

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 330

6th – 10th 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
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)
6 th April	1723.39	2590.26	1788.00	2543.67
7 th April	1815.55	2706.69	1861.00	2663.67
8 th April	1743.39	2601.54	1802.67	2553.33
9 th April	1748.43	2610.01	1819.33	2558.33
10 th April	-	-	-	-
Average	1758.00	2627.00	1818.00	2580.00

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

Monday 6th April 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
May 2009	1969	1805	-165	1970	1797	9,947
Jul 2009	1935	1785	-155	1941	1775	12,146
Sep 2009	1915	1774	-144	1915	1767S	3,719
Dec 2009	1898	1758	-140	1898	1750	3,465
Mar 2010	1855	1736	-132	1855S	1730	1,450
May 2010	1751	1736	-132	1754	1721S	25
Jul 2010		1741	-133			0
Sep 2010		1745	-133			0
Dec 2010		1736	-133			0
Mar 2011		1736	-133			0
Average/Totals		1755				30,752

Tuesday 7th April 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1796	1882	77	1888	1785	9,219
Jul 2009	1775	1856	71	1864	1764	10,343
Sep 2009	1768	1845	71	1853	1755	3,538
Dec 2009	1750	1831	73	1840	1744	2,957
Mar 2010	1720	1811	75	1819	1720	1,381
May 2010	1724	1811	75	1820	1724	53
Jul 2010		1814	73			0
Sep 2010		1818	73			0
Dec 2010		1809	73			0
Mar 2011		1809	73			0
Average/Totals		1829				27,491

Wednesday 8th April 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1864	1825	-57	1864	1818	4,952
Jul 2009	1832	1797	-59	1833	1788	6,397
Sep 2009	1820	1786	-59	1823	1780S	1,494
Dec 2009	1797	1773	-58	1809S	1765	2,133
Mar 2010	1781	1755	-56	1788	1749S	1,342
May 2010	1790	1754	-57	1790	1768	75
Jul 2010		1757	-57			0
Sep 2010		1761	-57			0
Dec 2010		1752	-57			0
Mar 2011		1752	-57			0
Average/Totals		1771				16,393

Thursday 9th April 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1821	1842	17	1864	1821	3,342
Jul 2009	1796	1814	17	1834	1790	4,136
Sep 2009	1782	1802	16	1815	1778	400
Dec 2009	1771	1791	18	1803	1770	1,713
Mar. 2010	1753	1772	17	1780S	1750	830
May 2010	1757	1772	18	1780	1750	543
Jul 2010	1751	1778	21	1775	1751	190
Sep 2010		1784	23			0
Dec 2010		1775	23			0
Mar 2011		1775	23			0
Average/Totals		1791				11,154

Friday 10th April 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
May 2010						
Jul-10						
Sep 2010						
Dec 2010						
Mar 2011						
Average/Totals		#DIV/0!				0

Average for the week	#DIV/0!				17158
					85,790

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

Monday 6th April 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	2785	2548	-239	2786	2531	11,676
Jul 2009	2790	2558	-232	2790	2540	8,540
Sep 2009	2767	2550	-221	2767	2541	965
Dec 2009	2745	2541	-214	2745	2535	479
Mar 2010	2664	2526	-200	2668	2516	282
May 2010	2543	2524	-193	2543	2543	14
Jul 2010	2545	2539	-193	2545	2543	21
Sep 2010	0	2549	-197	0	0	0
Dec 2010	0	2559	-197	0	0	0
Mar 2011	0	2559	-197	0	0	0
Average/Totals		2545				21977

Tuesday 7th April 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	2548	2664	116	2675	2511	11155
Jul 2009	2570	2677	119	2688	2523	8538
Sep 2009	2531	2672	122	2680	2512	964
Dec 2009	2540	2664	123	2677	2510	479
Mar 2010	2500	2649	123	2663	2486	282
May 2010	2614	2643	119	2656	2614	14
Jul 2010	2659	2658	119	2659	2659	21
Sep 2010	2667	2666	117	2667	2667	
Dec 2010	2689	2688	129	2689	2689	
Mar 2011	0	2686	127	0	0	
Average/Totals		2667				21453

Wednesday 8th April 2009

Month	Open	Price	Change	High	Low	Volume
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
May 2010						
Jul 2010						
Sep 2010						
Dec 2010						
Mar 2011						
Average/Totals		#DIV/0!				0

Thursday 9th April 2009

Month	Open	Price	Change	High	Low	Volume
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
May 2010						
Jul 2010						
Sep 2010						
Dec 2010						
Mar 2011						
Average/Totals		#DIV/0!				0

Friday 10th April 2009

Month	Open	Price	Change	High	Low	Volume
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
May 2010						
Jul 2010						
Sep 2010						
Dec 2010						
Mar 2011						
Average/Totals		#DIV/0!				0

Average for the week	#DIV/0!				10858
2020					43,430

Spot Prices (US \$ per tonne)

	6 th April	7 th April	8 th April	9 th April	10 th April
Main Crop Ghana, Grade 1	3046	3162	-	-	-
Main Crop Ivory Coast, Grade 1	2900	3016	-	-	-
Main Crop Nigerian, 1	2896	3012	-	-	-
Superior Arriba	2815	2931	-	-	-
Sanchez f.a.q	2835	2951	-	-	-
Malaysian 110	2558	2674	-	-	-
Sulawesi f.a.q	2670	2786	-	-	-
Ecuador Cocoa Liquor	3975	4156	-	-	-
Pure Prime Press African Type Cocoa Butter	6260	6545	-	-	-
10/12% Natural Cocoa Press Cake	1520	1590	-	-	-

Source: Cocoa Merchant Association

News

Health and Nutrition

North studies prove wine and chocolate are good for you

Journal Live

By The Journal

Apr 7, 2009

THE findings of two new studies conducted in our region provide the answers we've been longing to hear – red wine and chocolate are good for you. For some years, there have been arguments to suggest a glass of red wine a day is good for the heart and chocolate can make us happy, as it releases endorphins – or mood enhancers – in the brain.

However, new research from Tyneside academics reveals the odd glass here and the occasional bar there can also improve your performance on challenging, mental tasks. The red wine study was carried out by Emma Wightman from Northumbria University on a group of lucky adults.

This research investigated whether a component of red wine would increase cerebral blood flow and consequently improve brain functions in healthy adults. Twenty-four adults undertook a series of mental tests for an hour, before which they were given either a placebo, 500mg or 1,000mg of pure polyphenol resveratrol – a red wine extract.

The participants' cerebral blood flow was monitored throughout the testing phases. The results showed a change in blood flow to the brain and significant improvements in cognitive performance in the people who had been given polyphenol resveratrol.

Emma said: "There is so much conflicting information these days about the effects of diet that it is interesting to see that a component you'll come across in many everyday foods, including red wine, can have a positive effect on brain function."

Polyphenol resveratrol can also be found in fruit and vegetables. Meanwhile, Crystal Haskell from the Brain, Performance and Nutrition Research Centre at Northumbria University carried out a separate study looking at foods rich in cocoa.

The research suggests that cocoa products, including chocolate bars and chocolate drinks, improve performance on challenging mental tasks, including arithmetics.

In the study, 30 healthy adults consumed chocolate drinks on different days containing 520mg of cocoa flavanols, 993 mg of cocoa flavanols or a control drink. The participants were given a number of mentally demanding tasks to complete, such as counting backwards from 999 in threes. On the days the participants drank the beverages containing 520mg or 993mg of cocoa flavanols they performed significantly better at the arithmetic task. They also reported being less mentally tired during the task.

Commenting on the findings, Prof David Kennedy from the Brain, Performance and Nutrition Research Centre, added: "The results show that medicinal herbal extracts and plant-derived chemical compounds from common foodstuffs can also improve cognitive performance and mood." The findings of both studies were presented at the British Psychological Society Annual Conference, in Brighton.

Better to indulge in dark chocolate

Taranaki Daily News

By Virginia Winder - Taranaki Daily News

08/04/2009



Melting moments: Don't feel guilty if you succumb to chocolate's siren song. We are hard-wired to respond, women especially

There's a dull crack and the sound of blunt shards falling into a hollow object. If you listen closely, you'll also hear a munching noise, and wait, here's the creature - a wild-eyed child with brown-stained mouth and grubby fingers.

Yes, the Easter Bunny has been and the chocolate feasting has begun, with youngsters tucking in with no inhibitions. The sound of chocolate breaking may also crack a few steely adult wills, especially if you're a woman.

Don't beat yourself up - a brain- imaging study from the United States indicates women may be hard-wired that way.

The study, by researchers at the United States Department of Energy's Brookhaven National Laboratory, shows that men, but not women, are able to control their brain's response to their own favourite foods. The scientists monitored brain activity in 13 female and 10 male volunteers, who were presented with their favourite foods - everything from bacon-egg- and-cheese sandwiches to pizza, cinnamon buns, barbecue ribs and chocolate cake. While their brains were being scanned, these men and women were asked to smell, taste, observe, and react to the food, but not eat it. On another day, they were instructed to inhibit their desire for food before being tempted with the same foods. This is where scientists began to see major differences.

Using mind over matter, both the men and women said they felt less hungry and less interested in eating than when they weren't trying to inhibit their responses. But only the men showed a relative decrease in activity in the food- activated brain regions during the scan when they were asked to inhibit their response, says Gene- Jack Wang, the lead author on the study. "Even though the women said they were less hungry when trying to inhibit their response to the food, their brains were still firing away in the regions that control the drive to eat," he says. "In contrast, men's brain activity decreased along with their self-reports of hunger during the scan when they were asked to keep their hunger in check." Differences in sex hormones, such as oestrogen, may underlie these gender differences and merit further exploration, the researchers say.

Sex hormones are known to directly influence food intake, body weight and fat distribution, as well as the signalling of other molecules involved in regulating eating behaviour. So, if you're having a chocolate craving, try to be discerning - the darker the better. Professor Joe Vinson, from the University of Scranton in Pennsylvania, is on his fourth study looking into the relationship between cocoa percentages and antioxidant contents. "The most interesting research from my group was the fact that chocolate is the third leading source of polyphenol antioxidants in the US diet," he writes via email "That is the most startling fact. Another is that consumption of chocolate increases lifespan in animals and improves their cognitive function (memory and complex task ability)."

Another piece of evidence from animal studies and a human epidemiological study is that a low dose of chocolate (10 grams per day) improves the cognitive function of elderly humans.

"Chocolate is good for your heart," Vinson says.

It improves heart blood flow, decreases blood pressure and improves artery flexibility. "Dark has significantly more antioxidants than milk and the higher the percentage of cocoa solids on the label, the more antioxidants are present."

He's also calling for people to be chocolate purists. "If you drink hot chocolate you need to make it yourself from pure cocoa powder," he says. "My research students showed for the first time that there were significantly more antioxidants in cocoa powder than dark chocolate and significantly more antioxidants in dark chocolate than milk chocolate." But beware - chocolate is not all good news for all people. A special health report from Harvard Medical School in Boston says chocolate is high in tryptophan, phenylalanine and tyrosine. "Like other amino acids, these nitrogen-rich compounds are the building blocks of all the body's proteins," it says.

"But two of these amino acids have a unique property - they are precursors of adrenaline, a stress hormone, and dopamine, a neurotransmitter that relays signals between nerve cells in the brain." Scientists believe dopamine induces feelings of pleasure. However, these chemicals may also explain some of the darker sides of chocolate, including its ability to trigger headaches in some migraine sufferers and raise blood pressure to dangerous levels in some patients taking monoamine oxidase inhibitors for depression.

It also has the ability to cause diarrhoea, wheezing and flushing in patients with carcinoid tumours.

Chocolate contains two members from a group of chemicals called methylxanthine. "One is obscure, the other notorious - but both theobromine and caffeine have similar effects on the body," the report says. "They may explain why chocolate makes some hearts beat faster - and why it gives many people heartburn by relaxing the muscle between the stomach and the oesophagus, thus allowing acid to reflux up from the stomach into the sensitive food pipe."

But let's end with some good- hearted news on chocolate from the Harvard report.

Chocolate can help with the endothelial functions.

The endothelium is the thin inner layer of arteries responsible for producing nitric oxide, a tiny chemical that widens blood vessels and keeps their linings smooth. Doctors in Greece fed 100 grams of dark chocolate to 17 healthy volunteers and observed rapid improvement in their endothelial function. Swiss investigators found similar effects from dark chocolate. "German scientists reported that flavanol-rich cocoa can reverse the endothelial dysfunction produced by smoking and European doctors reported that dark chocolate appears to improve coronary artery function in heart transplant patients." Harvard researchers found that cocoa can blunt the endothelial dysfunction associated with ageing.

So, when you're doing your last- minute Easter egg shop, pop some dark chocolate into your trolley for the adults. When that dull cracking begins, and you cave in to your bitter- sweet cravings, you can do so with that uplifting guilt-free feeling. Indulge.

FREAKY FACTS

Cacao beans are the main ingredient in chocolate. One single bean contains more than 400 chemicals. Many of these have an effect on human health in remarkably positive ways if you opt for dark chocolate and don't over-indulge.

There are good oils in chocolate. About one-third of the fat found in cocoa butter is oleic acid, the same mono-unsaturated fat that gives olive oil its good name. Another third is stearic acid. "It is a saturated fat, but unlike the three other saturated fats in the human diet, stearic acid does not raise cholesterol levels because the body can metabolise it to oleic acid," says a special health report from Harvard Medical School in Boston.

Chocolate doesn't go off. That's because the cacao bean contains polyphenols, which are also antioxidants. These chemicals protect chocolate from turning rancid, even without refrigeration.

Phytochemicals should be called fighter chemicals. This group, also known as flavanols, is responsible for many of the protective actions of chocolate. Flavanols are present in many healthy foods like apples, cherries and black tea but dark chocolate is the richest source of antioxidants. The sugar and calories in chocolate give people with diabetes good reason to avoid it. But an Italian study of non-diabetics suggests that dark chocolate can improve insulin sensitivity

Production & Quality

Erode district to witness upswing in cocoa cultivation

Hindu

Apr 8, 2009

ERODE: The district is to witness an increase in cocoa cultivation, thanks to the efforts initiated by the Department of Horticulture. Under the National Horticulture Mission's Plantation Crop component, the Department has been providing seedlings free-of-cost and inputs.

The Department provides seedlings and equipment worth Rs. 5,625 in the first year, says Deputy Director of Horticulture, Erode, K. Mohan. The inputs include bio-fertilizers, neem cakes and plant protection chemicals as well. In the second year it gives seedlings at 80 plants a hectare to replace unhealthy plants and equipment, all worth Rs. 2,250.

Inter-crop

The near four-decade-old crop is cultivated as an inter-crop in coconut groves and betel nut groves, as it requires 50 to 60 per cent shade. Mr. Mohan says that an acre can accommodate 200 plants, which start bearing from the third year onwards. The plucking, however, starts only from the fourth year.

The harvest is twice a year during April-May and November-December, with the latter accounting for 60 per cent of the yield. The officer says the average yield per plant is two kg of dry cocoa beans. And, that is after processing the fruit.

Soon after it is plucked, it is cut and left to dry. The whole process involves a couple of days, at the end of which the cocoa bean is obtained. To further help the farmers, the Department has entered into a memorandum of understanding with Cadbury India Ltd. for the purchase of the beans.

Market price

Mr. Mohan says the MoU assures the farmers of Rs. 60 a kg bean but the current market price is around Rs. 100, which is what the farmers get.

Procurement

A company representative says it at present procures 10 tonnes from farmers in the district. Once cocoa plants in all the 600 ha start bearing, the procurement is expected to go up to 300 tonnes. The company's annual requirement is about 15,000 tonnes, though, and 50 per cent of it comes through import.

Acreage

The officer says in the current financial year the Department hopes to further increase the acreage under cocoa from the current 600 ha to 1,000 ha. The company, to keep with the increase in cocoa cultivation, has also just started a procurement centre in Kavindapady.

The Market

Cocoa Falls as Stronger Dollar Reduces Demand; Coffee Declines

Bloomberg

By Yi Tian

April 6, 2009

(Bloomberg) -- Cocoa prices fell the most in more than a year as a stronger dollar reduced the appeal of U.S. commodities for buyers holding other currencies. Coffee futures also dropped.

The greenback climbed for the first time in three sessions against a basket of six major currencies. The Reuters/Jefferies CRB Index of 19 raw materials fell as much as 2.4 percent, led by cocoa, silver and crude oil. All the soft commodities declined except orange juice. "The outside markets are influencing cocoa right now," said Stephanie Kinard, an analyst for Intermarket Investment Strategists in Chicago. "A stronger dollar takes away a lot of interest funds may have in trading softs."

Cocoa futures for July delivery fell \$232, or 8.3 percent, to \$2,558 a metric ton on ICE Futures U.S. in New York, the biggest loss for a most-active contract since March 20, 2008. Earlier, the price touched \$2,540, the

lowest since March 27. Cocoa may be “a little overbought” after surging 8.4 percent last week, Kinard said. “It is looking for correction” after reaching a two-month high on April 3 without much new information about supply or demand, Kinard said. Prices should go down “until we see something coming out of Ivory Coast and Ghana,” the world’s largest producers, she said.

Pre-set orders to sell the commodity were triggered during the decline, accelerating a “big-time drop” in prices, Jurgens H. Bauer, the head of brokerage Jurgens Bauer & Associates in New York, said in an e-mail. Coffee futures for May delivery dropped 0.9 cent, or 0.8 percent, to \$1.175 cents a pound on ICE. The price has fallen 11 percent in the past year. To contact the reporter on this story: Yi Tian in New York at ytian8@bloomberg.net.

Processing & Manufacturing

Grind Data Seen Confirming Decline in Cocoa Demand

Source: Reuters

06/04/2009

London, April 6 - Consumption of cocoa, often seen as one of the last comforts to go in a recession, looks set to take a knock as consumers in emerging markets bear down on expenses during the global economic downturn. Hard evidence of a decline in demand should be provided this week with the first quarter grind in Germany scheduled to be released and set to show a year-on-year fall of about 20 percent, traders and analysts said.

Grindings of cocoa beans are closely watched as they indicate demand anticipated by processors.

Germany supplies large volumes of semi-finished cocoa products to chocolate and confectionery industries in east Europe and Russia and the economic crisis has seriously reduced exports to these regions, traders said.

Last year Germany's annual cocoa grind was 367,177 tonnes, more than one-quarter of 1.38 million tonnes reported by the European Cocoa Association whose data covers most of the processing industry in the European Union and Switzerland. "A lot of (recent) demand growth has come from eastern Europe and Asia and the economic downturn has taken a toll in terms of people's consumption habits," said Barclays Capital analyst Sudakshina Unnikrishnan.

The International Cocoa Organization forecast last month that cocoa grindings in Asia and Oceania would fall by 10 percent to 719,100 tonnes in the crop year to September because of the global economic slump. "In the emerging markets, consumers are much more sensitive to the economy and they'll do without chocolate, it's not ingrained in their culture in the same way," said analyst Judy Ganes-Chase of J. Ganes Consulting in New York.

Investment bank Fortis, in a report issued last week, cut its forecast for total global cocoa grindings in 2008/09 to 3.54 million tonnes, down from a previous estimate of 3.61 million and well below the prior season's 3.69 million. "Our reduction in expected grindings (in 2008/09) reflects the (now unarguable) impact of world recession on chocolate demand," Fortis said.

HIGH PRICES

Analysts also said high prices may have helped to curtail demand.

Cocoa futures in London rose to a 24-year high in late January, boosted partly by a decline in production in top grower Ivory Coast, rather than by demand which was falling.

Global demand fell 5.8 percent in 2001/02 when civil unrest hit Ivory Coast, Ganes-Chase said. This was followed by years of demand growth, when the premium chocolate market grew and cocoa prices were lower.

Ganes-Chase said she expected the first quarter U.S. cocoa grind to be lower. Some traders forecast the decline could be between seven and 10 percent, year-on-year. She said there had also been an increase in grindings in producing countries as they seek to retain more of the value from their cocoa output.

The grind in Africa is pegged at 25.7 percent higher in 2008/09 compared to 2007/08, Steven Wateridge, speaking on behalf of the International Cocoa Organization while at an industry conference in Miami last

month. "Looking at the quarterly grind numbers, say for the U.S. or for Europe, doesn't tell the full story because grind at origin has been increasing at a faster pace," Ganes-Chase said.

Analysts said, however, consumption should start to move higher again when the global economic outlook improves. "Long-term trends remain in place, we are just in a short-term recessionary environment," said Unnikrishnan of Barclays Capital.

Fortis forecast total grindings should rise to 3.71 million tonnes in 2009/10, noting "prospects for the current recession lasting beyond 2009 are becoming more remote by the day." Others, however, remain more cautious about the outlook with Ganes-Chase forecasting global cocoa demand would fall 7 percent in 2009/10 following a 2.1 percent fall in 2008/09.

Business and Economy

Malaysia Cocoa Butter Mountain at 10,000 tonnes as Chocolate Ingredient Demand Falls – Trade

Source: Reuters

07/04/2009

Singapore, April 7 - At least 10,000 tonnes of cocoa butter has piled up in Malaysia, the highest level since 2002, with grinders unable to sell their product for months as demand for the chocolate ingredient slumps, dealers said on Tuesday.

Malaysia's 10 grinders have also cut cocoa bean purchases and reduced operating runs. Grindings in Malaysia, Asia's largest grinder, are estimated to fall 12.4 percent to 290,000 tonnes in the crop year to September, according to the ICCO. "Butter in our warehouses has already reached 28 containers and it's over 500 tonnes. We haven't sold a single kilo of butter since November. You have to slow down. If you keep on grinding, are you going to keep butter by the roadside?" one grinder asked. "You can't move the butter and your capital is stuck there. We've secured bean supply until the end of the year, but we're trying to get rid of one small part of Ivory Coast beans," he said.

Indonesian beans account for around 70 percent of grindings in Malaysia, which also buys cocoa from Africa and Papua New Guinea. Dealers estimated the amount of unsold butter at between 5,000 and 10,000 tonnes. With butter ratios falling to a five-year low at 1.80, London futures are failing to attract buyers during the global economic slowdown. Butter is used to make chocolate bars, spreads and also for soaps and manufacturing. When cocoa beans are processed, grinders get butter and cake, which is later pressed into powder.

Dealers reported some deals for powder, which is used as a coating in chocolate manufacturing and beverages, but the amount was too small to stir up trade. Powder was offered at between \$2,400 and \$2,800 a tonne, unchanged from last week. "The bean price is so expensive. How can you afford to buy beans, grind them and only sell powder? There's no way you can do it," said another grinder. "There's no demand for butter. It's difficult."

London's July contract rallied to a 7-week high of 1,944 pounds a tonne last Friday before plunging as much as 8 percent on Monday on fund selling. The second-month contract, however, was still 7 percent above a two-month low of 1,656 pounds hit in February. "I don't think anyone has traded butter at 1.8 times London. There's no taker. The business is too expensive," said a third grinder. "There's huge stocks of butter." The ratios are a key indicator of demand. Butter prices are determined by multiplying the ratio with related contracts in London futures.

ICCO Expects Global Cocoa Surplus in '09/10

Source: Reuters

07/04/2009

London, April 7 - International Cocoa Organization chief Jan Vingerhoets told Reuters financial television on Tuesday that he sees a 2009/10 global cocoa surplus of more than 100,000 tonnes due to weak demand and rising supply. Vingerhoets also said he had revised down his estimate for the 2008/09 global cocoa deficit to below 100,000 tonnes, from a previous estimate of a 193,000 tonne deficit.

His comment, reflecting the impact of the global economic slowdown on the cocoa market, was the first statement by the ICCO predicting the 2009/10 global cocoa balance. It contrasted sharply with the consensus trade view.

Last week, investment bank Fortis forecast a global cocoa deficit of 101,000 tonnes in 2009/10. Other traders have also told Reuters privately that they expect the market to be in deficit in 2009/10 for a fourth straight year. "We would expect supply to be up next year by some five percent," Vingerhoets, the London-based ICCO's executive director, said. He also said that he expected global cocoa demand to remain subdued, and that stocks would rise. "In markets where there is not a strong tradition of chocolate consumption, there we see demand going down quickly," Vingerhoets said, referring to Asia and eastern Europe.

One London-based cocoa futures dealer, responding to Vingerhoets's comments, said, "It is a very bearish story." The trader said he did not agree with the ICCO's forecast of a surplus, adding, "I would bet him as much as he wants that there is not a surplus."

PRICE OUTLOOK

The ICCO chief said he expected ICE cocoa futures prices to fall this year, due to the prospects for improving supply and continuing weak demand. "Prices of cocoa are going to go down from their present levels, in the direction of \$2,300 and maybe in the direction of \$2,000 per tonne," he said.

July futures on ICE traded at \$2,573 a tonne at 1219 GMT on Tuesday, up \$15 or 0.6 percent from the close on Monday.

Jonathan Parkman, head of the agri-commodity brokerage at Fortis Commodity Derivatives, said he saw upside potential for cocoa prices. "We believe we are in a structural deficit," he said, adding, "I think market prices have to rise. They need to average consistently higher when the farmer has something to sell."

Vingerhoets said he expected the April-September (2008/09) mid-crop in top grower Ivory Coast to total 300,000 to 330,000 tonnes, little changed from the prior year. Parkman said Fortis put Ivorian mid-crop cocoa output at 325,000 tonnes.

UPDATE 2-Demand slump halts ops at 14 Indonesia cocoa grinders

Reuters

By Lewa Pardomuan

Apr 8, 2009

- * Only 2 out of 16 Indonesia grinders still running
- * Grindings in Indonesia seen down 29 pct in 2009
- * Buyers could start seeking bargains in Malaysia (Adds details, ICCO estimates)

SINGAPORE, April 8 (Reuters) - Falling demand for ingredients for chocolate have forced 14 cocoa grinders in Indonesia to temporarily stop operations, an industry official said on Wednesday, possibly prompting consumers to seek bargains in rival Malaysia. Grinders across Asia have seen sales declining in recent months, forcing them to slash prices for butter even when bean prices had gone up to track rallies in London futures.

Indonesia is Asia's second-largest grinder after Malaysia, where grinders are struggling to reduce mounting stocks of butter and beans. "Grindings in Southeast Asia are facing similar problems with those in Europe and the United States. The market is lethargic, causing some factories to cut capacity or temporarily stop operations," said Piter Jasman, chairman of the Indonesian Cocoa Industry Association. "The global economic crisis has resulted in falling demand for butter. Also because of high bean prices, grindings in Indonesia will fall to 120,000 tonnes in 2009 from 170,000 tonnes in 2008," he told Reuters by email from Jakarta.

Only two grinders, PT Bumitangerang Mesindotama and Delfi, are still operating, said Jasman, adding that a recovery depends on how cocoa prices behave. "A stable cocoa price will certainly revive the cocoa butter market which has been quiet in the past six months," he said. Petra Foods (PEFO.SI) is the parent company of Delfi, the brand name for its cocoa power, liquor and butter.

Cocoa butter is used to make chocolate bars, spreads and also for soaps and manufacturing. When cocoa beans are processed, grinders get butter and cake, which is later pressed into powder. Although there was still demand for powder, which is used as a coating in chocolate manufacturing and beverages, dealers said grinders were losing money because they had to deal with mounting stocks of butter.

At least 10,000 tonnes of cocoa butter have piled up in Malaysia, the highest level since 2002, with the country's 10 grinders cutting bean purchases and operating runs because they were unable to sell their product for months during the economic downturn.[ID:nSP4565]

International Cocoa Organization Chief Jan Vingerhoets told Reuters financial television on Tuesday that he expected a 2009/10 global cocoa surplus of more than 100,000 tonnes due to weak demand and rising supply. "Some grinders have no choice but to stop operations. They can only resume the activity if the market recovers," said a dealer in Jakarta. "Grinders have shifted to selling their own bean stocks. It's making money."

London's July contract LCCN0 dropped 30 pounds to 1,826 pounds on Wednesday but was still 10 percent above a two-month low of 1,656 pounds hit in February. The contract rallied to a seven-week high of 1,944 pounds a tonne last Friday. Even though the butter ratio has fallen to a five-year low at 1.80 times London futures, it has failed to attract buyers. Butter and bean markets move in an opposite direction.

At MIT, a hunger for chocolate knowledge

Boston Globe

By Courtney Hollands, Globe Staff

April 8, 2009



Jayson Lynch (center) hands out samples at an MIT Laboratory for Chocolate Science tasting. Jayson Lynch (center) hands out samples at an MIT Laboratory for Chocolate Science tasting. (aram boghosian for the boston globe)

CAMBRIDGE - Conversations about chocolate typically revolve around the obvious: flavor, intensity, milk vs. dark. But for the students in the Massachusetts Institute of Technology's Laboratory for Chocolate Science, the discussion runs a bit more, well, technical.

You may learn, for instance, that chocolate has six crystalline states and that heating it too quickly can separate its molecules and cause it to become gritty. Or: When chocolate absorbs moisture, fats and sugar crystals rise to the surface or "bloom," causing it to take on a whitish sheen or oily texture. (Hence the film you might find on last year's Christmas candy.) "It's fun to explore the different sides of chocolate," says Allison Kunz, 23, who graduated last year and still attends the group's events. "There are scientific, political, and business aspects."

The laboratory, which is essentially a chocolate appreciation club, formed in 2003 as an extension of then-student Ariel Segall's truffle-making parties. Today, there are about 10 active members - mechanical engineering, chemistry, material science, and mathematics majors united by a love of cocoa - and close to 500 people on the lab's mailing list. They come together regularly for tastings and chocolate classes; most events are open to the public. To generate interest, the chocolate enthusiasts don matching pink or brown T-shirts featuring molecular diagrams of chocolate and coffee and set up a table near the entrance of freshman orientation or activity fairs. "We'll have fondue - people can dip strawberries or try chocolate flavored with strange spices," says sophomore Anna Waldman-Brown, 19. The spread, not surprisingly, is popular and draws in members.

During the school year, the group raises money through truffle sales. They make white, dark, and milk chocolate varieties, flavored with everything from habanero pepper to chai tea. Two of the more unique (and potentially off-putting) flavors the group has experimented with are wasabi-lime truffles and Marmite truffles. Members joke that they should create a "Beaver Bar" - a treat named for the school's industrious mascot. Students are known to serve hot cocoa during finals and hold brownie bake-offs. Earlier this year, a representative from Kallari - a sustainable chocolate-making cooperative in Ecuador - spoke at the school.

At a recent dinner the lab put on, self-described "chocolate freak" Ian Hawkins and his wife, Bronwyn, sampled white-chocolate potato curry and chicken mole. The couple, who live in Boston, found out about the Lab for Chocolate Science at WeirdBostonEvents.org. "I'd love to have the bank account to only buy good chocolate," Hawkins says. But not with today's "financial apocalypse." He'll be back at MIT for more tastings.

Students may adapt the tasting terms used to describe wine and other foods - i.e. fruity, oaky, and earthy - to chocolate. Small San Francisco-based chocolate manufacturer TCHO, for example, uses a flavor wheel to differentiate and label its products.

This group has a thirst for chocolate knowledge, but the students are also motivated by a sweet tooth. "We just love chocolate - we're really passionate about it," says senior Meghan Reedy, 21. For more information about the Chocolate Lab, go to web.mit.edu/chocolatiers/www. Check out a video of the MIT chocolatiers in action at www.how2heroes.com/videos/dessert-and-baked-goods/mits-tea-infused-chocolate-truffles

Chocolate Inside Out

Examiner.com

April 7, 2009

A simple description of different kinds of chocolates and uses for each:

1. White Chocolate has no solid cocoa content. Creamy, sweet, and made from cocoa butter, sugar, milk, and vanilla. (Not technically chocolate).
2. Milk Chocolate contains 10 to 20% cocoa solids, sugar, and 12% milk solids.
3. Unsweetened Chocolate is 100% cocoa solids. Used for baking. (Very bitter).
4. Semisweet Chocolate is usually found in chips or bars. Contain 40 to 60% cocoa solids.
5. Bittersweet Chocolate contains 60 to 85% cocoa solids and very low sugar content.
6. Dark Chocolate is mildly sweet, with little or no milk solids, and a high amount of cocoa solids.
7. Sweet Baking Chocolate has added cocoa butter and sugar.

Tips for uses of chocolate:

1. Chop chocolate into small pieces to allow it to melt quickly and evenly.
2. Avoid scorching chocolate by melting over indirect heat in the top of a double boiler or a heatproof bowl set in a shallow pan of hot water.
3. Microwave chocolate on Medium power (50%). Stir at 10 to 15-second intervals till melted.
4. Chocolate shavings are easily made by running a vegetable peeler over the narrow side of a chocolate bar.
5. Warm chocolate, and apply more pressure with vegetable peeler, to make chocolate curls.
6. The fewer the ingredients found in a recipe the more pronounced the chocolate flavour will be.
7. The percent of cocoa printed on a label is the combined weight of cocoa solids and cocoa butter, so the higher the percentage of cocoa means less sugar and a more intense flavour.
8. Store chocolate in cool, dark, pantries or cupboards, and away from aromatic herbs and spices.
9. Chocolate Fat Bloom is caused by chocolate being overly warm making the cocoa butter separate and rise creating a powdery white film on the chocolate.
10. Chocolate Sugar Bloom is caused by chocolate exposed to high humidity or moisture allowing condensation to form on the surface leaving crystals behind.
11. Both blooms affect chocolate's texture but are safe to consume or use for baking.
12. Chocolate, like most other foods, should be eaten in moderation.

Labour Issues

COCOBOD organises workshop on Child Labour

Peace fm Online

08 April 2009

The Quality Control Division of Ghana Cocoa Board (Cocobod) has held a sensitization workshop on the child labour law for cocoa farmers in some selected communities in Asutifi District of Brong Ahafo. The workshop, sponsored by Cocobod, was aimed at formulating plans and strategies that could help to eliminate child labour on cocoa farms.

In an opening address, Mr. Peter Sekyim, Brong Ahafo Regional Manager of the Division, emphasised the need for children to be nurtured to become physically, mentally and intellectually sound. He called for the enforcement of existing laws to reduce or eliminate all forms of child labour on cocoa farms, as well as cultural practices proven to be detrimental to the well being of children.

On their produce, Mr. Sekyim advised the farmers to allow their cocoa beans to ferment for at least six days before drying them to ensure their good quality. The Regional Manager advised them to use only recommended agro-chemicals like Confidor 200, Actara and Akate Master in the fight against the Capsid disease on cocoa.

Mr. Bernard Brown, Goaso District manager of the Division, said the introduction of a new grading system to detect purple cocoa beans was to streamline the internal controls in the cocoa industry. Mr. Francis Forfoe, district welfare officer, underscored the promotion of widespread acceptance and observance of the convention on the rights of the child and enforcement of the Children's Act of 1998. He advised parents to enroll their children in schools to enable them to become responsible citizens in future.

Environmental Issues

Research & Development

Promotion

Others

Cocoa Pipe lets you literally inhale Chocolate

Wired News

By Priya Ganapati

April 07, 2009



Consider us sold for a snort from this chocolate pipe.

Chocolate can be addictive, and eating it is fattening -- which is why a Harvard professor has helped create a cigarette-like chocolate inhaler that allows users to take a puff of their favorite treat whenever they want. The product, called Le Whif, is a way to get chocolate without the calories, says David Edwards, a professor at Harvard University and the lead inventor of the product. And it is an experiment and adventure in gastronomy. "The idea here is to move beyond the fork and the knife and think about inhaling food," he says. "Each whiff here fills your mouth but has less than a calorie and is yet almost all pure chocolate. It tastes good."

Until recently, food particles could not be made small enough to get airborne and not offer the risk of choking, says Edwards. But his team claims to have found a way to offer super-tiny particles of chocolate through an inhaler. "The typical particle size for us is 80 to 300 microns," he says.

But the technology means that Le Whif doesn't come cheap. A pack of 24 Whifs is currently available for about \$52 and is available through online orders only. Le Whif will have a launch party in Paris for the product on April 29. The chocolate inhalers will come in four flavors: mint chocolate, raspberry chocolate, mango chocolate, and milk chocolate.

The goal isn't to replace the average Lindt chocolate bar but to enhance the chocolate experience, says Edwards. "It's a great diet thing or wonderful with coffee or it can be handed out as a gift at parties," he says.

Disease threat prompts chocolate supply warning

thegrocer.co.uk

By Alex Beckett

08/04/2009

Chocolate could face supply shortages due to diseases blighting the world's cocoa crops, according to press reports.

Up to a third of the cocoa crops from key producer countries such as the Ivory Coast could be lost to disease.

Scientists and researchers from the US Department of Agriculture are exploring DNA technology to find resistant genes but intensive farming by cocoa producers has exacerbated the spread of the disease, according to a report in The New Scientist.