

COPAL COCOA INFO

A WEEKLY NEWSLETTER OF COCOA PRODUCERS' ALLIANCE



Issue No. 329

28th March – 3rd April 2009

Cocoa Producers' Alliance



UP-COMING EVENTS

- ❖ 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

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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)
30-Mar-09	1,775.03	2,644.94	1,918.67	2,573.33
31-Mar-09	1,785.24	2,669.06	1,908.33	2,601.00
1-Apr-09	1,796.14	2,678.80	1,902.67	2,613.00
2-Apr-09	1,846.33	2,763.23	1,920.00	2,701.67
3-Apr	1,882.84	2,824.45	1,942.67	2,772.00
Average	1,817.12	2,716.10	1,918.47	2,652.20

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

Monday 30-Mar 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
May-09	1939	1950	9	1959	1939	2,213
Jul-09	1903	1915	9	1921	1903	1,961
Sep-09	1879	1891	9	1895	1879	672
Dec-09	1859	1867	8	1874S	1859	235
Mar-10	1847	1842	9	1852	1842	32
May-10	1852	1838	9	1852	1850	20
Jul-10		1844	9			0
Sep-10		1848	9			0
Dec-10		1839	9			0
Mar-11		1839	9			0
Totals		1867				5133

Tuesday 31-Mar 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May-09	1945	1940	-10	1952	1921	4,156
Jul-09	1910	1904	-11	1916S	1890	3,512
Sep-09	1890	1881	-10	1893S	1870	595
Dec-09	1854	1862	-5	1872	1852	1,471
Mar-10	1830	1836	-6	1840	1830	250
May-10	1835	1833	-5	1835	1833	70
Jul-10	1842	1839	-5	1842	1842	10
Sep-10		1843	-5			0
Dec-10		1834	-5			0
Mar-11		1834	-5			0
Totals		1864				10,064

Wednesday 1-Apr 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May-09	1938	1934	-6	1945	1921	4,330
Jul-09	1902	1898	-6	1906	1885	5,041
Sep-09	1875	1876	-5	1883	1862S	2,231
Dec-09	1860	1858	-4	1865	1844S	1,267
Mar-10	1836	1832	-4	1836	1822S	205
May-10	1833	1829	-4	1837S	1820	128
Jul-10		1835	-4			0
Sep-10		1839	-4			0
Dec-10		1830	-4			0
Mar-11		1830	-4			0
Totals		1856				13,202

Thursday 2-Apr 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May-09	1932	1947	13	1958	1923	6,504
Jul-09	1895	1917	19	1925	1893	3,030
Sep-09	1890	1896	20	1904	1880S	1,112
Dec-09	1865	1877	19	1886	1858	658
Mar-10	1850	1849	17	1855	1836	2,083
May-10	1840	1845	16	1842	1840	190
Jul-10		1851	16			0
Sep-10		1855	16			0
Dec-10		1846	16			0
Mar-11		1846	16			0
Totals		1873				13,577

Friday 3-Apr 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May-09	1944	1970	23	1974	1930	2,876
Jul-09	1907	1940	23	1944	1900	2,598
Sep-09	1887	1918	22	1922	1885	829
Dec-09	1868	1898	21	1900	1865	1,108
Mar-10	1841	1868	19	1870	1839	945
May-10	1840	1868	23	1860	1839	260
Jul-10		1874	23			0
Sep-10		1878	23			0
Dec-10		1869	23			0
Mar-11		1869	23			0
Totals		1895				8,616

Average for the week		1895				10118
Total for the week						50,592

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

Monday 30-Mar 2009

Month	Open	Price	Change	High	Low	Volume
May-09	2557	2576	3	2590	2543	5,407
Jul-09	2551	2579	3	2590	2545	2,429
Sep-09	2560	2577	2	2590	2560	1,004
Dec-09	2559	2574	3	2588	2559	159
Mar-10	2555	2570	5	2566	2555	21
May-10	0	2572	7	0	0	0
Jul-10	0	2585	8	0	0	0
Sep-10	0	2585	8	0	0	0
Dec-10	0	2595	14	0	0	0
Mar-11						
Totals		2579				9,020

Tuesday 31-Mar 2009

Month	Open	Price	Change	High	Low	Volume
May-09	2576	2605	29	2620	2562	7,726
Jul-09	2579	2605	26	2618	2566	4,081
Sep-09	2575	2604	27	2616	2572	1,142
Dec-09	2569	2601	27	2611	2569	147
Mar-10	2600	2591	21	2600	2580	90
May-10	2590	2589	17	2591	2582	46
Jul-10	0	2601	16	0	0	0
Sep-10	2612	2606	21	2612	2612	1
Dec-10	2632	2616	21	2632	2632	1
Mar-11						
Totals		2602				13,234

Wednesday 1-Apr 2009

Month	Open	Price	Change	High	Low	Volume
May-09	2599	2618	13	2622	2571	5587
Jul-09	2590	2617	12	2622	2572	3550
Sep-09	2597	2618	14	2615	2583	343
Dec-09	2596	2611	10	2610	2573	263
Mar-10	2585	2600	9	2595	2580	122
May-10	2569	2601	12	2569	2568	
Jul-10	0	2613	12	0	0	
Sep-10	0	2618	12	0	0	
Dec-10	0	2628	12	0	0	
Mar-11	0	2628	0	0	0	
Totals		2615				9,865

Thursday 2-Apr 2009

Month	Open	Price	Change	High	Low	Volume
May-09	2629	2701	83	2725	2621	11,401
Jul-09	2621	2700	83	2720	2621	6,488
Sep-09	2630	2699	81	2709	2630	432
Dec-09	2640	2694	83	2706	2640	598
Mar-10	2625	2678	78	2685	2625	208
May-10	2631	2677	76	2680	2631	136
Jul-10	0	2689	76	0	0	0
Sep-10	0	2691	73	0	0	0
Dec-10	0	2701	73	0	0	0
Mar-11	0	2701	73	0	0	0
Totals		2693				19,263

Friday 3-Apr 2009

Month	Open	Price	Change	High	Low	Volume
May-09	2701	2787	86	2795	2680	10,276
Jul-09	2700	2790	90	2796	2680	7,735
Sep-09	2697	2771	72	2775	2679	742
Dec-09	2695	2755	61	2759	2677	1,119
Mar-10	2690	2726	48	2732	2675	870
May-10	2688	2717	40	2720	2684	75
Jul-10	2731	2732	43	2736	2731	17
Sep-10	2745	2746	55	2750	2745	36
Dec-10	0	2756	55	0	0	0
Mar-11	0	2756	55	0	0	0
Totals		2754				20,870

Average for the week		2649				14,450
Total for the week						86,702

Spot Prices (US \$ per tonne)

	30-Mar	31-Mar	1-Apr	2-Apr	3-Apr
Main Crop Ghana, Grade 1	3121	3150	3163	3246	3332
Main Crop Ivory Coast, Grade 1	2948	2977	2990	3073	3159
Main Crop Nigerian, 1	2934	2963	2976	3059	3145
Superior Arriba	2884	2913	2926	3009	3095
Sanchez f.a.q	2909	2938	2951	3034	3120
Malaysian 110	2566	2595	2608	2691	2777
Sulawesi f.a.q	2676	2705	2718	2801	2887
Ecuador Cocoa Liquor	4096	4142	4163	4295	4431
Pure Prime Press African Type Cocoa Butter	6526	6599	6632	4843	7060
10/12% Natural Cocoa Press Cake	1219	1233	1239	1278	1319

Source: Cocoa Merchant Association

News

Health and Nutrition

How a mug of cocoa could boost your brain

Daily Mail

By Fiona Macrae

April 03, 2009



It is supposed to be the perfect bedtime drink to send you off to sleep. But in fact, a mug of cocoa could be just the thing to peep you up, scientists say.

Research shows that flavanols - plant chemicals abundant in dark chocolate - stave off fatigue and boost mental sharpness. It is thought that they widen blood vessels, boosting blood flow to the brain.

Psychologists asked 30 people to carry out a battery of mental arithmetic tests before and after having a flavanol-rich chocolate drink or a dummy beverage. They found the sweet drink boosted performance on one of the tests, which involved repeatedly subtracting the number three from a start point of between 800 and 999. The flavanols also appeared to counteract the tiredness brought on by doing the intensive arithmetic, the British Psychological Society's annual conference heard.

Researcher Crystal Haskell (CORR) said: 'We asked them about their mental fatigue and that increased but the cocoa offset that increase.' The study, carried out at the Brain, Performance and Nutrition Centre at Northumbria University, also found that a 500mg dose of flavanols was more effective than a higher one. With this being equivalent to five bars of chocolate a day, the researchers are now trying to find out if lower levels would also be of benefit. Flavanols belong to a group of compounds called polyphenols, which are also abundant in red wine, tea, olive oil, onions, leeks, broccoli and blueberries.

Co-researcher David Kennedy said: 'The amounts we were giving them were more than you would get from eating small amounts in diet but there is quite a bit of evidence showing that general consumption over time is protective against neurodegenerative disease and decline in cognitive function. 'The more fruits and vegetables and things containing polyphenols you eat, the better for your brain.'

Other research has credited flavanols with cutting the inflammation linked to heart disease, and with reducing the odds of dangerous blood clots. They are also said to help keep diabetes and high blood pressure under control. One of the key attractions for many is that chocolate simply makes us feel good - stimulating the release of chemicals more normally associated with sex and exercise.

Researchers have even gone as far as to claim that the smell of chocolate alone can protect against colds. But, sadly for chocolate lovers, the treat's high fat and sugar content means dieticians recommend it is eaten as part of a balanced diet, rich in less appealing foods such as brown rice, pulses and fruit and vegetables.

Eat chocolate; improve your maths

Hindu

03/04/09

London (PTI): Bad at maths? Gorge on chocolates before you attempt your next examination. A new study has revealed that eating chocolate could improve the brain's ability to do maths as well as boost your energy level.

Researchers have carried out the study and found that flavanols, compounds found in chocolate and part of a group of chemicals called polyphenols, actually work by increasing the flow of blood into the brain.

According to the study's lead author David Kennedy of Northumbria University, the findings suggest that students who binge on chocolate when revising for examination might gain a real benefit from doing so and chocolate could be beneficial for mentally challenging tasks also. "For things that are difficult to do, mentally demanding things that may crop up in your work it could help," Prof Kennedy was quoted by 'The Daily Telegraph' as saying.

In the study, 30 volunteers were asked to count backwards in groups of three from a random number between 800 and 999 generated by a computer. The findings showed that they could do the calculations more quickly and accurately after they were given a hot cocoa drink containing 500 mg flavanols.

However, the same was not true when the group was asked to count backwards in groups of seven, which the researchers described as a more complex task, requiring a slightly different part of the brain. The findings also showed that the volunteers did not get as tired doing the calculations if they had been given the cocoa drink, despite being asked to do them over and over for an hour.

According to the researchers, dark chocolate contains higher quantities of the chemical than plain or milk one. "You can get bars of chocolate that have 100 mg of flavanol, and we are also going to look at effect of lower doses of flavanol on the brain," co-author Emma Wightman said. The study's findings were presented at the British Psychological Society annual conference in Brighton.

Production & Quality

Ministry Hopes Productivity will triple in Cocoa Industry

Jakarta Globe

Arti Ekawati & Teguh Prasetyo

March 30, 2009

The Ministry of Agriculture, having launched a Rp 1 trillion (\$87 million) program last year to rejuvenate the Indonesian cocoa industry, wants local plantations to increase their productivity by 300 percent, ministry spokesman Syukur Iwantoro said on Monday. "Cocoa rejuvenation is urgent as Indonesia is the world's third-largest producer," Syukur told reporters. Indonesia trails Ivory Coast and Ghana, with Africa producing about 75 percent of all cocoa.

In Indonesia, ageing trees and the cocoa pod borer have caused considerable damage to plantations in Sulawesi, which has about 1 million hectares producing 60 percent of the country's cocoa. Production in 2007-08 fell by 45 percent and has shown little sign of picking up.

Production in Sumatra has doubled over the last four years, but the area does not contribute enough production to make up for the problems in Sulawesi. With average yields currently at about 500 kilograms per hectare, the three-year rejuvenation program — set to run through 2011 — aims to push that figure to 1.5 tons per hectare, Syukur said. "At present, most cocoa plantations are more than 15 years old, while trees can only be producing for 15 years at most," he said. "Aside from ageing trees, diseases like the pod borer and vascular streak die-back are also causing production to drop," he said.

The rejuvenation effort is concentrated on 145,000 hectares in nine provinces across Bali, Sulawesi, Maluku, and Papua. Funds are targeted at replanting 20,000 hectares of plantations, rehabilitating trees on 60,000 hectares, providing fertilizer to upgrade 65,000 hectares and giving hybrid corn seeds to farmers who must cut down their cocoa plantations because of disease and other problems. "We will give free hybrid corn seed to farmers who must replant their trees," Syukur said. "Since it takes three years for trees to mature before they can be harvested, farmers can use corn as a supplement to fulfill their needs."

Indonesia exported about 100,000 tons of the beans in 2007, with production reaching 520,000 tons.

Zulhefi Sikumbang, general secretary of the Indonesian Cacao Association, or Askindo, said earlier that national output would drop about 100,000 tons a year during the program.

The director general of agribusiness and chemical industries at the Ministry of Industry, Benny Wachyudi, said that the cocoa processing industry increased its nationwide production capacity to 334,400 tons in 2008 from 304,400 tons in 2007, partly in response to the removal of value-added taxes on primary products, including processed cocoa, in 2008.

Processed production rose to 200,040 tons in 2008 from 151,700 tons in 2007, Benny said.

World cocoa prices have risen 5.3 percent over the last month, although they remain 18.6 percent off their cyclical high of \$2,923 per metric ton.

Meanwhile, in Sumatra, the source of about 10 percent of the country's cocoa, heavy rains are expected to cut the island's crop as much as 20 percent, an industry executive said. "Heavy rains hurt the crop in Sumatra, where flowers fell from trees," Halim Razak, the chairman of Askindo, said on Monday from Makassar, South Sulawesi Province.

K5 million allocated to eradicate Cocoa Pod Borer

NBC PG

Mar 30, 2009

The Government of East New Britain is allocating funds, towards the Cocoa Pod Borer eradication exercise, in the province. A total of K5 million, has been approved by the Provincial Executive Council, for this purpose. The funding would be pumped, into the various government agencies and institutions, involved in the programme.

Council Chairman and Governor, Leo Dion, announced this at the launch of the Dauvia Paia Cooperative Society, in Gazelle District. He told the gathering, cocoa is and would always remain, the main crop for many families in East New Britain. However, the recent outbreak of the cocoa pod borer in settlement areas, demand a lot of work from farmers to protect their trees.

Sierra Leone loses £4m annually due to poor quality cocoa exports, says minister

African Press Agency

March 30th, 2009

APA---Freetown [Sierra Leone] Sierra Leone's Deputy Minister of Trade, Mabinty Daramy, has disclosed Tuesday that Sierra Leone is losing £4 million annually due to the poor quality of its cocoa exports, APA learns here. While addressing cocoa farmers in the provincial towns, the deputy minister said the government was about to set up the Sierra Leone Produce Marketing Company [SLPMC], which would help farmers improve the quality of their products and sell them to the international market.

The new company, she said, will allow produce farmers, exporters and cooperative organisations to buy shares in the company and that a new committee on the marketing and monitoring of produce, would soon be constituted, to make the venture a success.

Cameroon Farmers: Distribution of Hybrid Cocoa Seedlings Slow

By Emmanuel Tumanjong

YAOUNDE, Cameroon, Mar 31, 2009 (Dow Jones Commodities News via Comtex) -- Lack of sufficient high-yielding hybrid cocoa seedlings is hampering the opening of new cocoa farms, or revamping old ones nationwide, a big farmers' cocoa group said Tuesday, blaming the country's Cocoa Development Authority, or Sodecao for the slowdown.

Officially, just about 30% of Cameroon's cocoa farms in seven of the country's 10 administrative regions (formerly provinces) are hybrid cocoa farms. "Sodecao has promised to provide farmers with 6 to 7 million high-yielding hybrid cocoa seedlings during the ongoing 2008-09 cocoa season, but soon the season is going to end, and we're not seeing them. This is disturbing farmers expecting to get the seedlings from Sodecao," said Alphonse Emmanuel Nguile, vice president of the National Organization of Cocoa and Coffee Producers in Cameroon, or ONPCC, one of the biggest cocoa groupings nationwide with more than 53,000 farmers.

Nguile, who owns a more than 40 hectares cocoa farm of high-yielding cocoa seedlings, said he has snubbed Sodecao and is cross breeding the plants himself, and teaching his fellow ONPCC members to produce seedlings themselves to open new farms, or renew old ones. "Several farmers are already following my example and producing seedlings to catch up. This is the right time to open new farms, there is high demand for cocoa worldwide, so I'm encouraging farmers to grow the crop and make more money," said Nguile.

Unlike the non-hybrid cocoa plants which take six to seven years to start producing pods and bearing fruits only twice a year, the hybrid cocoa plants generate cocoa throughout the year and are resistant to pests, and are thus cheaper to grow.

Sodecao general manager Jerome Mvondo admitted that his body delayed distribution of hybrid cocoa seedlings. "We're trying to renew the abandoned nurseries. We're currently in negotiation with the government to secure more funds that will enable us meet our target of providing farmers with the required 7 million hybrid cocoa seedlings. In addition, we're teaching farmers modern techniques for growing cocoa," Mvondo told Dow Jones Newswires.

Betting on cocoa

Trinidad News

By Venus Honore-Gopie

April 2, 2009

Cocoa farmers are betting their pods on a much-touted Government plan that seeks to revitalise the sector and increase cocoa production. Ten percent of the nation's cocoa farmers between the ages of 20 to 35 are now part of The Cocoa Revitaliser Programme (CRP) which aims to attract young people to cocoa farming to help renew and prolong the industry and stimulate added-value to enterprises based on cocoa, said Agriculture Minister Arnold Piggott at the opening ceremony of the Second Roundtable for a Sustainable Cocoa Economy, a big conference held at the the Hyatt Regency, Hotel last week.

The programme was launched recently by the Agricultural Development Bank (ADB) and the Cocoa and Coffee Industry Board to increase cocoa production to continue attracting premium prices and satisfy the demand for TT cocoa on the global market. The CRP has assisted 246 farmers financially on 2,390 acres of land. Among 2,000 farmers currently growing cocoa in TT, some 85 percent are between 40 and 55 years. But a number of local farmers have expanded their production activities to include processing of chocolates, cocoa powder and cocoa-based toiletries, some of which are being exported regionally, Piggott said.

In the last few years, cocoa production has stabilised at 1,000 to 2,000 metric tonnes per annum. Piggott added, "Collaborating with stakeholders in the industry, we have seen the revival and development of over 1,200 hectares, which will double our national output in the next three years." Some 2,000 cocoa farmers with average farm sizes of two to five hectares produce 200 to 800 kg per hectare. There are about five to six large farm holdings.

According to Dr Jan Vingerhoets, Executive Director, International Cocoa and Coffee Organisation, there had been an enormous shifting in demand from white chocolates to rich dark chocolates "and you have a high quality grade of cocoa." "The cocoa price in the world market is normal compared to double the price you can get from Trinidad and Tobago. Manufacturers all over the world are searching to find the finest cocoa beans in places they would not normally go trying to find find cocoa," he said.

Farmer Lookhoor in Sudama Village, Fyzabad, is currently working on the abandoned cocoa estate that once belonged to his father and which he wants make viable. He started from scratch. "The cocoa estate was always there but it wasn't worked properly until it was revamped about ten years ago," he said. He purchased his cocoa seedlings from Centeno at \$1 each. His concern is that there is not enough technical advice from either the Ministry of Agriculture or the Cocoa and Coffee Industry Board, adding that he could do with advice on planting new cocoa plants and pruning.

Sudama said his father taught him how to plant and reap the cocoa. "We have to purchase our own fertilisers. There's no help from the ministry nor from the CCIB to purchase any fertilisers, insecticides nothing at all," said Looknoor. From planting the seedling to harvesting, it takes five years before a cocoa plant reaches maturity. "The CCIB through the ADB is giving farmers a loan but the position with the loan is that the cocoa

takes five years to bear and farmer have to finish their payment in five years time,” he explained, noting that the rate is too high at eight percent interest.

The cocoa farmers are now trying to form a cocoa farmers group to lobby for what they want. But the cocoa industry is being given a new lease with entrepreneurs looking at ways to capitalise on the bean. Isabel Brash uses the beans from their Rancho Quemado estate to make her chocolate that is made by hand “It is very labour intensive so I can’t make a lot on my own right now. It is done by order. If somebody wants to make via an order they can e-mail me, that’s how I do it,” she said.

Brash said it takes three days to refine the chocolate but she also makes cocoa powder and butter. Brash said her chocolate started after she told her brother to bring home some of the cocoa beans for her. “I started to do a lot of work with it through research and by reading a lot,” she said.

Another entrepreneur, Surendra Persad of Quarry Village, Siparia, said the cocoa is processed on behalf of the CCIB which markets it abroad. The products include cocoa liquor, powder and butter but mainly liquor, she said. “Even though our cocoa is sold at such a high price the cost of production that goes into it needs to be looked at the cost of labour is very high,” she said. “If we have such a prime product the Government needs to look at putting some form of emphasis on it,” she said. CCIB has to play a greater role in marketing the by-products of cocoa. “They could put more emphasis on marketing rather than the raw beans,” she said. At The Soap Kitchen, Leigh Lopez makes handmade soaps, body and other beauty products. Lopez, a beauty product manufacturer said, the raw cocoa butter is combined with olive oil, cocoa butter, soya bean oil and vitamin E to make the beauty products.

The cost of the raw cocoa beans is probably about TT\$20 per kilo. “We purchase a lot of the whole beans and we grind it ourselves which is cheaper,” she said, noting that started the business about two years ago. “Cocoa is something wonderful not only to make chocolate but it is good for your skin it is a great moisturiser to be used on top of the skin,” she said.

Now, she has customers requesting her soap. “A lot of people like the idea that it is local and the soap does not have any chemicals especially for those who care about the environment and those who care about what they used on their body,” she said.

Biki S Khurana, managing director of the Rausch Plantagenkakao chocolate company said great care was taken with how their chocolate was made. “ Our chocolates are pure chocolates filled with cocoa mass, butter, cane sugar and milk powder. No lecithin and soya,” he said. “We have partners who have been purchasing cocoa for us in TT for many years from the board directly,” he said, adding that the Rausch company works only with the best in the market. “The cocoa from TT currently enjoys a high premium which is almost double the stock exchange price,” he said.

Duane Dove, who owns the 30 acre Tobago Cocoa Estate specializes in the Trinitario special hybrid cocoa but which is also grown with cassava. “We also bake cassava bread at the estate so when we have visitors from the cruise ship and they sample it,” he said. He said the \$20 TT per kilo needed to be raised to TT\$30 per kilo. “The bulk cocoa which is used for regular candy chocolates in TT is fine flavour but that is only used for artisan chocolates in the market. “We have a premium so we get up to \$5,000 per tonne which is double the amount you get for bulk,” he explained. He said what the authorities have to do is try and facilitate a better working relationship with the companies who manufacture the by-products.

As it is where is right now a lot of stuff is sold through brokers and agents, he said. “There’s a lot of people in the chain that is making money of the farmer and we need to cut down on that chain and have a more direct working relationship between farmer and manufacturers.

That is the only way growth will be stimulated in the industry,” he said. Like other farmers, he said chemicals were expensive and urged government to help subsidize this cost. .

While TT farmers deal with praedial larceny, in Tobago the biggest problem is dealing with parrots which is a deterrent for farmers. He has hired falconer Kelton Thomas who to help scare away the parrots with hawks . “He comes in when the parrots are feeding and the hawk patrols the area and scare the birds away. It is the parrots’

natural enemy. That is the most defective way to deal with the parrot problem and environmental friendly," he said.

"What we are doing is putting nets all over our pods which is pretty expensive and a tedious project. The netting is bought and it takes a lot of time for my staff to go around. I have 12,000 trees all those trees that are bearing have to put nets on them," he said. He said across the board, the industry was facing a labour problem. "We have such a big gap because the older cocoa farmers have died out, the young people don't know about cocoa," he said. He said to stimulate interest, primary schools should organise more field trips to the farms. "It is the same thing with tourism, people need to be educated and it should be worked into the curriculum," he said.

Last year 500,000 cocoa seedlings were made available from the La Reunion experimental station and sold to farmers at \$1 to ensure they have access to superior planting material and knowledge of good agronomic practices for growing, harvesting and processing.

In addition, old plantation trees are being replaced on some farms by newer varieties known, a project known as Trinidad Selected Hybrids (TSH) which is looking at "super" clones which will have a good yield of between 1000 to 2000 kg per hectare, be more resistance to Witches' Broom disease and possess fine of flavor characteristics.

In order to have mutual support among farmers 10 local cocoa farmers' group has been formed to share their knowledge and ideas by co-operating with each other. Piggott said as of March 11, 2009 the price of raw cocoa was US \$2,300.67 per tonne on the New York Futures market. But TT's fine flavour cocoa attracts on average US\$5,000 per tonne. The annual earnings of the cocoa industry in the chocolate manufacturing and other cocoa products, Piggott said, is estimated at US \$70 billion.

The Market

Ctrl Cameroon Cocoa Prices edge up on more Demand - Farmers

MarketWatch (press release)

By Emmanuel Tumanjong

April 3, 2009

Apr 03, 2009 (Dow Jones Commodities News via Comtex) -- YAOUNDE, Cameroon (Dow Jones)-A kilogram of cocoa beans sold higher 1,000-1,100 CFA francs (\$2.07-\$2.28) per kilogram this week beans in Cameroon's second main cocoa locality of the Center Region (formerly Province), up from XAF975-1,025/kg it was selling for last week, farmers and traders there told Dow Jones Newswires Friday by phone. "More traders are asking for cocoa beans, since Tuesday this week, this is why prices rose to XAF1,100/kg in Bafia, and XAF1,000/kg in other far away areas," said farmer Emmanuel Akolo Nogo in Emana village, 40 kilometers northwest of the capital Yaounde.

Located 150km northwest of Yaounde, Bafia is central Cameroon's key cocoa-growing and marketing town. Like other cocoa-producing areas in the country, Central Cameroon, which accounts for 30%-35% of the annual output of more than 187,000 metric tons, is heading toward the midcrop cocoa harvest. "Apparently I'm still finding it more difficult to have the amount of cocoa I want, so I've no choice but buy what I've at hand at this increasing price of XAF1,100 or XAF1,000/kg," said middleman trader Blondeau Ekassi speaking from Sa'a village.

SW Nigerian Graded Cocoa Steady At NGN370,000/Ton -Buyers

MarketWatch (press release)

By Obafemi Oredein

April 3, 2009

IBADAN, Nigeria, Apr 03, 2009 (Dow Jones Commodities News via Comtex) -- The price of graded cocoa in southwestern Nigeria remained steady at 370,000 naira (\$2,499) a metric ton, buyers said Friday. Graded cocoa which has been inspected and certified fit for export, sold at the same price last week in the southwest, the largest cocoa-producing region in Nigeria. "The price has remained the same because the mid-crop cocoa is in the market and people in the cocoa business don't have enough money now," a buyer in Akure, capital of Ondo state, told Dow Jones Newswires. He said: "the financial downturn everywhere in the country is affecting cocoa trade, banks are not giving credit and the trade is slow."

Cocoa has fallen in value in the Nigerian market in the past month because the mid-crop cocoa now on sale is smaller in size and weighs less than the main crop. Last month, graded main crop cocoa peaked at NGN400,000/ton but prices have gone down since then due to the sale of the mid-crop cocoa. A buyer in Ile-Ife, an important cocoa-growing and marketing center, said some Lagos-based exporters were offering NGN360,000/ton for graded cocoa because of the cash crunch. "We have a few Local Buying Agents, who buy cocoa from farmers on behalf of exporters, selling at this lower price to keep trade going," he said.

Harvesting of the mid-crop cocoa began in late March and is expected to end in August while the harvest of the bigger main crop is expected to begin in September and run until January or February. The southwest cocoa belt accounts for 70% of Nigeria's annual cocoa production of 242,000 tons.

Dark chocolate price jump may melt sales gains

Chicago Tribune - Apr 3, 2009

By Joshua Boak | Tribune reporter

In order to eat chocolate properly, Terrence Mootoo suggests first sipping water from a reverse osmosis tap. The filtered water cleanses the palate, readying the taste buds for a 70 percent cocoa truffle filled with a hazelnut-almond ganache. He splits the truffle in half, making you wait 30 seconds between bites so that your mouth and brain can acclimate to the purities in the chocolate.

"Do you feel it just vaporizing on your tongue?" asked Mootoo, who flies to Europe almost monthly to restock his Chicago store, Baladoche, with chocolate bearing the seal of Belgium's royal family.

Chocolatiers and chocoholics contend chocolate is entering into the same realm as fine wines and cheeses, indulgences connoisseurs treasure for their subtleties. "There's more romance with dark chocolate," said Ken Cotich, vice president of corporate sales for Barry Callebaut, a chocolate-maker. "When you change from milk to dark, it's not about price. It's about the fact that your tastes have changed."

Dark chocolate sales jumped 35 percent, to \$829 million between February 2007 and February 2008, while all other chocolate sales inched up 1.5 percent, to \$5.8 billion, according to Nielsen Co. And because dark chocolate contains a higher concentration of cocoa, the increased demand for it has sent cocoa bean prices surging by 46 percent since October, to \$2,787 a ton, according to the IntercontinentalExchange.

Chocolate prices rising Graphic But Nielsen data also show that the popularity of dark chocolate could be stalling in the recession, with sales off by 2.2 percent through February 2009. Some even expect American tastes to swing back to milk chocolate. "It's a bubble that's going to burst," predicts Judith Ganes-Chase, a commodities analyst. "You have a combination of recession plus high prices. I just don't see how consumption can't drop sharply."

The contrast between the price of milk chocolate and dark chocolate is highlighted by stopping at a Walgreens on Michigan Avenue. A Hershey's milk chocolate bar and Nestle Crunch each cost 89 cents, while the 72 percent cocoa Ghirardelli Intense Dark Twilight Delight bar will set you back \$2.99. Michelle Petrelli and Michael Tripp, project managers from Toronto, splurged on the Ghirardelli.

"You don't want to go anything lower than 70 percent," said Petrelli, whose interest in dark chocolate increased about a year ago. Work helped shape their tastes, Tripp explained: "The owner of our company is from France and is really picky about chocolate."

The European influence surfaces a few blocks north at Vosges Haut Chocolate, where Marilyn Geary, a Chicagoan who is originally from London, enjoys a free sample of the \$7.50 Sugar-Free Red Fire Bar, which is made from chilies, Ceylon cinnamon and dark chocolate. "They've discovered dark chocolate, finally," Geary said of her adopted homeland. "Have you had the bacon chocolate? Everyone thinks it's wonderful."

Sitting at a table across from Geary is Catherine Brickell, a 23-year-old office worker who said she traded the artificial chemicals in milk chocolate for the natural ingredients in dark chocolate when she was in high school. She tries Vosges' Organic Enchanted Mushroom, a bar that mixed reishi mushrooms with walnuts and dark chocolate. "I went vegan recently, so dark chocolate is almost the only option," Brickell said.

Not everyone has conformed to the trend. The majority of chocolate continues to be the sugary milk variety instead of the semisweet, somewhat bitter dark. "I like milk but my wife likes dark [chocolate]," said David Canario, a sales consultant for AT&T in Chicago. "When we were dating at one point she got herself a dark chocolate bar. I was like, 'Ooo, really? I guess I'll have to forgive that.' "

One artisan chocolatier chose to marry the contrasting dark and milk tastes with the Pas de Deux truffle. "A bold liqueur sets the tempo for a dance for two in the mouth as a masculine dark chocolate coating lovingly partners with a feminine milk chocolate center," reads a description of the truffle by Daniel Nelson, who graduated from L'Ecole Du Grand Chocolat in France and lives in Rockford.

Last week, Nelson dreamed up a truffle called Nigella, which joins dark chocolate with black cumin seeds, an ancient spice discovered in the tomb of King Tut and mentioned in the book of Isaiah. "I'm figuring if it's good enough for the pharaoh's afterlife, it might be good in chocolate," Nelson said.

Before Juliana Schmitt discovered Nelson's confections near her home in Roscoe, Ill., the self-acknowledged aficionado ordered dark chocolate online and found the results to be uneven. When her family makes s'mores over the fire in the summer, she said her children use Hershey's bars. The adults choose dark chocolate and peanut butter. "So long as we can afford high-quality dark chocolate, we will stick with that," Schmitt said.

Estimates released in March by the International Cocoa Organization show that the world cocoa harvest will be short of demand, meaning that chocolate could become more expensive despite the bad economy. And European chocolate is typically purchased in euros, which means differences in the exchange rate can bite into the margins of gourmet chocolate stores.

At Baladoche in Chicago, which also sells waffles and gelato, the menu board lists prices in the European currency. The owner, Mootoo, adjusts the dollar price every three months to account for fluctuations in the euro. A tube of truffles from Baladoche costs \$34.46, or 25 euros. "What has saved our store through this recession is chocolate sales," Mootoo said. On Wednesday, Mootoo left for Germany to buy more chocolate. The native of Trinidad and Tobago, who trained as a lawyer, will return with about 150 pounds of chocolate and 32 tubes of the hazelnut-almond ganache truffles, which has a combined street value of \$4,000. He stores the truffles in the plane's overhead compartment, while putting the rest of the chocolate into three checked bags stuffed with packing peanuts. United Airlines and its transatlantic partner, Lufthansa, are his preferred carriers. "I've never had any of my bags mangled or destroyed," Mootoo said.

Each trip overseas costs \$750 in travel, lodging and food, though Mootoo said his meals mostly revolve around one particular item.

"Usually when I'm there I'm eating chocolate, because I want to test other people's chocolate," he said.

A European jaunt might seem like an extravagance. But Mootoo said FedEx would charge about \$2,000 to transport the chocolate. Commercial shipping can also be problematic because the chocolate needs to stay between 59 degrees and 78 degrees Fahrenheit. One order Mootoo attempted to import using a cargo plane sat on an airport tarmac during a snowstorm. The freezing weather ruined the nuanced chemistry and aroma of the chocolate.

"I opened the boxes and tubes, which had a funny smell," Mootoo said. "It tasted nothing like what it should have tasted like."

Processing & Manufacturing

Cocoa Processing of Ghana Doubles Capacity in Expansion Program

By Emily Bowers

March 31, 2009

(Bloomberg) -- Cocoa Processing Co., a Ghanaian processor of the chocolate ingredient, completed an expansion program that more than doubled its capacity, said Dramani Egala, a director of the company's board.

The Tema-based company is now able to handle 64,500 metric tons a year of cocoa, compared with 25,000 tons previously, Egala told shareholders today at an annual general meeting in the capital, Accra. The expansion is in line with plans by the West African nation, the world's second-biggest cocoa grower, to "encourage processing," he said.

Cocoa is processed into butter, liqueur, powder and other products for use in food and cosmetics. Cocoa Processing manufactures a line of chocolates that are sold domestically under the Golden Tree brand name. Last November, Minneapolis-based Cargill Inc. opened a cocoa-processing plant with a capacity to produce 65,000 tons a year. Archer Daniels Midland Co. is expected to open a plant in the central city of Kumasi later this year.

The Ghanaian government owns about 48 percent of Cocoa Processing's shares, with state-run industry regulator Ghana Cocoa Board controlling about 22 percent, according to the company's annual report. Ghana is a neighbor to Ivory Coast, the world's biggest cocoa producer.

Barry Callebaut signs Distribution Agreement with Bunge in Brazil

Source: Barry Callebaut AG

02/04/2009

Zurich/Switzerland, April 2, 2009 – Barry Callebaut Brasil S/A, subsidiary of the world's leading manufacturer of high-quality cocoa and chocolate products, and Bunge Alimentos, a subsidiary of Bunge Limited and major agribusiness company in Brazil, signed a distribution agreement for Brazil whereby Bunge will assume the exclusive distribution of artisanal chocolate products made by Barry Callebaut in Brazil through the Food Service channel.

Furthermore, Barry Callebaut and Bunge will jointly develop a range of compound and chocolate products under the Sicao (Barry Callebaut) and the Gradina (Bunge) brand, respectively, designed to meet the specific needs of the food service/bakery market in Brazil, leveraging on Barry Callebaut's manufacturing expertise and Bunge's strong distribution network in the country. Bunge also plans to offer tailor-made services to food service customers, such as technical advice or training courses, benefiting from Barry Callebaut's expertise in other regions of the world.

The Brazilian food service segment which includes, among others, restaurants, fast food restaurants, bakeries, pastries, in-store bakeries, buffets, caterers, hotels, chocolatiers, hospitals and schools, is estimated to have a size of about 60,000 tonnes p.a. for chocolate and compound products (source: ECD Consulting). The target volume for Barry Callebaut and Bunge is to capture a share of about 10,000 tonnes within 2-3 years.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "South America is the only significant chocolate market worldwide where we do not have a chocolate factory of our own yet. Our renewed focus on our core business with industrial and artisanal customers allows us now to fully concentrate on expanding our business in South America. Bunge has the largest distribution network in Brazil. Every day, it serves about 25,000 points of sale and, therefore, is an excellent partner for us in the commercialization of our products that will be made in Brazil. Based on the distribution agreement with Bunge, we are planning the construction of a chocolate factory in the southeast region of Brazil. Our goal for this factory is to have an annual production capacity of about 20,000 tonnes and to be operational by the end of 2009."

Chocolate giant Barry Callebaut sees profit soar

AFP

April 2, 2009



GENEVA (AFP) – Swiss chocolate giant Barry Callebaut on Thursday said net profit had soared 15.3 percent for the six months ending February due to higher margins from cocoa products. Barry Callebaut, which is one of the world's biggest suppliers of cocoa to other chocolate-makers, said net profit reached 143.4 million francs (94.12 million euros, 125 million dollars) for the period.

Its earnings were nonetheless hit by the weakening of key currencies such as the euro, dollar and pound against the Swiss franc. In local currency terms, the growth in profit was 23.2 percent. Revenues slid 1.6 percent to 2.54 billion francs on

weaker consumer demand, particularly in North America and Europe. "Many food manufacturers, artisans and retailers reduced their stocks in the wake of economic uncertainties and were reluctant to place new orders," said the group.

Outgoing chief executive Patrick De Maeseneire noted however that the group had a "strong start" in its third quarter (March - May) due to a late Easter, with more orders than a year ago. However, the environment would continue to be tough in the second half, with volatile exchange rates, he added. But the group said it expected to meet its full year target of 13 to 16 percent growth in net profit when reported in local currencies. "Softening cocoa butter prices will have an adverse effect on margins, which we intend to partly offset through continued efficiency gains and cost cutting," he added.

The group also announced that De Maeseneire would be leaving Barry Callebaut to become chief executive of Adecco, the employment group, from June 1. Juergen Steinemann will be Barry Callebaut's new chief executive from August 1.

Business and Economy

Nigeria seeks greater internal cooperation

Modern Ghana

By Daniel Nonor - Ghanaian Chronicle

April 1st, 2009

African countries could insulate themselves from the devastating effect of the current global economic crisis on her economies if she fostered greater trade relationship and corporation within the sub region. The Nigerian Ambassador to Ghana HE Senator Musiliu Obanikoro has said. "If our economies were to largely depend internally within the sub-region, the effect of the impact of the meltdown would not be as heavy as it is. That is the more reason why we must encourage internal trading and internal corporation within the sub-region."

The Ambassador, who spoke to The Chronicle in an interview indicated that there were a lot of opportunities that countries in the sub-region could harness to wean itself from the over dependence on the Western economies. He cited Ghana, for example, which produces cocoa in great quantities but lacked the capacity to process even a quarter of what it produces. This he said calls for the need to build a regional capacity to enable countries in the sub region process to address the challenges of industry and solve pertinent problems which deter these countries from maximizing from the trade and business opportunities that abound on the continent. "To the extent that today the processing of cocoa is limited to the Western world is an indication of our limitation and also gives the extent to which we can improve as a people business-wise."

He indicated further that the cocoa industry alone offers many business opportunities and has the tendency to create millions of jobs, "but we are being prevented from doing this by the European Union because they see this as threat to their own national economies," he added. He said as long as the continent continue to depend largely on the Western economies for most of her consumption needs, the continent would definitely remain subservient to the West .

He indicated that Nigeria was the 6th largest foreign investor in Ghana, injecting close to a billion dollars of investments into the Ghanaian economy and thus called for all to support the growth relationship, and not to strain the good relationship that has existed between the two countries. He said there was huge proximity and synergy opportunities in strengthening trade ties between the two countries to help bridge the massive funding gap needed for infrastructure in both countries, He made this appeal against the backdrop of recent perception created among public circles which suggest that Nigerians were criminals.

On Ghana's oil find he advised the government of Ghana to plan to ensure that her oil find does not become an albatross on her, as is the case in Nigeria. He said oil revenue should be directed to the productive sectors of the economy to help better the living conditions of the citizenry. . He indicted that Nigeria has an open door to support Ghana in any capacity in its quest to make its oil find a blessing.

Australia aids cocoa farmers as child labour questions loom

ABC Online

By Bronwyn Herbert for AM

Apr 4, 2009



Chocolate manufacturer Mars is taking pest resistant strains of cocoa into Sulawesi, but Tim Costello wants the company's labour practices to face scrutiny.

Cocoa is a \$2 billion cash crop for Indonesia, but farmers have to contend with diseased crops and subsequent poor returns.

Australian scientists have teamed up with the world's largest confectionary company in an aid project that is helping restore productivity and profitability for Indonesia's cocoa growers. It has been a decade of disappointment for cocoa farmers on the Indonesian island of Sulawesi.

Disease, pests and poor returns have soured interest in what was once a financially sweet cash crop.

Peter Horne, from the Australian Centre for International Agricultural Research, says the key is partnerships between research agencies in Australia and Indonesia. "Given their dependence upon cocoa as their main source of income, they are facing a major threat to their livelihoods," he said. "In this particular case we have world class expertise in Australia in plant pathology and disease control, but of course the cocoa industry in Australia is small, very, very small."

Australian plant botanists have helped select a new generation of pest resistant strains of cocoa. These plants are now being delivered by workers from chocolate company Mars to farmers across Sulawesi. "We can work with research organisations and develop a better tree, but unless we can bring that tree into the field on a broad scale in a way that is actually sustainable then, yeah, it's a nice piece of research," Mars spokesperson Noel Janetski said. Having made significant improvements to cocoa agronomy and crop yields, chocolate manufacturers are facing challenges from charities worldwide.

World Vision Australia chief executive Tim Costello is putting the companies under pressure to tackle the industry's most pressing ethical issue, child labour. "What we know is that 61 per cent of the children who work on cocoa farms, so we get to eat cheap chocolate ... don't get to go to school," he said. He says the majority of the world's cocoa is sourced from West Africa where an estimated 12,000 children are forced to work on plantations. "I'd like AusAid to say to Mars, 'by the way, we know what's happening in Ivory Coast and Ghana and we think if you are taking our Australian taxpayers dollars here, you should be showing more effort over there,'" he said.

In Britain, Cadbury's has made a commitment that its popular Dairy Milk chocolate will not use cocoa beans sourced from farms using child labour.

Tim Costello is urging Australians to think about what type of chocolate they buy this Easter. "Make sure your chocolate is fair trade. That's saying that it hasn't got trafficked labour in it, certainly trafficked child labour."

The World Cocoa Foundation, set up by major chocolate companies, says it is working with governments, particularly in Africa, to address these issues.

Ecological Cacao? Thinking about all sides of your chocolate bar

Alex Gehrig, special to mongabay.com

April 01, 2009

As concern for the preservation of forest eco-systems in the tropics has increased over past decades, there has been a growing consideration for ways to harmonize tropical agricultural production with the surrounding environment. The idea of shade grown products, especially coffee and cacao, have become the focus of scientific study and of marketable interest for environmentally conscientious consumers. However, the practical and dependable nature of the practice of shade growing for farmers and conservation objectives is still the matter of some debate.

Having recently spent two years living and working with cacao growers in Southern Ecuador I became very familiar not only with the every day realities of growing and selling cacao but with some of the deeper issues that farmers face in terms of maintaining sustainable livelihoods. When considering the potential environmental benefits of cacao cultivation it can be helpful to understand the realities of growing it.

Theobroma cacao is first and foremost a tree. Specifically it is a tropical tree that grows naturally in the sub-canopy or understory of tropical wet forests, lending it the ability to be part of diverse agricultural systems. Though cacao is now also grown commercially in Africa and East Asia, its origins are in Central and South America where indigenous cultures made use of it as a drink and bartering tool centuries before the Spanish “discovered” it during the conquests of the 14th century. The chocolate we eat is processed from the seeds of the cacao tree. They grow within a pod that can contain as many as fifty seeds about the size of an almond. The pod starts as a small flower no bigger than the first joint on your index finger and is pollinated by some of the smallest gnats and flies in the local environment, once pollinated it will take between three and five months to fully develop. Harvesting seeds that are either not completely developed or over-mature results in a bean that lacks the right chemical properties to produce the famous rich fragrance and flavor of fine chocolate.

Disease can also reduce the desired quality of the seeds. *Monillia roreri*, a fungal pathogen that attacks the cacao pod is one of the most harmful diseases for many farmers. A single microscopic spore can land on a developing pod and within 15 days a black spot will appear on the outside that continues to spread quickly. The fungus moves within the pod as well, causing the seeds to brown and mature more rapidly than normal, altering their consistency and chemical nature, essentially making them useless for most chocolate production.

Harvest is done completely by hand. First the mature pods are removed from the trees and piled throughout the farm. Once this tumba is complete the seeds are harvested pile by pile using a small sharp machete to make two to three cuts in the pod that can be up to an inch thick and tough to open. Cuts to the hand are common and any large group of cacao farmers will almost always have one or two individuals with fingers partially missing. Harvested beans are collected and carried to a more central location where they are deposited into large sacks. The seeds are coated with a thick sweet and sour white pulp that can be good to savor while working. Apart from this, the natural sugars in the pulp play a vital role in



A cacao tree; the yellow pods are ready for harvest



Disease can affect from 30% to over 90% of a harvest

producing chocolate's popular flavor. Farmers will often form a pile of freshly harvested beans on banana leaves or in a wood box allowing the sugars in the pulp to provide nutrients for the naturally occurring micro-organisms that are responsible for the fermenting process. During fermentation the seeds undergo changes that alter their chemical nature. Without fermentation, the end product would be extremely bitter and would have very little of the flavor of chocolate that we are so familiar with.

The process of fermenting is more complicated than might appear at first. Different varieties or hybrids of cacao require different amounts of fermentation. Some only need 3 or 4 days while other can require up to a week. Mixing different varieties during fermentation will result in either under or over fermented seeds. In addition, heat is an important factor in fermenting, with the hottest part of the pile located in the center. If the pile is not big enough or is not mixed periodically, the temperature during fermentation will not be adequate. At the end of the fermenting process the seeds will have a golden brown color and are placed on a clean flat surface for drying in the sun or, if the weather is wet, on gas fired drying beds. Once dried, the cacao beans are ready to begin their journey to local and international markets.



Freshly harvested beans; next step, fermentation

Much of the cacao produced in the world comes from growers who typically have farms that are smaller than 10 hectares and are often as small as 2 or 3. These small producers frequently do not have direct access to markets and potential buyers in the U.S, Europe and Asia. They depend on local intermediaries who purchase in volume and who in turn sell to larger local export corporations that deal with brokers in importing countries. The fully fermented and dried chocolate beans are then purchased through different types of agreements by chocolate companies. It can be difficult for families who depend on cacao to earn a livable income given such a large chain of sale that often pays little to the people that grow the crop. This in turn can lead farmers to convert from traditional forms of cacao cultivation that often include a diverse array of marketable wood and fruit trees to more immediately profitable and higher yielding full sun varieties that may also require higher chemical inputs. Within the area that I lived, well over half of the producers had converted from the highly prized but lower yielding nacional variety to a more recently created high-yield hybrid. More often than not this meant the complete clearing of old plantations including ecologically desirable secondary timber growth as farmers attempted to put all of their focus on income from cacao.

These are both important factors to consider when looking to increase the level of shade grown cacao and conserve biodiversity in important tropical areas: 1) Production is a technically demanding process for which many producers lack the educational resources and 2) Markets can often be asymmetrical in nature making it difficult for producers to create or maintain ecologically sustainable forms of cultivation.

There has been an increasing awareness in developed nations of the impact of consumption on tropical eco-systems that has lead to a surge in the labeling and marketing of products as organic, fair trade and shade grown. However, there remains a debate as to the best way to make these practices most effective in conservation while providing growers with the opportunity to improve their lives. In a recent article for Biodiversity Conservation, Margaret Franzen and Monique Borgerhoff Mulder highlight some of the difficulties in determining the positive effects of shade grown cacao and the challenges of creating policies that help both conservation efforts and the farmers that are a critical part of those efforts. It is difficult to define good policies in part because biodiversity conservation and poverty alleviation can be inversely related as gains in yield that help increase farmer incomes can often entail less shade and more



Watch your fingers...

chemicals. The authors also highlight the importance of knowing what the alternative uses of cacao farmland might be and to understand its proximity to ecologically important areas such as parks or potential habitat corridors. They suggest that promoting diverse farms as a better investment in the long-term should be a focus of conservation efforts and would promote stability for farmers and ecological benefits for natural areas. While sound advice, this can be much easier said than done as social and economic instability often create environments (as was the case in Ecuador) in which farmers have little incentive to think in the long term.

The authors also point out the necessity for providing financial incentives through eco-certified price premiums and of providing credit for producers who undertake what can often be more labor intensive, shade-grown practices. This cannot be emphasized enough. Farmers all too often lack both the agricultural extension resources and access to credit that make longer term perspectives possible and risk easier to evaluate and plan for. This is something many of us are all too familiar within the current economy; a hybrid car may be more financially sound in the long run but without a reasonable loan and the confidence that you will have the income to pay it off, you'll probably stick with your brother-in-law's hand-me down gas guzzler that you know will at least keep you going for the next couple of months.

It is an extremely complex game, this making of sustainable economies and bio-systems. Even within the chocolate sector the issues can vary widely as governments, civil societies and the ecological necessities vary from place to place. For us, participating in the niche markets of fair trade and shade grown chocolate is an important first step, but we need to remember that not all labels are the same. While we would all like to believe in the convenient ability of our shopping decisions to produce change, to be most effective we have to know what our dollars are buying. Who exactly is the organization marketing the product? Where do they work and what do they do? What is the potential for positive change given the proximity to natural areas? How long will growers receive these benefits? The more we are able to answer these questions the better connected we will be to the products we buy, increasing our ability to focus markets and create opportunities for conservation and prosperous families.



The higher yield variety; farmers lose the shade and add chemicals



How much diversity is bio-diverse anyway?

Citation: Margaret Franzen and Monique Borgerhoff Mulder (2007) *Ecological, Economic and Social Perspectives on Cocoa Production Worldwide*. *Biodivers Conserv* 16:3835–3849

Research & Development

Generating disease free cocoa planting materials

Ghana Business News

By Dr. A. K. Quainoo; aquainoo@googlemail.com

Mar 30, 2009

Cocoa is the mainstay of Ghana's economy and will remain so for a while, even with all this hue and cry about oil, the black gold. Beyond it being a major foreign exchange earner and a key source for financing capital

projects, cocoa serves as the raw material for numerous consumer products such as chocolates and have made its way into the pharmaceutical industry in recent times.

To the peasant farmer, it is an important perennial tree crop which generates income for the upkeep of the family, and, to the researcher, whose primary concern is to ensure its continued existence with better performance cocoa is a fascinating tree crop with numerous challenges for each category of research specialists. It comes as no surprise then that as far back as 1662, Dr Joseph Bachot referred to cocoa as “the food for gods.”



Cocoa is however, besieged with many pest and disease problems. In West Africa, four distinct groups of viruses have been recognised to infect cocoa. Cocoa swollen shoot virus (CSSV) is by far the most economically important and has been for many years a major problem for the cocoa industries of Ghana and Nigeria and more recently Togo.

The financial impact of cocoa production losses attributed to CSSV has been enormous in West Africa. Even where overall losses do not appear to be great, local areas or economies have been severely affected. CSSV is transmitted by the mealybugs and it is believed that the CSSV was present in the forest regions of West Africa before the introduction of cocoa. Records indicate that the disease was first discovered in the Eastern Region of Ghana in the 1930's and is now predicted to be found

in all cocoa growing areas of the country.

Symptoms of the disease come in different shades of colours but by far yellowish venation of the leaves is common, and swollen of the stems and root resulting in the death of the tree.

Various attempts at controlling CSSV in the past including; biological control of the mealybug vector, chemotherapy and heat therapy of planting materials, removal of wild hosts, breeding for CSSV resistance, destruction of visibly infected cocoa trees termed “zero tolerance”, and the use of mild strain in cross-protection have yielded at least, partial success.

All is not lost though. There is hope and sooner a solution to the CSSV threat could be found. In a series of experiments as part of my PhD research at the University of Reading, UK, the tissue culture technique was applied to CSSV infected cocoa trees and all cases showed positive signs of eliminating the virus.

The field of plant tissue culture is based on the premise that plants can be separated (organs, tissues or cells), which can be manipulated in vitro (in test tubes) and then grown back into complete plants. With advances in cocoa tissue culture in vitro somatic embryogenesis system (naked seed production), has opened new opportunities for vegetative propagation and distribution of cocoa.

Somatic embryogenesis has been applied to a number of perennial tree crops to eliminate viruses. Somatic embryogenesis from stigma and style cultures of citrus (orange trees) was used to eliminate Citrus psorosis from citrus species. Somatic embryogenesis was also effective in eliminating fan leaf viruses and leaf roll-associated viruses from grapevines.

The technique was equally effective in eliminating the CSSV from infected cocoa trees producing disease free embryos and plantlets. The effectiveness of somatic embryogenesis as a technique in eliminating the CSSV was further demonstrated by plantlets testing CSSV negative by capillary electrophoresis two years after weaning in the glasshouse.

This technique makes it ideal for the selection of disease free cocoa trees for breeding programmes and the development of genetic transformation. It also has an important role to play in cocoa germplasm conservation and distribution.

While the entire country anxiously wait for the oil industry to emerge and hopefully take over from cocoa and other traditional foreign exchange earners, it is still relevant that we do everything possible to support cocoa and other traditional commodities for as we are told “The devil you know is better than the angel you don't know.”

Others

GHANA: Cadbury's Deal Destined to Sweeten More Farmers' Lives

By Francis Kokutse

Mar 31, 2009

ACCRA, (IPS) - The initiative linking British chocolate giant Cadbury's with a Ghanaian cooperative representing 40,000 cocoa farmers is set to grow further and enhance the livelihoods of more farmers. Cadbury's announced at the beginning of this month that it would henceforth source fair-trade cocoa from Ghana based on a deal with non-profit organisation Fairtrade Foundation, the UK member of Fairtrade Labelling Organisations International. The foundation licenses use of the fair-trade mark in the UK in line with internationally agreed fair-trade standards.

The UK's most popular chocolate brand has decided to buy its cocoa from the Kuapa Kooko cooperative, which will add 750,000 dollars per annum to about 40,000 farmers' existing income from sales to the statutory regulator, the Ghana Cocoa Board (COCOBOD). "This means an extra income for the farmers. We will also be able to go on with the extension services that have already been initiated by Cadbury's under its cocoa partnership service in Ghana," explained Kuapa Kooko chief executive Kwabena Ohemeng Tinayase. "What we have seen under our partnership with Cadbury's, through Fairtrade, is an arrangement that is going to sustain the cocoa sector as well as boost production."

Through its affiliations with Fairtrade, the cooperative is able to pay a guaranteed premium price to the farmers - higher than what the government is paying. Cadbury's involvement with Kuapa Kooko will eventually triple the amount of Fairtrade-certified cocoa from Ghana - from 5,000 to 15,000 tons per year.

As well as ensuring minimum prices, cocoa farmers' organisations will receive Fairtrade premiums of 1.5 million dollars in the first year alone for investment by local communities. "We will also be working alongside local organisations to help organise more groups of cocoa farmers into co-operatives and work with them to achieve Fairtrade standards," said Alex Cole, corporate affairs director for Cadbury's, in a statement. "We hope that by combining the expertise and standards of Fairtrade with work being done in the Cadbury Cocoa Partnership, this move will lead to a more sustainable future for tens of thousands of cocoa farmers, their families and villages," he added.

The Ghanaian government cannot be said to be sitting back either. The authorities have long realised that the cocoa sector is in a crisis and have tried various means to improve the earning of the farmers so that cocoa farming could become attractive for young people. Most of the present generation of farmers are getting old.

Presenting his 2009 budget earlier this month, minister for finance and economic planning Kwabena Duffuor stated that the cocoa farmers housing scheme, which seeks to provide affordable houses for cocoa farmers, "has taken off".

The department of rural housing has completed houses in the Western Region and will extend the project to the Central, Ashanti and the Brong Ahafo Regions. All these efforts are aimed at lifting the living standards of cocoa farmers.

One such farmer is 70-year-old Kwasi Gyan from Nankese outside Accra: "What we get (from government) is normally not enough. Most of us turn to money lenders to raise money when the need arises and they charge so much interest." Talking to him reveals what may still prevent some cocoa farmers from pushing to be included in the new deal. When IPS asked him if he had heard of Kuapa Kooko cooperative that is offering a guaranteed price to its members, he replied in the affirmative. "There is even such a group near where I farm. I have heard of the good things they do for their members but I do not sell my cocoa to them. My family sells to another company," Gyan said.

Tinayase is not surprised by Gyan's attitude: "Old family affiliations to other buying companies over the years have prevented some farmers from getting involved with Kuapa Kooko Limited." Hopefully, in time, Gyan will join the 40,000 farmers of the Kuapa Kooko cooperative. He told IPS: "When I have carefully studied and understood what they really stand for, I may change my mind to be part of that family."

Road Repairs Improve Cocoa Quality, Trade in SW Cameroon-Trade

By Emmanuel Tumanjong

YAOUNDE, Cameroon, Mar 30, 2009 (Dow Jones Commodities News via Comtex) -- A combination of good weather and the completion of repair work to damaged roads has improved both the quality of and the trade in cocoa beans in Cameroon's Southwest Province, farmers and traders told Dow Jones Newswires Monday.

"Refurbishing of roads throughout the southwest began in mid-2008, easing the evacuation of cocoa from key cocoa production districts like Manyu, Ndian, Kupe Manenguba, just to name a few. In addition, the rather dilapidated road linking the southwest to the port city of Douala is almost completely tarred, thus easing our transportation and avoiding the...problem of humid, moldy and smokey cocoa being marketed in our region," said Joseph Nde, managing director and quality controller for the Cameroon Marketing Company, or Camaco.

Farmers, traders and industrial sources told Dow Jones Newswires that an estimated 2,000 to 3,500 metric tons of cocoa beans were lost to mold in 2008 due to transportation problems. "Right now, it is easier for me to take my cocoa to Kumba (a key cocoa-trading town in the southwest) and sell myself, and I believe this will still be the case in the upcoming mid-mid crop and main crop harvests," Peter Ndep, a cocoa farmer in Manyu District, said. "We've also gained from the improved roads because (the) quality of the beans has remained high, keeping prices paid to us...high as well," said middleman trader Timothy Ashu.

TIT BITS

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

Commodities' prices steady on G-20 summit, gold loses shine

LONDON (April 05, 2009): Commodity prices held steady last week as the G20 summit stoked hopes of an economic upturn and rising demand for raw materials but gold fell as world leaders agreed to sell reserves to help fund IMF lending. Markets were overshadowed Friday by news that the US unemployment rate jumped to a fresh 25-year high of 8.5 percent in March as recession-battered employers shed another 663,000 jobs.

Ivorian cocoa farm-gate, port prices rise

ABIDJAN (April 04, 2009): cocoa farm-gate prices in Ivory Coasts main growing regions rose last week as grinders picked up beans, exporters and farmers said on Thursday. Traders are closely watching the April-September mid crop in the worlds biggest producer after a poor main crop helped support cocoa prices in the past six months.

Ratios for cocoa butter drop more than 10 percent in Asia

SINGAPORE (April 04, 2009): Ratios for cocoa butter dropped more than 10 percent in Asia, staying at their lowest level in five years, as grinders struggled to close sales ahead of the Easter celebrations, dealers said on Friday. Butter, a key ingredient for making chocolates, were offered at a ratio of 1.8 times London futures, down from 2.10 three weeks ago.

cocoa rises in London

LONDON (April 04, 2009): Sugar futures fell on profit-taking on Friday, while arabica coffee futures and cocoa edged higher, as fund buying supported. "Its mostly profit-taking," said Romain Lathiere, Swiss-based fund manager with Diapason Commodities Management. "The impact of the euro-dollar exchange rate is putting pressure on nearly all the softs."

US MIDDAY: cocoa and coffee down

NEW YORK (April 04, 2009): US cocoa and arabica coffee futures reversed lower in early trade Friday, retracing gains after Thursdays climb in thin dealings ahead of the weekend, traders said. Arabica coffee for May delivery slipped 0.35 cent to \$1.1645 per lb by 1313 GMT.

Sugar, coffee and cocoa rally in London

LONDON (April 03, 2009): Sugar, coffee and cocoa futures rallied on investor buying with other commodity markets on Thursday, helped by a weaker dollar and expectations that a G20 summit would yield steps to restore global growth. "It looks like commodity strength across the board," a London-based sugar dealer said. "The dollar has gone down a little bit as well, adding strength to the markets."

US MIDDAY: cocoa and coffee rally

NEW YORK (April 03, 2009): US cocoa futures jumped 2.8 percent to a seven-week high in early trade Thursday, while arabica coffee climbed 3 percent, on rising stock markets as sentiment was boosted during the G20 summit, traders said. Arabica coffee for May delivery jumped 2.85 cents to \$1.1735 per lb by 9:20 am EDT (1320 GMT).

Sugar rallies in London

LONDON (April 02, 2009): White sugar futures rallied on investor buying on Wednesday, cocoa was mixed with stronger sterling weighing on prices in London, while coffee drifted lower, dealers said. Dealers said activity was light with attention focused on the gathering of G20 leaders in London on Thursday.

US MIDDAY: coffee eases, cocoa down

NEW YORK (April 02, 2009): Arabica coffee futures eased in thin dealing Wednesday, consolidating after Tuesdays rally, while US cocoa futures also dropped in options-related trade, traders said. Arabica coffee for May delivery fell 0.35 cent to \$1.1540 per lb, by 9:14 am EDT (1314 GMT).

London sugar, cocoa surge in first quarter

LONDON (April 01, 2009): London white sugar futures powered higher to end the first quarter up 23.5 percent from the end of 2008 and cocoa surged 7.9 percent in the first three months. London robusta coffee futures edged up 0.6 percent in the first quarter from the last trading day of 2008.

US MIDDAY: coffee and cocoa climb

NEW YORK (April 01, 2009): Arabica coffee futures rose on Tuesday after the previous sessions losses as strong market fundamentals helped, and cocoa contracts also climbed because of a lower dollar, traders said. Arabica coffee for May delivery rose 1.45 cent, or 1.3 percent, to \$1.1445 per lb, by 9:07 am EDT (1307 GMT).

Coffee, raw sugar fall in London

LONDON (March 31, 2009): Raw sugar and coffee futures eased on Monday, weakened by a firm dollar and losses in shares, oil and other commodity markets, while cocoa on ICE inched up supported by a stronger London market. "The equities market has set the tone," said James Kirkup, senior sugar broker with Fortis Commodity Derivatives. He also referred to pressure from a sharply lower oil price.

Ivorian cocoa growing region

ABIDJAN (March 31, 2009): Heavy rain and long sunny spells in Ivory Coasts cocoa growing regions last week have further boosted hopes for the April-September mid crop which starts this week, farmers said on Monday. cocoa traders will closely follow the mid crop harvest, which starts this week in the worlds No 1 cocoa producer, after a disrupted main crop helped support prices.

US MIDDAY: coffee drops, cocoa up

NEW YORK (March 31, 2009): Arabica coffee futures fell Monday as a sharp rise in the US currency triggered selling in dollar-denominated commodities, while cocoa contracts edged up on a weaker pound, traders said. Arabica coffee for May delivery dropped 1.15 cents, or 1 percent, to \$1.1470 per lb by 9:14 am EDT (1314 GMT).