millions of farmers boost their yields and incomes they can improve their lives."

Cocoa is West Africa's largest agricultural export, accounting for 70 per cent of the world's supply, mainly from Ghana and Cote d'Ivoire. About two million West African smallholder farming households rely on cocoa production for a significant portion of their income. Administered by the World Cocoa Foundation, the cocoa project will be implemented by a number of NGOs and other partners, including GTZ, the International Institute of Tropical Agriculture (IITA)/Sustainable Tree Crops Program and TechnoServe. The statement said the cocoa project was aimed at increasing farming household incomes through improved farmer knowledge and productivity, better cocoa quality, crop diversification, and improved supply chain efficiencies.

Financial and in-kind contributions for the cocoa project come from major branded manufacturers - The Hershey Company, Kraft Foods, and Mars, Incorporated; cocoa processors Archer Daniels Midland Company, Barry Callebaut, Blommer Chocolate Company, and Cargill; and supply chain managers and allied industries Armajaro, Ecom-Agroccacao, Olam International Ltd. and Starbucks Coffee Company. "Cocoa has the potential to deliver significant improvements in income as well as in family and community well-being across rural West and Central Africa," said Bill Guyton, president of the World Cocoa Foundation. He added: "Delivering on this promise, however, requires sustained and innovative investment in educating farmers, diversifying the crops they grow, improving their marketing efficiency, and the involvement of companies working together. This new partnership with the Bill & Melinda Gates Foundation represents a major step forward in these areas, opening the door to a much brighter future for hundreds of thousands of farm families in the region."

Africa is responsible for about one-third of the world's cashew crop. However, a lack of cashew processing facilities in Africa has created major market inefficiencies and denies Africans the economic benefits that accompany jobs in the cashew processing sector. The cashew project aims to improve the quality of raw cashew nut cultivation, increase farmer productivity, improve linkages between smallholder farmers and the marketplace, build African processing capacity, and promote a sustainable global market for African cashews.

The project's goal is to help 150,000 smallholder cashew farming households in Benin, Burkina Faso, Cote d'Ivoire, Ghana, and Mozambique increase their incomes by 50 percent by 2012. "This project will help develop strong groups of cashew farmers that, with the help of the private sector, can be linked to factories," said Winfred Osei Owusu, CEO, West Africa Markets Link in Ghana. "This will create local jobs and bring additional income to the people in our country who need it the most."

GTZ will lead the cashew project with assistance from the African Cashew Alliance (ACA), FairMatch Support, and TechnoServe. Financial support, in-kind contributions, and other support for the cashew project come from supply chain managers and processors Global Trading Agency BV (GTA) and Olam International Ltd.; branded manufacturers Intersnack Group GmbH & Co. KG and Kraft Foods; retailer Costco Wholesale Corporation; equipment manufacturer Oltremare; and other contributors, the German investment and development company DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, and the United States Agency for International Development.

TIT BITS

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

US cocoa tumbles

NEW YORK (February 22, 2009): US cocoa futures crumbled more than 5 percent to finish at a five-week low on Friday, on pressure from outside markets and demand concern on continued global economic woes, traders said. Benchmark May sank \$140 or 5.5 percent to settle at \$2,430 per tonne, the weakest close for the second-position contract since January 15.

Ivorian cocoa arrivals fall

ABIDJAN (February 22, 2009): cocoa arrivals at ports in top grower Ivory Coast reached 774,407 tonnes by February 15, down from 963,321 tonnes in the same period a year ago, according to data from exporters obtained by Reuters on Friday. The figures showed 25,994 tonnes of beans arrived at the ports of Abidjan and San Pedro from February 9 to February 15, up from 18,201 tonnes in the same week of the 2007/2008 season.

US MIDDAY: cocoa down, coffee higher

NEW YORK (February 24, 2009): US cocoa futures fell to another five-week low in early trade on Monday, on technical pressure following Friday's sharp fall, while arabica coffee climbed on support from the commodity complex, traders said. Arabica coffee for May delivery up 1.20 cents at \$1.1240 per lb by 9:25 am EST (1425 GMT). Trading ranged from \$1.1145 to \$1.1325. May volume at a light 1,833 lots.

cocoa in London hits five-week low

LONDON (February 24, 2009): cocoa futures in London fell to a five-week low on Monday with the strength of sterling weighing on a market already depressed by improving crop prospects in top producer Ivory Coast and demand concerns, dealers said. A weaker dollar boosted coffee and sugar prices. May cocoa in London stood 44 pounds lower at 1,718 pounds a tonne at 1516 GMT after touching 1,693 pounds, its lowest level since mid-January.

Cameroon August-January cocoa exports rise 11 percent

YAOUNDE (February 24, 2009): Cameroon's cocoa exports rose by 11.2 percent in the six months to January but the pace of exports fell as the world's fifth biggest grower's main crop tailed off, statistics from industry bodies showed on Monday. The National cocoa and Coffee Board (NCCB) and cocoa and Coffee Interprofessional Board (CCIB) data showed Cameroon shipped 147,966 tonnes of cocoa between last August and January 2009, up from 133,071 tonnes in the same period a year earlier.

Wet February boosts Ivorian cocoa mid crop

ABIDJAN (February 24, 2009): Rainfall recordings in Ivory Coast's main cocoa-growing areas for the first three weeks of February were well above last year's levels, analysts said on Monday, boosting hopes for a large mid crop in the top grower. cocoa farmers have reported abundant rain over the last few weeks, saying it should lead to a healthy mid crop after a main crop that has so far disappointed due to a combination of poor weather conditions, disease and administrative chaos.

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