

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 327

16th – 20th March 2009

Cocoa Producers' Alliance



UP-COMING EVENTS

- ❖ Second Roundtable for a Sustainable Cocoa Economy, Port-of-Spain, Trinidad & Tobago, 24th – 27th March 2009.
- ❖ 5th National Cocoa Day, Umuahia, Abia State, Nigeria 16th - 17th April, 2009.
- ❖ International Workshop on Cocoa Policies, Market Reforms and Level of Implementation of COPAL Scientific Research Workshop Recommendations, Salvador, Bahia, Brazil 15th – 19th June, 2009

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

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ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
16 th March	1685.27	2495.95	1820.00	2416.33
17 th March	1662.90	2479.21	1815.33	2388.00
18 th March	1717.92	2539.48	1863.67	2466.67
19 th March	1758.39	2664.44	1882.00	2586.33
20 th March	1761.78	2662.22	1884.33	2589.33
Average	1717.00	2568.00	1853.00	2489.00

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

Monday 16th March 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2009	1821	1835	9	1821	1805	1,114
May 2009	1859	1861	0	1884	1842	5,968
Jul 2009	1821	1815	-6	1840	1802	1,706
Sep 2009	1774	1784	-12	1808S	1770	522
Dec 2009	1771	1758	-10	1772	1740	403
Mar 2010	1730	1736	-5	1730	1730	53
May 2010	1730	1734	-5	1730S	1730S	3
Jul 2010		1742	-3			0
Sep 2010		1746	-3			0
Dec 2010		1737	-3			0
Average/Totals		1775				9,769

Tuesday 17th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	N/A	N/A	N/A	N/A	N/A	N/A
May 2009	1855	1856	-5	1878	1851	3,256
Jul 2009	1810	1808	-7	1822	1800	1,300
Sep 2009	1777	1782	-2	1789	1777	953
Dec 2009	1750	1754	-4	1764S	1750	66
Mar 2010	1725	1730	-6	1725	1725	100
May 2010		1728	-6			0
Jul 2010		1734	-8			0
Sep 2010		1738	-8			0
Dec 2010		1729	-8			0
Mar 2011		1729				0
Average/Totals		1759				5,675

Wednesday 18th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2009	N/A	N/A	N/A	N/A	N/A	N/A
May 2009	1856	1901	45	1909	1856	6,442
Jul 2009	1810	1855	47	1864	1810	2,305
Sep 2009	1794	1835	53	1845	1794S	1,072
Dec 2009	1764	1805	51	1810	1764	475
Mar 2010	1788	1782	52	1788	1779	12
May 2010		1780	52			0
Jul 2010		1786	52			0
Sep 2010		1790	52			0
Dec 2010		1781	52			0
Mar 2011		1781	52			0
Average/Totals		1810				10,306

Thursday 19th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1902	1921	20	1929	1879	6,451
Jul 2009	1855	1874	19	1884S	1832	3,724
Sep 2009	1833	1851	16	1858S	1808	2,296
Dec 2009	1788	1818	13	1830	1787	1,135
Mar. 2010	1782	1798	16	1810	1782	116
May 2010	1795	1795	15	1801	1795	41
Jul 2010		1801	15			0
Sep 2010		1805	15			0
Dec 2010		1796	15			0
Mar 2011		1796	15			0
Average/Totals		1826				13,763

Friday 20th March 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1904	1921	0	1929	1903	4,606
Jul 2009	1861	1877	3	1884	1861	2,251
Sep 2009	1839	1855	4	1862	1839	950
Dec 2009	1813	1825	7	1827	1813S	566
Mar 2010	1790	1805	7	1806	1790S	33
May 2010	1799	1797	2	1807	1797	59
Jul-10		1803	2			0
Sep 2010		1807	2			0
Dec 2010		1798	2			0
Mar 2011		1798	2			0
Average/Totals		1829				8465

Average for the week	1829				9596
					47,978

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

Monday 16th March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	0	2420	42	0	0	0
May 2009	2388	2428	47	2440	2382	8574
Jul 2009	2383	2430	47	2440	2383	1887
Sep 2009	2405	2428	47	2432	2385	881
Dec 2009	2380	2421	50	2419	2380	174
Mar 2010	2418	2414	51	0	0	3
May 2010	0	2417	51	0	0	
Jul 2010	0	2429	53	0	0	
Sep 2010	0	2433	60	0	0	
Dec 2010	0	2446	49	0	0	
Average/Totals		2427				11519

Tuesday 17th March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	0	0	0	0	0	0
May 2009	2419	2396	-32	2423	2375	7165
Jul 2009	2402	2399	-31	2420	2380	1459
Sep 2009	2390	2396	-32	2416	2384	822
Dec 2009	2402	2391	-30	2409	2380	340
Mar 2010	0	2388	-26	0	0	2
May 2010	0	2392	-25	0	0	
Jul 2010	0	2404	-25	0	0	
Sep 2010	0	2405	-28	0	0	
Dec 2010	0	2424	-22	0	0	
Average/Totals		2160				9788

Wednesday 18th March 2009

Month	Open	Price	Change	High	Low	Volume
Mar 2009	0	0	0	0	0	0
May 2009	2390	2451	55	2495	2365	8,303
Jul 2009	2369	2454	55	2496	2369	1,852
Sep 2009	2386	2450	54	2493	2386	1,346
Dec 2009	2382	2443	52	2475	2382	259
Mar 2010	2458	2438	50	2458	2427	46
May 2010	0	2443	51	0	0	1
Jul 2010	0	2455	51	0	0	0
Sep 2010	0	2460	55	0	0	0
Dec 2010	0	2479	55	0	0	0
Average/Totals		2207				11807

Thursday 19th March 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	2486	2591	140	2598	2478	7968
Jul 2009	2500	2594	140	2598	2481	1657
Sep 2009	2504	2589	139	2594	2477	1346
Dec 2009	2495	2579	136	2580	2493	46
Mar 2010	2554	2571	133	2565	2551	1
May 2010	0	2573	130	0	0	
Jul 2010	0	2585	130	0	0	
Sep 2010	2527	2594	134	2527	2527	
Dec 2010	2549	2601	122	2549	2549	
Average/Totals		2586				11018

Friday 20th March 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	2570	2585	-6	2597	2551	11782
Jul 2009	2594	2587	-7	2598	2555	2292
Sep 2009	2568	2583	-6	2594	2568	2003
Dec 2009	2572	2574	-5	2583	2569	335
Mar 2010	2559	2564	-7	2566	2552	79
May 2010	2553	2565	-8	2558	2552	5
Jul 2010	0	2577	-8	0	0	
Sep 2010	0	2584	-10	0	0	3
Dec 2010	0	2593	-8	0	0	3
Average/Totals		2579				16502

Average for the week	2577				15159
					60,634

Spot Prices (US \$ per tonne)

	16 th March	17 th March	18 th March	19 th March	20 th March
Main Crop Ghana, Grade 1	2945	2913	2984	3124	3118
Main Crop Ivory Coast, Grade 1	2783	2751	2804	2944	2938
Main Crop Nigerian, 1	2780	2748	2784	2924	2918
Superior Arriba	2686	2654	2701	2841	2835
Sanchez f.a.q	2711	2679	2726	2866	2860
Malaysian 110	2443	2411	2453	2593	2587
Sulawesi f.a.q	2553	2521	2534	2674	2668
Ecuador Cocoa Liquor	3723	3674	3513	3714	3705
Pure Prime Press African Type Cocoa Butter	6070	5990	6128	6478	6463
10/12% Natural Cocoa Press Cake	1311	1294	1250	1321	1318

Source: Cocoa Merchant Association

News

Health and Nutrition

Chocolate Provides Health Benefits

Friday, March 20, 2009 by: Melanie Grimes, citizen journalist

(NaturalNews) Studies have now proven that chocolate is good for you. It is rich in antioxidants and has many health benefits, including lowering blood sugar and cholesterol. Cocoa comes from the Theobroma cacao plant. Half of the cocoa bean is made of fat in the form of cocoa butter. Cocoa powder is the edible non-fat part of the cacao bean. Most of the fats in chocolate are saturated, but it also contains lots of the "good" fats: oleic and linoleic acids.

Cocoa has one of the highest concentration antioxidants of any foods, in the form of the flavonoids: catechin and epicatechin. ORAC scores are used to measure the level of antioxidant properties in foods. This oxygen radical absorbance capacity test rates cocoa higher than most foods, including green tea or red wine.

Studies have shown that dark chocolate decreases blood pressure. This function may be attributed to cocoa's action as a renin-angiotension enzyme inhibitor, the same mechanism addressed by blood pressure medication. A study in the Journal of the American Medical Association (JAMA) in 2003 reported on a German study of 13 people between the ages of 5 and 64 who had blood pressure numbers of 153 over 84. The group was divided into two groups. One group ate a 100-gram bar of white chocolate daily and the other group ate a dark chocolate bar. Those who ate the dark chocolate showed lower blood pressure, but alas for white chocolate lovers, this candy bar did not show any health benefits. The benefits were attributed to the cocoa phenols that are present in the dark cocoa powder from the cocoa bean. The darker the chocolate, the more health benefits.

The cocoa bean also contains insoluble fiber, which helps lower cholesterol levels. The fiber in chocolate has also been shown to reduce the rate of colorectal cancer, and to reduce constipation.

Dark chocolate contains magnesium, which helps soothe the nervous system, relax muscles, reduce PMS and build teeth and bones. Dark chocolate also contains the mineral copper, which is needed in many metabolic functions in the body.

Chocolate may even slow dementia. Cocoa's content of antioxidants aids in memory, along with the nutrients vitamin E and vitamin B.

By increasing nitric oxide intake, cocoa has been shown to help stimulate insulin to uptake blood sugar, thereby stopping the insulin resistance that can lead to diabetes. And cocoa has even been shown to repair liver cells after alcohol consumption.

As an antidepressant, chocolate really shines. The "love chemical" phenylethylamine helps to raise the serotonin and dopamine levels. This curbs appetite, stimulates the nervous system, and even raises libido.

Chocolate has now proven itself to be a nutritious food, as well as a tempting desert. There are many suppliers now importing fair trade, organic or raw chocolate products. Look for chocolate that has a high cocoa content. Check your local candy store for this health-giving food, disguised as a delicious treat.

Scottish doctor urges "fat tax" on chocolate

March 19, 2009

By David Brough

LONDON (Reuters Life!) - Scottish doctors came within a whisker of passing a motion calling for a "fat tax" on chocolate last week, and the doctor behind the move said chocolate was a root cause of increasing obesity.

"Certainly the U.S. and the UK are affected by rising levels of obesity," David Walker, a family doctor in Airdrie, western Scotland, who proposed the motion, said.

"If the British government is serious, they should tax chocolate in the same way as they tax alcohol," he said in a telephone interview.

Walker said on Wednesday that Britain had witnessed almost a doubling of cases of type 2 diabetes, which is linked to obesity, in the past 15 years.

In Scotland, nearly one in four people are obese, he added.

He said British people's fondness for chocolate must explain in part the growing obesity problem, because chocolate is high in calories, fat and sugar.

Chocolate was one of a number of factors, including growing affluence and more sedentary lifestyles, that had contributed to Britain's fatter society, Walker said.

The Scottish doctors' conference in Glasgow on March 12 defeated the motion to tax chocolate by just two votes.

Walker's call attracted vigorous debate in the national media as healthy lifestyle becomes an increasingly hot topic.

The UK Food and Drink Federation, the voice of the companies in the sector, lambasted Dr Walker's message. "Introducing regressive taxes on the foods that consumers love would result only in lighter wallets, not smaller waists -- particularly as we already have to pay VAT on all our chocolate purchases," said Julian Hunt, director of communication. "While good for grabbing headlines, there is no evidence to suggest that such 'fat taxes' would actually work in reality."

Walker said the positive health benefits of chocolate, such as the antioxidants in dark chocolate, which cut risks of cardiovascular disease, are counterbalanced by chocolate's contribution to obesity due to its high calories. "Chocolate should be treated with respect -- it should be treated as a luxury item, a special treat," Walker said.

"It should be eaten quite infrequently."

Walker said he admitted to feeling guilt over the impact a chocolate tax might have on impoverished West African cocoa farmers if demand for chocolate fell. "That is certainly something that has pricked my conscience," Walker said. "It would take a very brave government to tax chocolate," he added

Production & Quality

PNG farmers should return to vanilla crops: importer

Australia Network News

March 15, 2009

A New Zealand importer says farmers in Papua New Guinea should plant vanilla crops again. Vanilla beans used to attract very high prices, but as prices fell PNG farmers turned to more lucrative crops like coffee and cocoa.

Adel Yousef is the managing director of food importer Raw Energy. He's told Radio Australia's Pacific Beat program the price swings for vanilla beans have now stabilised. "In Papua New Guinea, they have three or four main crops that they grow such as cocoa, coffee and copra, and I think having vanilla as part of the equation will give them a steady income, and make sure that when prices of other commodities go down they have something to go on," he said.

Plantation industry aims big despite economic crisis

Jakarta Post

Source: Agriculture Ministry

03/16/2009

Betting on higher prices for top commodities and the emergence of new markets, the country's plantation industry is seeking to buck the trend and expects export values this year to increase by 16 percent "We believe

we can raise our income from exports to US\$21.68 billion from last year's \$18.85 billion. This is based on the fact there are new markets available and we believe main commodities prices will improve," Herdrajat, the Agriculture Ministry's plantation protection director, said Saturday.

He cited China, the Middle East and India as some of the new export markets. "Last year's achievement, which surpassed the original target of \$11.55 billion income set in early 2008, was also a big factor in our confidence to increase this year's exports" he added. Indonesia is home to plantations of some of the world's key commodities, including crude palm oil (CPO), rubber and cocoa. But since the second half of 2008, as the global economic turmoil kicked in, commodities-rich countries like Indonesia have been hit hard by a drop in demand and prices.

However, Herdrajat expected demand would pick up from the new markets, while commodity prices would also recover, providing an eventual boost for the industry. Still, Herdrajat said it was vital for the government to immediately disburse the stimulus package, in particular the parts designated for the development of agriculture and plantation infrastructure. "The industry needs the stimulus to improve irrigation and repair broken roads to enhance effectiveness and efficiency," he said.

Data from the ministry shows the government also plans to revitalize up to 290,000 hectares of CPO, cacao and rubber plantations in 27 provinces this year. "[For the project] the government plans to give banking credit subsidies to support farmers in revitalizing the plantations," Herdrajat said. "We hope to encourage farmers to revitalize the plantations using the subsidy. We will also fund them for fertilizers in the first year, but we hope they can be self-sufficient in the following years."

During revitalization, the plantations will not produce commodities for a few months while they are cleaned out. "For that reason, the government will also give training programs on developing seasonal commodities for farmers to ensure their income during revitalization." Plantation revitalization and intensification, which has often caused a rift with other industries, is one of the main challenges the industry still has to face in the future. "Often the local regent publishes two authorizations on land development for two different stakeholders. For instance, one is for the mining industry and the other for CPO plantations; this situation often causes conflicts," he said.

"And most of the time, people regard mining as more important than plantations."

The CPO industry, which absorbs around 3.7 million laborers, contributed around \$10.7 billion to the country's economy in 2008. "With these training programs, we hope farmers will have more initiative to take action, not just wait for government officials to do the job for them," Herdrajat said. "We will also give them technical training on plantation development, sanitation and fertilizing techniques." (hdt)

Plantation exports (in US\$ billion)

Year	Target	Realization
2007	11.25	14.64
2008	11.55	18.85
2009	21.68	--

Cameroon Targets 60 Pct Cocoa Increase

Source: Reuters

20/03/2009

Yaounde, March 20 - Cameroon will raise its annual cocoa output to as much as 300,000 tonnes within five years from current levels of around 190,000 tonnes, a senior administrator in the world's No. 5 producer said on Thursday.

Michael Ndoping, general manager of the National Cocoa and Coffee Board (NCCB), said available farmland, low taxes and high farmgate prices were encouraging farmers to grow more cocoa but middlemen and poor roads were still cutting margins.

Global cocoa supplies have been finely balanced and futures traded in London and New York have risen over the last year, supported by fears of a poor crop in nearby Ivory Coast, the world's biggest producer. "In five

years we will definitely make the 250,000 (tonnes), if not more. We could easily hit 300,000," Ndoping told Reuters in an interview in Cameroon's capital.

Benchmark cocoa futures for delivery in May traded at 1,897 pounds per tonne in London on Wednesday, and while they have fallen from late January's high of more than 2,000 pounds, are still up more than 7 percent from the start of the year.

Analysts say the outlook for Ivory Coast, which normally produces around 1.3 million tonnes but this year is forecast at 1 million tonnes, is particularly gloomy and could fall dramatically if steps are not taken to help farmers invest more in their crops. "We are small but we can fill some of the gap. We have good climate and hardworking people. If Cameroonians know they can make money from cocoa, they will do it," Ndoping said.

INVESTMENT SOUGHT

Figures for the 2008/09 season showed Cameroon produced 182,583 tonnes of cocoa between August and February, of which a local grinder bought 24,915 tonnes and the remaining 157,668 tonnes exported.

Ndoping said farm-gate prices were roughly 900 CFA francs (\$1.85) per kg over the last few years, meaning Cameroonian farmers earned far more than their counterparts in other countries in the region. Ivorian farmers have been receiving roughly 500 CFA francs per kg.

The Cocoa and Coffee Development Fund (FODECC) was helping farmers with pest and disease management and improved support services, he said. Following the liberalisation of Cameroon's cocoa sector government export taxes on beans were slashed, though the Fund receives levies of 15 francs per kg exported. The government's NCCB receives a further 8.5 francs while the private sector-led Cocoa and Coffee Interprofessional Board (CCIB) is paid 1.5 francs per kg.

Cameroon, once a major oil producer which is now seeking investment in its mining and hydroelectric sectors, is also a minor coffee producer. At its peak during the 1960s, Cameroon produced 120,000 tonnes of coffee each year but that level has fallen to around 40,000 tonnes today. "By 2013, we want it to be at 80,000 tonnes," Ndoping said. Donors and businessmen say excessive levels of taxation and the mismanagement of funds raised have contributed to the decline of Ivory Coast's cocoa industry.

Berlin-based corruption watchdog Transparency International ranks Cameroon as one of the most corrupt countries in which to do business, but Ndoping said conditions were ripe for big investors to look at the cocoa sector, and that the government would maintain current tax levels. "The business environment is good for cocoa. We just don't produce enough. There is land but access is a problem. The problem is rural roads," he said.

The Market

Price of wet cocoa beans reaches Rs. 30 a kg.

The Hindu, (JLCC), 21 March 2009.

Author(s) Raviprasad Kamila.

It is said to be the highest price in three decades.

MANGALORE: The Central Arecanut and Cocoa Marketing and Processing Co-operative Ltd (CAMPCO) has begun offering Rs. 30 a kg of wet cocoa beans in the State and Kerala since Friday last. According to the sources in CAMPCO, this is the highest price that the co-operative body has ever bought cocoa from growers since its inception three decades ago.

With this, the CAMPCO, a multi-State co-operative body of farmers in Karnataka and Kerala, which owns a chocolate factory at Puttur in Dakshina Kannada, has begun offering a price to cocoa growers which is on par with the price offered by private chocolate manufacturers.

We have increased the price of wet cocoa beans from Rs. 28 a kg to Rs. 30 a kg from last Friday to give a better margin to farmers. All our procurement centres in the State and Kerala offer this price, which is the highest price to have been offered by the company, General Manager of CAMPCO A.S. Bhat told The Hindu. He said, the private buyers were offering Rs. 29 a kg of wet cocoa beans since Friday last.

G.K. Vasanth Kumar, Director, Department of Horticulture, said that the average consumption of chocolates in the country was three grams a person compared to 40 grams a person of other major countries. The cocoa leaves that fell from its plants served as a good manure and improved the quality of soil. The department has suggested farmers to grow cocoa as an inter-crop, instead of focusing only on rubber.

According to Vishwaprasad Sediypu, a farmer near Puttur, cocoa growers were getting an average of Rs. 22 a kg to Rs. 23 a kg of wet beans for the past five years. If farmers get Rs. 30 a kg it is a very good price, he said.

K. Girishankara, a progressive farmer from Peramogeru, Bantwal taluk, who has grown 3,000 cocoa plants, said: The price of wet beans did not reach this level in recent years. It is a good price. Last year, I sold the beans at a price ranging between Rs. 22 a kg and Rs. 28 a kg.

D. Ramakrishna Gowda, a farmer from Guthigar in Sullia taluk, said that private purchasers were buying the cocoa beans at a price ranging between Rs. 28 a kg and Rs. 32 a kg in the last rainy season. However, only a few growers who sold the wet beans in large quantity, were able to get the highest price of Rs. 32 a kg last year. Otherwise, the average price offered by private companies remained Rs. 28 a kg, he said. The price for wet beans fell from Rs. 15 a kg in 1972-73 to Rs. 6 a kg in 1979-80. It started picking up slowly to between Rs. 16 a kg and Rs. 20 a kg in the past one decade.

Throughout last year, we were paying between Rs. 27 a kg and Rs. 28 a kg for wet beans, he said.

Procurement from AP Mr. Bhat said that the CAMPCO had begun purchasing dry cocoa beans from two private agencies in Andhra Pradesh to meet the demand of its chocolate factory at Puttur. Farmers asked to grow cocoa as an inter-crop CAMPCO plans to purchase dry beans from AP

ICE Cocoa Review: Firmer Dlr Pressures Mkt; Strength Eyed.

NEW YORK, Mar 20, 2009 (Dow Jones Commodities News via Comtex) -- The stronger U.S. dollar weighed on ICE Futures U.S. cocoa Friday amid modest profit-taking that analysts expect will give way to more buying next week.

May cocoa settled down \$6 at \$2,585 a metric ton and the July contract settled \$7 lower at \$2,587. For the week, the May contract gained \$204. May cocoa opened lower and slid in early trade as most commodities eased from levels hit Thursday as the U.S. dollar dropped. The contract found support at \$2,551, but bounced back to the \$2,590 level mid session. May cocoa attempted a test of Thursday's \$2,598 high, but succeeded only at scraping the \$2,596 level and slipped in late profit-taking.

The U.S. dollar is expected to regain downward momentum next week following Friday's correction higher, which will propel the May cocoa contract toward the \$2,700 upside target by mid April if not sooner, said Jimmy Tintle, analyst at Transworld Futures in Tampa.

Cocoa, along with other commodities, stands to benefit from inflationary ideas sparked by the week's Fed announcement. Inflation pushes investors into commodities rather than equities, which tend to perform poorly in times of economic downturn that Fed moves are designed to counteract. Analysts said speculators are switching out of their previously held short positions into long holdings which indicate they expect prices to rise.

ICE cocoa warehouse stocks decreased by 11,723 145-pound bags Thursday to total 2.952 million bags, according to exchange data. ICE cocoa open interest decreased by 2,749 positions Thursday to total 111,889, the exchange reported. Volume was estimated at 5,592 contracts, according to exchange data. In options, approximately 608 calls and 546 puts traded.

	Close	Change	Range
May	\$2,585	-\$6	\$2,551-\$2,596
July	\$2,587	-\$7	\$2,555-\$2,597
Sep	\$2,583	-\$6	\$2,568-\$2,594

SW Nigeria Graded Cocoa Price Down On Move To Mid Crop-Buyers.

IBADAN, Nigeria, Mar 20, 2009 (Dow Jones Commodities News via Comtex) -- The price of graded cocoa Friday fell to 345,000 naira (\$2,307) a metric ton from NGN350,000 last week due to the transition to the mid-crop from the main crop, buyers said.

Graded cocoa, which has been inspected and certified fit for export, has fallen in value in the past two consecutive weeks. Two weeks ago, a ton of graded cocoa sold at NGN360,000 from its peak of NGN400,000 late last month.

A buyer in Akure, capital of Ondo state, the largest cocoa producer in Nigeria, which accounts for 40% of total production, attributed the fall in prices to the crop transition. He said the mid-crop beans now on sale are smaller in size and weighs less than the main crop, adding that the mid-crop harvest has been boosted by the recent rainfall in the southwest.

"It is unlikely that we will see cocoa selling at NGN400,000 (a ton) again because of the harvest and sale of the mid-crop expected to end in July or August, " he told Dow Jones Newswires.

A buyer in Ile-Ife, an important cocoa-growing and marketing center, in Osun state, said the state received new rainfall Wednesday and it provided additional moisture in the soil. "We will have a bumper mid-crop harvest this year if the rain continues and farmers adopt good farm practices, " he said.

The Cocoa Association of Nigeria said mid-crop cocoa output in 2008-09 (September to October) will be around 65,000-66,500 tons up from the average output of 55,000-60,000 tons a year. The southwest cocoa belt accounts for 70% of Nigeria's average annual production of 242,000 tons.

ICE Cocoa Review: Surges; Funds Take Interest On Falling USD.

NEW YORK, Mar 19, 2009 (Dow Jones Commodities News via Comtex) -- A wave of speculative activity in commodities amid the sinking U.S. dollar drove ICE Futures U.S. cocoa to one-month highs Thursday. May cocoa settled up \$140 at \$2,591 a metric ton and the July contract also settled \$140 higher at \$2,594.

May cocoa climbed in early dealings as futures caught up to the commodities really sparked late Wednesday by Fed policy announcements. The dropping U.S. dollar prompted specs to cover previously sold short positions in most markets with the motive of rolling into long position on expectations of inflation. The May contract pushed through \$2,500 resistance in early dealings, retraced some gains but jumped to the upper \$2,500s by late trade. A last surge of buying left May cocoa just below the \$2,593 session high, the contract's strongest price point since Feb. 19. Commodities across the board, from crude oil to frozen concentrated orange juice, made gains during the session.

"It looks like the long side is the right side in cocoa (and other softs), but follow-through and the ability to hold are key, " said Jurgens Bauer, floor broker with Jurgens Bauer & Associates in Maplewood, N.J. "New longs are being established, but nothing too crazy, " Bauer noted.

May cocoa will test \$2,600-\$2,700 resistance in the near term, said Sterling Smith, vice president at FuturesOne in Chicago. Manufacturer buying may become a market feature despite expectations for lower 2009 grindings, Cocoa grind data indicates the amount of cocoa used to make chocolate, Smith said.

ICE cocoa open interest decreased by 1,237 positions Wednesday to total 114,638, the exchange reported. Volume was estimated at 14,304 contracts, according to exchange data. In options, approximately 553 calls and 100 puts traded.

	Close	Change	Range
May	\$2,591	+\$140	\$2,478-\$2,593
July	\$2,594	+\$140	\$2,481-\$2,598
Sep	\$2,589	+\$139	\$2,477-\$2,594

MARKET TALK: ICE Cocoa Backs Off Fresh Highs; Eyed Stronger.

Mar 19, 2009 (Dow Jones Commodities News via Comtex) --

1016 EDT (Dow Jones) - ICE cocoa futures are easing from fresh one-month highs as speculators rush to cover shorts while the U.S. dollar falls, analysts say. May cocoa is up \$82 at \$2,533 a metric ton, off the \$2,569 intraday high. July cocoa is \$81 higher at \$2,535."Cocoa was breaking out before yesterday's little party started, " says Sterling Smith, vice president at FuturesOne in Chicago, referring to instantaneous gains in commodities and losses in the greenback following Tuesday's Fed announcement. New fund buying is expected along with commercials hedging despite expectations for lower 2009 grind data, Smith says. ICE cocoa warehouse stocks

decreased by 14,287 145-pound bags Wednesday to total 2.964 million bags. Liffe May cocoa is down GBP7 at GBP1,894 a ton.

DJ ICE Cocoa Review: Touches 3-Wk Highs On Weak Dlr, Demand Concern.

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

The weaker U.S. dollar and growing demand concerns lifted ICE Futures U.S. cocoa to three-week highs Wednesday. May cocoa settled up \$55 at \$2,451 a metric ton, off of the \$2,495 high, and the July contract settled \$55 higher at \$2,454.

May cocoa opened modestly weaker and slipped in early trade to the \$2,365 session low. Futures retreated from lows and inched higher before jumping mid session as the U.S. dollar fell. Cocoa skimmed \$2,495 basis May, the contract's highest price point since Feb. 20 as the weaker dollar makes commodities denominated in the currency less expensive. Nonetheless, the weaker British pound also supported buying on London's Liffe cocoa market, which is typically an arbitrage play. The strength in both markets exhibited demand potential, analysts said. Futures trimmed gains lightly for the remainder of the session. Analysts hold mixed opinions on how the U.S. dollar will influence cocoa's impending rise.

May cocoa has likely fulfilled analysts' expectations at the \$2,200-\$2,400 levels and could move to the \$2,700-\$2,800 area, said Jack Scoville, vice-president at Price Futures Group in Chicago. "There's enough demand out there and supplies are a little short," Scoville said. Independent of the U.S. dollar, cocoa is expected to move higher on intrinsic fundamentals, he said.

The International Cocoa Organization projected earlier this month that 2008-09 world cocoa production will fall short of consumption by 193,000 metric tons, compared with the ICCO's forecast of an 88,000-ton deficit in 2007-08. However, some analysts have pointed to expectations for lower cocoa grinds during the year amid the global economic downturn. Reduced grinds indicate weaker demand from chocolate manufacturers. Grind data is released quarterly from major chocolate producing countries and regions.

Though March-May is a seasonally weak time for cocoa futures, May cocoa could push up to \$2,700 resistance by mid April if the U.S. dollar continues weaker with added support from demand concerns, said Jimmy Tintle, analyst at Transworld Futures in Tampa.

ICE cocoa open interest decreased by 196 positions Tuesday to total 115,875, the exchange reported.

Volume was estimated at 10,027 contracts, according to exchange data. In options, approximately 408 calls and 1,068 puts traded.

	Close	Change	Range
May	\$2,451	+\$55	\$2,365-\$2,495
Jly	\$2,454	+\$55	\$2,396-\$2,495
Sep	\$2,450	+\$54	\$2,386-\$2,493

Processing & Manufacturing

Cocoa grinders to cut operational costs and prices

Malaysia Star

By Hanim Adnan - Commodities Talk -

March 17, 2009

ANOTHER local commodity casualty of the global economic slowdown is the not-so-well-known cocoa grinding and cocoa products manufacturing sector which was established over a decade ago. Many are unaware that Malaysia is currently Asia's largest cocoa grinding and processing hub, despite losing its spot as one of the world's top three largest cocoa producing nations in the early 1990s.

The rapid switch to the more lucrative oil palm cultivation instead of cocoa among local planters had created the opportunity to grow the local cocoa grinding and cocoa downstream industry especially when cheap supply of cocoa beans could be easily sourced from Indonesia, now the world's third largest cocoa producer after Ivory Coast and Ghana. Almost 70% of cocoa beans ground by local grinders is sourced from Indonesia and the balance from Africa and Papua New Guinea.



Cocoa products have become a casualty of the economic slowdown

In 2008, Malaysia's cocoa bean grinding hit a record at about 331,000 tonnes compared with 330,000 tonnes in 2007. There are 11 local grinding facilities as well as over 40 chocolate and cocoa products manufacturers nationwide. While Malaysia continues to export its cocoa beans, it is obvious that its downstream cocoa products like cocoa butter, cocoa powder and made-in-Malaysia chocolates have been making inroads into international markets like the Middle East, the US and Europe.

Local cocoa butter, a key ingredient in chocolate making, has fetched high premium prices given its special characteristic in terms of high melting point, which augurs well for chocolate production in warmer climate countries. However, this rosy track record will soon diminish as local cocoa grinders and downstream manufacturers struggle with shrinking demand from major importing nations like the US and Europe that have been badly impacted by the global economic meltdown. Even Asia's second largest cocoa grinder, Indonesia, has indicated that its grinding production would likely fall by as much as 40% on anticipation of lower demand for cocoa products.

Dow Jones Newswire last week reported that Indonesia's cocoa grinding would likely drop to 100,000 tonnes this year from 170,000 tonnes last year. Since chocolate isn't a daily necessity, consumption has been nose-diving over the past few months as consumers pinch pennies, which in turn cuts demand for the confection's key ingredients. Therefore, it is important for local cocoa grinders and cocoa products makers to consider reducing operational costs and prices to remain competitive during the current tough times.

Even the International Cocoa Organisation (ICCO) expects Malaysia's cocoa grinding to fall back to 290,000 tonnes in 2009. Against a backdrop of a slowing global economic growth and possibly relatively high cocoa production in 2009, it is indeed inevitable that world cocoa grinding will suffer with declining demand expected. ICCO expects world cocoa grinding would fall 10% to 719,100 tonnes in Asia and Oceania in the crop year to September 2009 due to a global economic slump, led by declines in Malaysia and Indonesia.

Hanim Adnan is assistant news editor at The Star. She enjoys a mug of hot cocoa with Famous Amos chocolate chip cookies while watching late night movies on Saturday nights.

Cocoa grinding firms cut capacity on low demand

Malaysia Star

By HANIM ADNAN

March 19, 2009

PETALING JAYA: Ten major local cocoa grinding companies will likely remain in operation this year, but many will reduce their capacities to minimise losses as demand shrinks amid the global economic slowdown, said Malaysian Cocoa Board (MCB) director-general Datuk Dr Azhar Ismail.

Cocoa production was projected to decline by 20% to 30% to about 230,000 to 260,000 tonnes in 2009 from a record 323,653 tonnes in 2008, he told StarBiz via e-mail from Kota Kinabalu yesterday. Malaysia is the largest cocoa grinder in Asia and the world's fifth-largest cocoa producer.

Azhar said the main issue facing local grinders this year was decreasing demand for cocoa products, particularly cocoa butter, following a significant drop in the consumption of chocolates. Datuk Dr Azhar Ismail "The current low cocoa butter ratio (CBR) indicated that the price of cocoa butter is also coming down, he said, noting that "the CBR for Malaysia is expected to drop to 1.8 this year from 2.6 last year". But "potential supply shortages will prevent steep falls" in the price of cocoa, he added. "Cocoa prices are expected to trade at RM6,500 to RM8,000 per tonne (US\$1,800 to US\$2,100) this year," he said.

Azhar noted that the global cocoa industry in 2008 and 2009 was forecast to experience a smaller deficit mainly due to tight supplies. Imports of cocoa beans this year are expected to be lower than in 2008, given the reduction in local grinding activities, with Indonesia contributing about 70% of Malaysia's total imports this year, according to Azhar. From January to November 2008, Malaysia imported about 490,771 tonnes of cocoa beans.

To offset slowing demand, and with cocoa grinding companies cutting down on their marketing budgets, the MCB will help out by doing promotions and look for new areas of growth. "MCB is intensifying promotion programmes in regions that are less affected by the global recession such as the Middle East and India as continuous support to the local industry," Azhar said.

Lindt & Sprungli forecasts profit drop, plans to close retail stores.

Datamonitor Food Wire, (KBDH), 19 March 2009.

Swiss chocolate maker Lindt & Sprungli forecasts decline in 2009 operating income and plans to close two-thirds of its retail boutiques in the US, because of slowing sales growth.

The group expects that its earnings before interest and tax will be between CHF260 million to CHF280 million for 2009. The group expects to achieve an organic growth of 2% to 5% in 2009, against the long-term growth target of 6% to 8%. The group also plans to redefine the structure of its US network of retail outlets over the next 18 months and concentrate on outlet stores in the long-run. It will also focus to shorten transportation routes, lower logistical costs, reduce import customs and eliminate exchange rate risks. The Financial Times has reported that Lindt is looking to expand its operations in the emerging markets such as Russia, South Africa, China and Mexico.

Business and Economy

More organizations accept e-zwich

Ghana Business News

Mar 15, 2009

More organisations across the country have welcome the electronic payment device the e-zwich, as it has simplified the payment of workers' salaries through the biometric smart cards. The growing interest in the payment distribution system introduced by the Ghana Inter-bank Payment and Settlement Systems (GhIPSS) has been heightened also due to the gradual spread of the point-of-sale terminals and the installation of biometric automatic teller machines (ATMs) by commercial banks.

GhIPSS, a wholly owned-sub-sidiary of the Bank of Ghana, is the implementor of the national electronic payment and settlement system, the e-zwich, that seeks to transform the country's payment system.

The General Manager of GhIPSS in Charge of Project and Business Development, Mr Archie Hesse said several organisations both in Accra and outside the capital, had applied for the service. He said most encouraging was the large number of cocoa and other produce buying companies which had showed interest in the payment distribution system.

Mr Hesse explained that those licenced produce buying companies, wanted the system for paying their purchasing clerks at the various cocoa growing areas. "These clerks will in turn pay cocoa farmers their monies either in cash or onto their e-zwich cards," Mr Hess said, adding that the growing interest in the system was primarily due to its efficiency and speedy payment methods. "It will also avoid pilfering and robbery attacks that the officials are subjected to when they carry cash on them to rural areas to pay purchasing clerks," the general manager said. The e-zwich payment distribution system became popular after officials of GhIPSS made a presentation at a luncheon organised by the Association of Ghana Industries (AGI), in January this year.

He said under the e-zwich payment system, employees were free to decide how much of their salaries should be loaded onto their e-zwich smart cards and what amount should go into their traditional bank accounts. According to him, the moment an organisation gave instructions for the payment of salaries onto the cards, the monies were instantly transferred and the workers would be able to use cash immediately.

Mr Hesse added that to make the payment distribution even more convenient, e-zwich point of sales (P.O.S.) devices had been deployed at post offices, commercial and rural banks so people could readily use them.

Ghana will seek \$1.2 Billion this year for Cocoa-Bean Purchases

By Emily Bowers

March 16, 2009

(Bloomberg) -- Ghana's cocoa board will seek as much as \$1.2 billion in loans from international banks this year to finance its purchase of the beans from growers next season, said Chief Executive Officer Tony Fofie. The West African nation is confident of raising the funds, even as banks curb lending because of the global financial crisis, Fofie said in an interview in the Ghanaian capital, Accra, on March 13. "We've got a good track record with most of the international banks," Fofie said. "You need to be circumspect, but we're not really worried."

Ghana is the world's second-biggest cocoa producer, after neighbouring Ivory Coast. Last year, the country raised \$1 billion from 23 banks including Societe Generale and Standard Chartered Plc. The loan is being used to purchase the 650,000 metric tons that the board, known as Cocobod, estimated farmers will produce this season.

Cocobod has bought 530,000 tons of beans from growers since the season began in September, Fofie said. The board had set a production target of 600,000 tons for the 33-week-long main crop and an additional 50,000 tons for the mid-crop that is harvested between June and September. "The purchases started on a very slow note, but it's picking up," Fofie said. Cocobod researchers who last month visited the cocoa-producing central part of the country "say we're going to achieve our target."

Cross-Border Smuggling

Purchases have been hampered by smuggling across the border to Ivory Coast. Farmers in Ghana receive a fixed price of 1,632 cedis (\$1,161) a ton for their beans, while in Ivory Coast, fewer controls and poorer-quality beans enable Ghanaian farmers to obtain more money for their crop. "If we hadn't had a lot of smuggling going on we would have been able to get this target and more," Fofie said.

Smuggling becomes more prevalent when the world market price climbs, he said.

Cocoa for May delivery declined 16 pounds, or 0.9 percent, to 1,810 pounds (\$2,572) a ton at 10:35 a.m. on London's Liffe exchange. The price has risen 1.6 percent so far this year.

Ghana guarantees farmers will get at least 70 percent of the price the board receives for its cocoa and Fofie said there are no plans to reduce that level.

The board subsidizes fertilizer for farmers and provides chemicals to control pests and diseases as the country aims to increase its annual yield to 1 million tons by the 2010-2011 harvest, a target which Fofie said can still be achieved. "You can increase the yield through improved farmer practices, through application of fertilizer and through the reduction of pests and diseases," he said.

Cocoa trees are susceptible to black pod fungus, leaf-eating caterpillars and other pests which can spread quickly on the country's small-scale farms where cocoa is grown. The board will start its annual spraying program in May, targeting production for the 2009-2010 harvest, Fofie said. *To contact the reporter on this story: Emily Bowers in Accra via Johannesburg at pmrichardson@bloomberg.net.*

*** Targeting African, Asian, Middle Eastern markets**

** Processing capacity 64,500 tonnes, up from 25,000 t*

guardian.co.uk

By Kwasi Kpodo

March 16, 2009

TEMA, Ghana, (Reuters) - Ghana's Cocoa Processing Company expects to boost its revenue almost fivefold in the current financial year as a result of a recently-completed expansion, its director said at the weekend. Ghana, the world's second biggest cocoa grower, is encouraging firms to grind beans locally rather than shipping raw cocoa overseas, as it aims to draw greater income from making and selling value-added products. "The year 2008/09 promises to be good for the company as it positions itself to process 64,500 tonnes of cocoa and generate projected revenue of \$208 million," director Richard Amah Tetteh told Reuters.

This represents a major increase on its original 25,000 tonne capacity, an expansion that was delayed by a year but completed in the third quarter of the previous financial year. "CPC now operates, in addition to a

confectionery factory, two modern state-of-the-art cocoa processing factories," Tetteh said. The company is now ready to run at full capacity, he said, and is targeting higher sales into other African countries as well as Asia, the Middle East and Eastern Europe. Currently, Cocoa Processing Company (CPC) exports about 95 percent of its semi-finished products to Europe and the Americas.

Analysts expect global demand for cocoa to fall this year as the global financial crisis cuts consumer spending, but supply shortages will prevent prices falling steeply. Cocoa was one of the best performing assets on world markets last year and has been steady in recent months. Benchmark futures for delivery in May traded at 1,847 pounds per tonne in London on Monday, up 5 percent since the start of the year.

GHANAIAN AMBITION

CPC declared revenue of 59.3 million cedis (\$42.5 million) for the 2007/08 financial year which runs from September to September, saying its operations were hampered by high costs as a result of rise in oil prices which peaked at \$147 per barrel in July 2008. As well as local firm CPC, international companies such as Cargill and Archer Daniels Midland are raising processing capacity in Ghana. Total capacity is set to almost double in the next couple of years to almost 500,000 tonnes. CPC's cocoa factory grinds beans into semi-finished products including liquor, butter and powder, while the confectionery plant manufactures the flagship "Golden Tree" chocolate bars, drinking chocolate powder and chocolate spread.

The company declared a net profit of 1.27 million cedis in 2007/08, compared to 647,193 cedis in the previous year.

CPC was wholly owned by the state until February 2003, when the government listed 25 percent of its stake on the Ghana Stock Exchange.

Cocoa Processing Company projects revenue boost

Joy Online

Source: GNA

17 March 2009



Cocoa Processing Company (CPC) Limited expects to significantly increase its revenue and widen its target markets this year, thanks to the completion of a five-year expansion programme that has more than doubled its throughput, its director has said.

The company now has cocoa beans throughput capacity of 64,500 tonnes, up from an initial installed capacity of 25,000 tonnes as a result of the expansion, completed in the third quarter of its 2007/08 financial year after a year's delay, Managing Director Richard Amarh Tetteh told the Ghana News Agency in Tema. "The year 2008/09 promises to be

good for the company as it positions itself to process 64,500 tonnes of cocoa and generate projected revenue of \$208 million," Mr Tetteh said.

CPC declared revenue of GH¢59.3 million for the 2007/2008 financial year, saying its operations were hampered by the global financial crisis which led to high costs as a result of rise in crude oil prices which peaked at \$147 per barrel last July. Unreliable power supply also contributed to operational costs which rose by 22 percent, Mr Tetteh said. "In spite of the tough global economic crises experienced in 2007/08, the company managed to operate profitably and was able to complete the final phase of its expansion programme in the third quarter of the 2007/2008 financial year," he added.

The company declared a net profit of GH¢1.27 million, compared to GH¢647,193 in the previous year. The expansion, which was in two phases, began in 2003 with a loan of Euros 22 million and an additional \$22 million, plus a local component of GH¢1.67 million. Mr Tetteh said the company had since been ready to run at full steam and has embarked on "aggressive marketing strategies" to increase its market share of the cocoa and confectionery trade.

The first phase which entailed the construction of a new plant to process 30,000 tonnes of cocoa into liquor was commissioned in 2005. The second project involved the upgrading of the old cocoa factory to process 34,500 tonnes of semi-finished cocoa products, up from its 1965 installed capacity of 25,000 tonnes. "CPC now operates, in addition to a confectionery factory, two modern state-of-the-art cocoa processing factories with a

combined capacity of 64,500 tonnes of raw cocoa beans per annum,” he said, adding that it is one of the most modern processing facilities in Ghana currently.

The cocoa factory grinds beans into semi-finished products such as cocoa liquor, butter, natural/alkalized cake, or powder while the confectionery manufactures the flagship 'Golden Tree chocolate bars', couverture, pebbles, and drinking chocolate powder and chocolate spread.

He mentioned Asia, Middle East, Eastern Europe and other African countries as new market targets the company was considering. Currently, CPC exports about 95 percent of its semi-finished products to Europe and the Americas. Mr Tetteh said CPC only deals with buyers on a spot-sale contract basis. This, he explained, is aimed at reducing the company's exposure to the volatility of the international cocoa trade. CPC, formerly wholly-owned by the state, was partially privatised after the government offloaded 25 percent of its stake and listed it on the Ghana Stock Exchange in February 2003.

Produce Marketing Company launched

Awoko

18 Mar 2009

The Sierra Leone Produce Marketing Company (SLPMC) has held a one day sensitization meeting with produce dealers, agents and exporters at the Holy Trinity Parish Hall along Blama road in Kenema city. Addressing the meeting, the chairman of the programme who is also the Deputy Provincial Secretary East Jaya Samuka thanked the SLPMC for their good initiatives for not only educating the farmers but everybody. He disclosed that the former produce marketing Board which was known as the Sierra Leone Produce Marketing Board (SLPMB) has been replaced by the SLPMC, adding that the government has thought it necessary to bring back the produce marketing in operation as it will provide job opportunity for the youths. He mentioned that in the past SLPMB provided employment facilities for people which enabled parents to educate their children. Mr. Samuka said the new marketing company will not be monopolized by government but will encourage the private sector to produce quality cocoa in the country.

Contributing the executive secretary of the committee of marketing produce Ibrahim Turay highlighted the way the company will be operating on with the private business people. Mr. Turay gave some of the importance of the company saying it will allow private people to operate and that the company will be supervised by the government personnel. He added that they will strengthen the Inspectors in the country to ensure that, nobody produces substandard cocoa that will dent the image of the nation. He appealed to exporters and dealers to allow farmers and agencies to carry out their own duty in producing good quality cocoa which will earn them a better standard of living.

In his statement the Mayor of the Kenema City Council (KCC) chief Brima Kargbo commended SLPMC and the business people for their development programs in the country and appealed to the new company to meet the grassroots people and sensitize them about the new system, which he says will yield a better dividend. Mayor Kargbo further pointed out that the major causes of poor cocoa production in the country is poverty and he appealed to the Sierra Leone Produce Marketing Company (SLPMC) to help the farmers in their production process.

The Representative of the District Director of Agriculture Maxwell Sheku Bockarie in his contribution encouraged all and sundry especially the farmers, exporters and agents to cooperate with the company for the development of the nation.

The Permanent Secretary in the Ministry of Trade and Industry Isatu Mustapha expressed delight over the corporation of produce people and encouraged cocoa produce dealers and exporters to work hand in glove with the new company in the interest of all and the nation. She added that the people will only benefit from the new marketing company when they operate with the company and appealed to them all to forget about their indifferences and work as people of the same nation saying that development is a gradual process. Mary Sesay a produce dealer moved the vote of thanks.

Belt-tightening not affecting chocolate.

National Post (Canada), (APLR), National, 21 March 2009.

Author(s) Daniele Pinto.

As people rediscover the art of belt-tightening, abandoning the idea of a new car or a cruise to the Caribbean, truffles might seem to be something that many would do without. But in fact, consumers are spending more.

According to a report issued by Mintel, a market research company, chocolate sales rose steadily, by more than 4% in 2008, reaching an estimated total of US\$17-billion. Despite the continuing economic crisis, the report forecasts

this year's chocolate sales to rise even further, to US\$17.7-billion. Chocolate, confectioners say, is the last easy indulgence at a time of deprivation. Some industry leaders and analysts even suggest we could be gobbling more of the velvety sweets to ease anxieties about the future. "Finding a really nice piece of chocolate that you love is something really affordable," says Susan Fussel, a spokesperson for the National Confectioners Association, a U. S. organization.

A good piece of chocolate, she continues, can cost less than a dollar and people can indulge without unduly affecting their budgets.

Although scientists disagree on the mood-boosting effects of cacao on the brain, some consumers and doctors insist that chocolate has physical and psychotropic properties, making it the best answer to sadness and anxiety.

Labour Issues

Sustainability Issues

Stakeholders draw up standards for cocoa industry

Ghana News

Source: GNA

March 19, 2009

Accra, GNA - Rainforest Alliance, a non-profit organization dedicated to conserving biodiversity and ensuring sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour, is working with Ghanaian stakeholders to develop local standards for sustainable cocoa production in the country. The guidelines, which are to be published soon, will cover labour, social, remuneration of workers engaged on cocoa farms as well as the use of child labour on cocoa farms.

Mr Oliver Bach, the Standards and Policy Manager of Rainforest Alliance, made this known at 3-day basic auditors training course for potential auditors and 10 technical officers from the Ministry of Agriculture, Farmer Association and Cooperatives and industry partners. The course aims to transfer knowledge on standards for sustainable agriculture and RainForest Alliance Certification requirements and processes to potential auditors and to technical advisors helping farmers and producer groups prepare for the certification. Participants who passed the course on sustainable Agriculture Network Standards and Rainforest Alliance Certification will move on to the candidate phase of the course.

Mr Bach said efforts were made to involve as many stakeholders, such government, Cocobod and farmers in the process of drawing up the guidelines to enable the programme to achieve a high level of credibility and acceptance. He said balance participation was critical to getting all involved and to enable them appreciate the tools for sustainability that had been drawn up to move the cocoa industry forward.

The Rainforest Alliance's sustainable agriculture program oversees the certification of farms that produce tropical crops, including coffee, bananas, cocoa, oranges, flowers, ferns, and tea. To obtain certification, farms must meet a set of environmental and social standards, including agrochemical reduction, ecosystem conservation, and worker health and safety. Mr Bach said Rainforest certification assured consumers that producers had followed good farm management and environmental practices. The Rainforest Alliance encourages businesses and consumers to support sustainable agriculture by buying products grown on certified farms. By February 2006, nearly 2,000 square kilometres (nearly 475,000 acres) of land on more than 4,500 farms and cooperatives in 12 countries had obtained Rainforest Alliance certification. 19 March 09

Cadbury Goes Fairtrade

Green Muze

16 March 2009



[Image courtesy of Cadbury Dairy Milk.]

The Easter Bunny won't be bringing fair wages to Ghanaian cocoa farmers this year, but by Summer 2009, Cadbury's Dairy Milk, Britain's largest chocolate maker, has committed to achieving Fairtrade certification for their UK and Irish markets. "This is an historic moment for our company. I am proud that the nation's favourite chocolate bar will display the Fairtrade Mark," explains Cadbury Chief Executive, Todd Stitzer.

Cadbury Dairy Milk is the largest mainstream chocolate company in the UK to commit to Fairtrade certification.

"We're delighted to have the opportunity to certify Cadbury Dairy Milk, enabling all those who buy it to make a real difference for cocoa farmers with every purchase," says Harriet Lamb, Chief Executive of the Fairtrade Foundation. "This certainly sets a new standard for the mainstream chocolate industry."

Cadbury Dairy Milk's Fairtrade certification will result in the tripling of sales of cocoa under Fairtrade terms for cocoa farmers in Ghana. Cocoa is Ghana's main cash crop and integral to the estimated 700,000 cocoa farmers.

Visit: <http://www.cadbury.com/>

Research & Development

Utility joins chocolatier Lindt to test new energy

InvestmentNews

By Sue Ascì

March 16, 2009

Alternative energy may be taking a new twist as a New Hampshire utility company has partnered with a chocolate maker to test a new fuel mix using cocoa bean shells. Public Service of New Hampshire, the Manchester-based electric power company, has collaborated with Lindt & Sprungli USA Inc. of Stratham, N.H., a chocolate company, to run the tests.

PSNH combined the shells with coal in one of its boilers to determine if they can be used as a fuel source. Currently, Lindt receives chocolate already processed from its Zurich, Switzerland, parent company and its subsidiaries in Europe to make the firm's Lindor Truffles, which are distributed in the United States. The cocoa shells used in the tests also come from overseas.

The company plans to launch its own chocolate-processing plant as part of its manufacturing operation in Stratham in late 2009 or the spring of 2010, said Danielle LaChance, marketing manager at Lindt. Once that is open, the firm will send its own shells to PSNH. "If all goes well with the test, our collaboration with Lindt will allow us to replace a portion of coal with a portion of [cocoa bean shells]," Dick Despina, manager of the PSNH's Schiller Station in Portsmouth, said in a release. The burning of such shells also would reduce the amount of carbon dioxide the plant produced, the firm said.

Promotion

Others

Unwrapping the top destinations for chocoholics

Easier (press release)

16 March 2009

The recession is proving a useful tool for the UK's chocolate retailers because while sales on other products dwindle, chocolate sales have more than quadrupled. An increase of 80 percent year-on-year cited by a leading UK retailer* shows that the UK's desire for chocolate has not melted in 2009.

Spotting the UK's sweetening sweet tooth, Cheapflights.co.uk, the UK's leading flight price comparison website where you can search and compare the best deals on the market, has researched the best destinations to indulge even the chocolatiest of cravings.

Francesca Ecsery, General Manager for Cheapflights.co.uk comments: "The Cheapflights office is testament to the current increase in chocolate sales. I think our consumption of it has at least doubled if not tripled in the last quarter alone! Not surprisingly, we're also seeing a significant rise in searches to famous chocolate producing destinations with travellers clamoring to indulge their taste buds over the upcoming Easter break."

The high number of flavonoids contained in chocolate not only help boost the mood and calm the nerves, but can even reduce cholesterol and blood pressure provided the chocolate is dark enough – the higher the percentage of cocoa, the greater the boost.

For the deepest of depressions and the darkest of cravings, nothing beats a trip to Austria for a sampling of its notoriously rich Sacher Torte, containing about five ounces of bittersweet melted chocolate and a further five ounces for the glaze itself. Wash it down with an infamous Viennese hot cocoa and melt the recession into a distant memory. Cheapflights.co.uk's viewer searches show a 19 percent increase from the same time last year; the proof is in the pudding for Austria's rising popularity.

If Austria doesn't tickle your fancy, perhaps Belgium will. This popular short-haul destination is home to all things chocolate from museums and festivals, to factories and even a chocolate tea room. For an all round experience of production phases, differing chocolate moulds and glass cases housing the moulds of chocolates past, visit The Museum of Cocoa and Chocolate. An 11 percent rise in viewer searches to this choco-destination stands as a testament to its appeal.

An unexpected destination for chocolate lovers is Lebanon for which Cheapflights.co.uk is reporting a whopping 117 percent rise in viewer searches compared with the same period last year. Although Lebanon's sweet elements are traditionally either overlooked or presumed to include only Baklava, the country is immensely popular for its offerings by famous chocolatiers like Patchi. Not only is the chocolate itself top quality, but Lebanese packaging is literally an art with each individual chocolate specially wrapped into whichever shape, size or occasion the customer requires – when it comes to design, the sky is the limit.

For an extended, family themed Easter break, travellers should head over to New Zealand's Cadbury factory, home to the infamous Cadbury World for an experience comparable to a real life version of 'Charlie and the Chocolate Factory'. Complete with themed displays, product samplings and a five storey high chocolate fall; this chocolate heaven is not to be missed. Cheapflights.co.uk also confirms that its viewer searches to the destination are up by 24 percent compared with the same period last year.**

Indiana university students visit Cocobod

Ghana Business News

Source: GNA

Mar 17, 2009

Students from Indiana State University in the United States of America on Tuesday paid a visit to the offices of the Ghana Cocoa Board (COCOBOD) to see at first hand how its operations are conducted.

Briefing the students about the objectives of the Board, Mr Francis Osei-Wusu, Deputy Director, said they undertook, promoted and encouraged scientific research aimed at improving the quality of cocoa, coffee, shea

nut and other tropical crops. Mr Osei-Wusu said the functions of COCOBOD centred on production, research, extension, internal and external marketing and quality control.

These are classified into two main sectors - pre-harvest and post-harvest which are performed by specialized divisions of the Board. He said the pre-harvest sector functions were performed by the Cocoa Research Institute of Ghana (CRIG), the Seed Production Unit (SPU) and the Cocoa Swollen Shoot Virus Disease Control Unit (CSSVDCU). "The post-harvest Sector functions are undertaken by the Quality Control Division (QCD) and the Cocoa Marketing Company (CMC) Limited," he said.

Mr Osei-Wusu told the students that post-harvest activities started with quality control measures which farmers must observe to facilitate the acceptance of their produce at the buying centres by the licensed buying companies engaged in internal marketing of cocoa.

Ms Laurie Colglazier on behalf of the students thanked COCOBOD for briefing them about the activities of the board. She said the visit to the country was to see how critical and important sectors of the Ghanaian economy operated.

U.S.\$27 Million for Small Scale Farmers.

Public Agenda (Ghana), (ARJD), 20 March 2009.

Author(s) Amos Safo.

One popular African proverb says, "Words are sweet, but they never take the place of food." True as this saying is, the reality in many parts of Africa is that many people, especially women and children have been reduced to eating words, not 'food'.

The reason is the shortfall in food production due to several constraints facing small scale farmers. Chief among the constraints is the neglect of farmers by their governments and the refusal of commercial banks to grant credit to small scale farmers. The global food crisis of 2008 and the unfolding 2009 financial crisis will even worsen the plight of small scale farmers. Though the agricultural sector generates significant percentages of national incomes (in Ghana it employs about 60 percent of the workforce), it receives only one percent of total commercial lending.

However, things are about to take a turn for the better for African small scale farmers, thanks to the Kofi Annan-led Alliance for Green Revolution in Africa (AGRA). AGRA and other partners are making available a \$10 million loan guarantee fund and in turn, Standard Bank is making \$100 million available for lending over three years.

On Wednesday, March 18, the \$100 million agricultural funding agreement was signed between Standard and AGRA and its partners for disbursement to four countries-Ghana, Mozambique, Kenya and Tanzania. In spearheading the green revolution, AGRA recognizes the fact that lack of access to finance is a major obstacle that prevents small scale farmers from investing in basic inputs such as good seeds, fertilizer and small-scale irrigation needed to raise productivity and make profit.

Each of the four countries will receive \$25 million. In Ghana, Stanbic Bank, a subsidiary of Standard Bank will be disbursing the facility to small scale farmers. Ghana is lucky to have an additional \$2 million, thanks to the last minute decision by the Millennium Development Authority (MiDA) to contribute to the portfolio. The additional \$2 million is part of the Compact Agreement between the Governments of Ghana and the United States.

Ghana's Minister of Food and Agriculture, Mr. Kwesi Ahwoi, himself a cocoa farmer, admitted that Ghana imports almost everything we eat, except tubers like yam and cassava. "We produce only 21 percent and 42 percent of rice and maize", says Mr. Ahwoi, who described the AGRA initiative as God sent. The Chairman of AGRA, Mr. Kofi Annan, said "our action today recognizes that the global food crisis is exerting major problems in Africa. Inflation, food shortages and trade imbalances all pose huge social, economic and political risks. But as credit is frozen worldwide, Africa cannot wait for a thaw. Programmes such as this which increase the productivity of smallholder farmers and help catalyse an African Green Revolution will ultimately enable Africa to achieve food security and stability."

"The loan programme announced today combines the power of partnership with an innovative financing mechanism designed by AGRA and its partners to mitigate the risks facing commercial banks in lending to the agricultural sector in Africa, which is largely dominated by women. It will help to generate new income opportunities to improve the lives and livelihoods of several thousands of farmers and their households", Annan stressed.

"The large share of agriculture in Africa's GDP suggests that strong growth in agriculture is necessary for overall economic growth. There is a need and an opportunity for investment that will develop the middle ground in Africa's

agriculture", said Standard Bank Group Chief Executive, Jacko Maree. As a leading emerging markets bank, Standard Bank has under the scheme promised to perform a transformative role in the continent's agricultural sector in partnership with other organizations. "Transforming small scale farmers into medium-sized enterprises is essential to address the food security and to stimulate economic ground" Maree added.

According to Maree, the new programme builds on Standard Bank's funding models developed to finance small scale farmers. The models include risk mitigating tools such as price hedging instruments and crop insurance.

"This is a memorable day for African agriculture" said Dr. Namanga Ngongi, President of AGRA. The new loan programme builds on the earlier one by the Rockefeller Foundation in Uganda which helped to leverage loans to small scale farmers. It is expected that the \$100 million AGRA-Standard Bank financing scheme will create the single largest facility in Africa, targeting smallholder agriculture by an African bank.

TIT BITS

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

Sugar prices rise in London

LONDON (March 17, 2009): Sugar futures edged higher on Monday, rebounding from early losses, buoyed by a weaker dollar and underpinned by constructive fundamentals. cocoa futures on ICE were also higher, building on last weeks gains, while coffee showed mixed trends with Vietnamese selling weighing on robustas.

US MIDDAY: cocoa and coffee surge

NEW YORK (March 17, 2009): US cocoa and arabica coffee futures moved higher in early trade Monday, with a boost from the weak dollar and chart-based support, traders said. Arabica coffee for May delivery up 0.30 cent at \$1.1045 per lb, by 9:19 am EDT (1319 GMT). Session range from \$1.0860 to \$1.1125.

cocoa down, sugar higher in London

LONDON (March 18, 2009): cocoa futures eased on Tuesday as rising expectations for the mid-crop in top producer Ivory Coast and a slightly firmer dollar helped to spark profit-taking on ICE, dealers said. Sugar prices edged higher with the markets attention centred on the import requirements for top consumer India while coffee futures remained rangebound.

Cameroon cocoa prices slip

YAOUNDE (March 18, 2009): cocoa prices at farm-gate in Cameroon fell from recent highs in early March, farmers said on Tuesday, though they were still well above previous seasons. Prices in the worlds fifth-biggest grower peaked in February as main crop supplies dried up and world markets hovered near highs, but have since fallen slightly.

US MIDDAY: cocoa and coffee lower

NEW YORK (March 18, 2009): US cocoa and arabica coffee futures turned lower in early trade on Tuesday as both markets continued to consolidate and the firm US dollar added pressure, traders said. Arabica coffee for May delivery down 0.75 cent at \$1.10 per lb by 9:12 am EDT (1312 GMT).

London soft commodities rise

LONDON (March 20, 2009): Sugar, cocoa and coffee futures all rose on Thursday, swept up in a broad-based advance in commodity markets as the dollar sank and a Federal Reserve plan to fight recession increased investors risk appetite. Oil led the charge, jumping by more than five percent, metals also climbed steeply and the bullish mood spilled over into softs.

cocoa and sugar prices rally in London

LONDON (March 19, 2009): cocoa and sugar futures rallied on investor buying on Wednesday with both markets underpinned by supply concerns while coffee also edged higher. Dealers said cocoa derived support from pod counter estimates for the mid-crop in top producer Ivory Coast which were smaller than many had anticipated.

Ivory Coast cocoa mid crop output seen falling

ABIDJAN (March 19, 2009): Ivory Coasts April-September cocoa mid crop harvest may be as low as 200,000 tonnes, pod counters estimated on Wednesday, well below last years 315,000 tonne harvest and much smaller than farmers forecasts. Until now, expectations had been widespread of a large mid crop that would at least partially compensate for the poor start to the season in the worlds biggest grower.

US MIDDAY: cocoa and coffee climb

NEW YORK (March 19, 2009): US cocoa and arabica coffee futures jumped to multiweek highs in early trade Wednesday, on chart-based buying and a boost from the weak dollar, traders said. Arabica coffee for May delivery up 1.95 cents to \$1.1320 per lb, by 9:11 am EDT (1311 GMT). Session range from \$1.1115 to \$1.1425 per lb, the highest since February 26.

US MIDDAY: cocoa and coffee up

NEW YORK (March 20, 2009): US cocoa and arabica coffee futures rallied strongly early Thursday, buoyed by a weaker dollar and a higher inflationary outlook stemming from the US Federal Reserves plan to purchase long-term Treasury debt, traders said. Arabica coffee for May delivery up 3.70 cents, or 3.3 percent, at \$1.1685 per lb, by 9:10 am EDT (1310 GMT).