

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 331

13th – 17th 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

IN THIS ISSUE

- ICCO DAILY COCOA PRICES
- LONDON (LIFFE) FUTURES MARKET
UPDATE
- NEW YORK (ICE) FUTURES MARKET
UPDATE
- FROM THE NEWS MEDIA
- TIT BITS

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

In the News (from Newspapers worldwide)

| | |
|---|--|
| <p><u>Health and Nutrition</u></p> <ul style="list-style-type: none"> Not all chocolate was created equal Sweet research: Scientist delves into the world of chocolate <p><u>Production and Quality</u></p> <ul style="list-style-type: none"> Meltdown: Nigerian must go back to farm – Orji Cocoa industry: Africa underutilising potential Nigerian Cocoa farmers ask State to Raise Subsidies (Update1) <p><u>The Market</u></p> <ul style="list-style-type: none"> Cocoa falls on poor European grind data Nestle Q1 Organic Sales Growth Seen at 3.7 pct <p><u>Processing & Manufacturing</u></p> <ul style="list-style-type: none"> N.America Q1 Cocoa Grind down 12.97 Percent <p><u>Business & Economy</u></p> <ul style="list-style-type: none"> Natural resource FG to boost cocoa production | <ul style="list-style-type: none"> Uganda Business News: Uganda's cocoa output expected to rise <p><u>Labour Issue</u></p> <ul style="list-style-type: none"> <p><u>Environmental Issues</u></p> <ul style="list-style-type: none"> <p><u>Research & Development</u></p> <ul style="list-style-type: none"> <p><u>Promotion</u></p> <ul style="list-style-type: none"> <p><u>Others</u></p> <ul style="list-style-type: none"> |
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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) |
|------------------------|---------------------------------|----------------------------------|-----------------------------|----------------------------------|
| 13 th April | 1745.53 | 2613.45 | 1795.17 | 2562.33 |
| 14 th April | 1713.60 | 2562.66 | 1771.00 | 2484.67 |
| 15 th April | 1684.01 | 2521.44 | 1720.00 | 2464.33 |
| 16 th April | 1641.01 | 2448.02 | 1679.67 | 2392.00 |
| 17 th April | 1659.28 | 2466.99 | 1711.67 | 2405.00 |
| Average | 1689.00 | 2523.00 | 1736.00 | 2462.00 |

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

Monday 13th April 2009

| Month | Opening Trans | Settle | Change | Daily High | Daily 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 |

Tuesday 14th April 2009

| Month | Opening Trans | Settle | Change | High | Low | Volume |
|-----------------------|---------------|-------------|--------|-------|-------|---------------|
| May 2009 | 1817 | 1797 | -45 | 1838 | 1795 | 3,051 |
| Jul 2009 | 1790 | 1764 | -50 | 1814 | 1760 | 5,282 |
| Sep 2009 | 1786 | 1752 | -50 | 1793 | 1748 | 1,485 |
| Dec 2009 | 1778 | 1743 | -48 | 1789 | 1742 | 879 |
| Mar 2010 | 1761 | 1725 | -47 | 1764S | 1726 | 352 |
| May 2010 | 1758 | 1724 | -48 | 1758S | 1758S | 40 |
| Jul 2010 | | 1730 | -48 | | | 0 |
| Sep 2010 | | 1736 | -48 | | | 0 |
| Dec 2010 | | 1727 | -48 | | | 0 |
| Mar 2011 | | 1727 | -48 | | | 0 |
| Average/Totals | | 1743 | | | | 11,089 |

Wednesday 15th April 2009

| Month | Opening Trans | Settle | Change | High | Low | Volume |
|-----------------------|---------------|-------------|--------|-------|-------|---------------|
| May 2009 | 1797 | 1762 | -35 | 1806S | 1758 | 3,296 |
| Jul 2009 | 1763 | 1728 | -36 | 1777 | 1725 | 5,272 |
| Sep 2009 | 1750 | 1718 | -34 | 1757 | 1717S | 1,178 |
| Dec 2009 | 1745 | 1714 | -29 | 1754 | 1712 | 2,173 |
| Mar 2010 | 1730 | 1707 | -18 | 1737 | 1705 | 549 |
| May 2010 | 1729 | 1709 | -15 | 1732 | 1714S | 1,009 |
| Jul 2010 | 1719 | 1715 | -15 | 1721S | 1719S | 50 |
| Sep 2010 | | 1721 | -15 | | | 0 |
| Dec 2010 | | 1712 | -15 | | | 0 |
| Mar 2011 | | 1712 | -15 | | | 0 |
| Average/Totals | | 1720 | | | | 13,527 |

Thursday 16th April 2009

| Month | Opening Trans | Settle | Change | High | Low | Volume |
|-----------------------|---------------|-------------|--------|-------|-------|---------------|
| May 2009 | 1760 | 1716 | -46 | 1767 | 1713 | 3,372 |
| Jul 2009 | 1728 | 1685 | -43 | 1732 | 1682 | 4,925 |
| Sep 2009 | 1716 | 1678 | -40 | 1720 | 1677 | 2,594 |
| Dec 2009 | 1710 | 1676 | -38 | 1722 | 1673 | 2,596 |
| Mar. 2010 | 1700 | 1676 | -31 | 1711S | 1675S | 862 |
| May 2010 | 1700 | 1680 | -29 | 1720 | 1685 | 530 |
| Jul 2010 | 1714 | 1680 | -35 | 1714S | 1685S | 120 |
| Sep 2010 | | 1686 | -35 | | | 0 |
| Dec 2010 | | 1677 | -35 | | | 0 |
| Mar 2011 | | 1677 | -35 | | | 0 |
| Average/Totals | | 1683 | | | | 14,999 |

Friday 17th April 2009

| Month | Opening Trans | Settle | Change | High | Low | Volume |
|-----------------------|---------------|-------------|--------|------|------|--------------|
| May 2009 | 1716 | 1760 | 44 | 1761 | 1707 | 2,386 |
| Jul 2009 | 1680 | 1721 | 36 | 1724 | 1674 | 4,043 |
| Sep 2009 | 1677 | 1710 | 32 | 1711 | 1670 | 1,674 |
| Dec 2009 | 1666 | 1704 | 28 | 1705 | 1666 | 920 |
| Mar 2010 | 1665 | 1704 | 28 | 1703 | 1665 | 872 |
| May 2010 | 1669 | 1697 | 17 | 1695 | 1665 | 180 |
| Jul-10 | | 1698 | 18 | | | 0 |
| Sep 2010 | | 1704 | 18 | | | 0 |
| Dec 2010 | | 1695 | 18 | | | 0 |
| Mar 2011 | | 1695 | 18 | | | 0 |
| Average/Totals | | 1709 | | | | 10075 |

| | | | | | |
|-----------------------------|-------------|--|--|--|---------------|
| Average for the week | 1709 | | | | 9938 |
| | | | | | 49,690 |

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

Monday 13th 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 |

Tuesday 14th 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 |

Wednesday 15th April 2009

| Month | Open | Price | Change | High | Low | Volume |
|-----------------------|------|-------------|--------|------|------|--------------|
| May 2009 | 2472 | 2425 | -39 | 2480 | 2410 | 4,631 |
| Jul 2009 | 2490 | 2452 | -40 | 2510 | 2440 | 11,939 |
| Sep 2009 | 2497 | 2461 | -38 | 2511 | 2450 | 2,224 |
| Dec 2009 | 2513 | 2477 | -36 | 2529 | 2467 | 1284 |
| Mar 2010 | 2516 | 2482 | -27 | 2517 | 2480 | 597 |
| May 2010 | 2514 | 2479 | -27 | 2514 | 2476 | 57 |
| Jul 2010 | 2497 | 2484 | -25 | 2497 | 2481 | 719 |
| Sep 2010 | 2472 | 2472 | -33 | 2472 | 2472 | 302 |
| Dec 2010 | 0 | 2485 | -34 | 0 | 0 | 2 |
| Mar 2011 | 0 | 2485 | -34 | 0 | 0 | 0 |
| Average/Totals | | 2470 | | | | 21755 |

Thursday 16th April 2009

| Month | Open | Price | Change | High | Low | Volume |
|-----------------------|------|-------------|--------|------|------|--------------|
| May 2009 | 2430 | 2339 | -86 | 2430 | 2331 | 2795 |
| Jul 2009 | 2452 | 2381 | -71 | 2452 | 2371 | 8150 |
| Sep 2009 | 2457 | 2390 | -71 | 2457 | 2384 | 781 |
| Dec 2009 | 2467 | 2406 | -71 | 2470 | 2400 | 2052 |
| Mar 2010 | 2420 | 2411 | -71 | 2420 | 2407 | 479 |
| May 2010 | 2418 | 2410 | -69 | 2419 | 2410 | 85 |
| Jul 2010 | 2418 | 2417 | -67 | 2418 | 2418 | 25 |
| Sep 2010 | 2430 | 2417 | -55 | 2430 | 2428 | 1 |
| Dec 2010 | 0 | 2415 | -70 | 0 | 0 | |
| Mar 2011 | 0 | 2415 | -70 | 0 | 0 | |
| Average/Totals | | 2400 | | | | 14368 |

Friday 17th April 2009

| Month | Open | Price | Change | High | Low | Volume |
|-----------------------|------|-------------|--------|------|------|--------------|
| May 2009 | 2350 | 2402 | 63 | 2415 | 2307 | 754 |
| Jul 2009 | 2381 | 2413 | 32 | 2432 | 2350 | 6,209 |
| Sep 2009 | 2375 | 2415 | 25 | 2428 | 2355 | 878 |
| Dec 2009 | 2377 | 2431 | 25 | 2447 | 2371 | 667 |
| Mar 2010 | 2382 | 2441 | 30 | 2437 | 2382 | 35 |
| May 2010 | 2390 | 2442 | 32 | 2390 | 2390 | 1 |
| Jul 2010 | 0 | 2449 | 32 | 0 | 0 | 0 |
| Sep 2010 | 2428 | 2445 | 28 | 2428 | 2428 | 1 |
| Dec 2010 | 0 | 2452 | 37 | 0 | 0 | 0 |
| Mar 2011 | 0 | 2452 | 37 | 0 | 0 | 0 |
| Average/Totals | | 2434 | | | | 8,545 |

| | | | | | |
|-----------------------------|-------------|--|--|--|---------------|
| Average for the week | 2440 | | | | 11167 |
| | | | | | 44,668 |

Spot Prices (US \$ per tonne)

| | 13 th April | 14 th April | 15 th April | 16 th April | 17 th April |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Main Crop Ghana, Grade 1 | - | 2976 | 2945 | 2874 | 2895 |
| Main Crop Ivory Coast, Grade 1 | - | 2811 | 2765 | 2674 | 2700 |
| Main Crop Nigerian, 1 | - | 2799 | 2744 | 2673 | 2680 |
| Superior Arriba | - | 2689 | 2649 | 2578 | 2606 |
| Sanchez f.a.q | - | 2779 | 2730 | 2659 | 2668 |
| Malaysian 110 | - | 2451 | 2430 | 2359 | 2413 |
| Sulawesi f.a.q | - | 2559 | 2502 | 2431 | 2476 |
| Ecuador Cocoa Liquor | - | 3975 | 3703 | 3595 | 3636 |
| Pure Prime Press African Type Cocoa Butter | - | 6176 | 5803 | 5635 | 5791 |
| 10/12% Natural Cocoa Press Cake | - | 1446 | 1455 | 1413 | 1665 |

Source: Cocoa Merchant Association

News

Health and Nutrition

Not all chocolate was created equal

Seacoastonline.com

By Jeanné McCartin <features@seacoastonline.com>

April 12, 2009



Forget oil. She who controls chocolate controls the world. Well, that might be a wee stretch. But then again maybe not. Think about it. The retail chocolate industry in the United States is worth a little more than \$13 billion annually — and growing — thanks to our 11-pound per person annual consumption (trailing behind the Swiss at 22).

So what is it about this cocoa-colored gold that makes it so desirable?

Well if you go the scientific route you might consider the tryptophan it contains. It produces a chemical in the brain used to produce serotonin, which in a chain of events produces feelings of elation. Then there's phenylethylamine, which leads to feelings of attraction, excitement and giddiness and phenylethylamine, which stimulates the brain's pleasure centers. In all there are 380 known chemicals in the food.

But do we care? Heck no. We just want great taste. And what makes chocolate great? Read on: for the pros tell all.

Jayne Welcome, owner of Exeter's The Chocolatier, says a great chocolate, "Is smooth and creamy and melts in the mouth when you put it in, that's my qualification," she says. "AND it should have a snap when you bite it."

The candy comes in three basic forms — which most of us are intimately familiar with. There's milk chocolate, which has the least cocoa and most sugar; semisweet, with some added sugar; and bittersweet, (88 percent) which is sans added sweetener. "The higher the cocoa, the healthier it is," says Welcome.

Like the others interviewed, Welcome buys her chocolate in blocks, carefully shopping around for quality and preferred undertones.

Then comes the tricky part. There's more to it than pairing it with other flavors she says. The chocolate is tempered, a process that dictates the food's creaminess. "(Chocolate) is temperamental," she explains. "You have to bring it to just the right temperature."

Thomas Linemayr, CEO and president of Lindt & Sprüngli USA, says the difference between the premium treat and the usual, mass produced form is huge.

"Premium chocolate uses only the finest ingredients, including rare cocoa beans and superior-grade cream, milk and sugar. Unlike mass-produced chocolate, premium chocolate undergoes an intensive refinement process that can take up to 72 hours to ensure a smooth, luxurious texture."

Premium combines the finest ingredients with artisan-like craftsmanship and innovation, he adds. "Once a consumer has savored the rich quality of premium chocolate, they are less likely to revert back to eating ordinary chocolate," says Linemayr.

Ellen Byrne, co owner of Portsmouth's Byrne & Carlson Chocolatier & Confectioner, agrees bean to bar processing is important. But to get the best quality and flavor you have to consider the bean's origin and treatment before it's a block.

Cocoa beans are grown all over the world and both type and soil add undertones.

"We have a chocolate from Madagascar. It has a very floral tone to it," Byrne says.

Another Venezuelan chocolate has an earthy undertone, and a French one, Café Noir, is roasted with coffee beans and takes on a touch of its flavor. Still other beans offer a robust and earthy or fruity undertone.

Susan Tuveson, owner of Cacao Chocolates in Kittery, Maine, adds earth, grass, moss, and nuttiness to that list. And to best appreciate them, the final and all-important stage is the consuming properly. She suggests letting the product melt slowly in your mouth so the "secrets of the blend of beans is gradually revealed."

"If milk, (it's the) same but with increased attention to mouth-feel, the honest taste of milk, and lovely butter, caramel overtones," says Tuveson. "White chocolate, the real stuff, should have hints of the solids the cocoa butter grew up with, as half the cacao bean is fat; that whisper of dark chocolate in taste and smell, and the fresh goodness of real cream, whence the sweetness derives, not so much as from sugar. In all, real vanilla rules, not artificial."

Jacqui Harmon, owner of Portsmouth's Mainely Gourmet Chocolate Factory, says the "behind the scenes" is all well and good, but if you want to satisfy that chocolate craving over and over, find a shop that shares your taste and stick to it. So, bring on the big dark bunny — it's time for another choco-centric holiday.

Sweet research: Scientist delves into the world of chocolate

Jackson Clarion Ledger

Sherry Lucas • slucas@clarionledger.com •

April 15, 2009



Chocolate is the Johnny Depp of the candy world - delicious at the outset, with deep, dark reservoirs of satisfaction to savor.

Chocolate expert Jeff Hurst will share that in a Thursday lecture at Millsaps College, 7:30 p.m. in the Gertrude C. Ford Academic Complex, Room 215, speaking on ways ancient people used cacao. The lecture is free and open to the public.

Scientist Hurst fondly jokes that he's been with The Hershey Company "forever." Real time is closer to 33 years. There, he's an analytical biochemist, working in developing new analytical methods and evaluating new analytical technologies. "Literally, as serendipitous, we got involved in looking at samples from Maya sites," Hurst says. "It started out with a call to our 800 number."

That was back in 1989. The honor fell to Hurst. "We had to look for a marker compound ... chemically unique to cocoa or cacao." The first work was in Rio Azul in Belize, with a lovely amber pot with blue hieroglyphs. "You had to turn the top to get it off, and the ... top has a jaguar tail, and the joke was, that was the first child-proof top," Hurst says.

Recently, Hurst was part of a research team linking traces of chocolate in 1,000-year-old pottery found in Mexico's Chaco Canyon, to cacao growers in Central America. "The unique part is, this is the first scientifically documented use of cacao in North America," Hurst says. "The other significance with this find is, this site is literary thousands of kilometers from the cocoa-growing region," indicating trade 1000 to 1100 A.D.

They've been involved in sites that go as far back as 1900 B.C. "The work we've been honored to be involved in provided some scientifically supportable evidence of the consumption of the commodity by the Maya and the Aztec, the Olmecs and a group even pre-Olmec," Hurst says. "There's a great deal of iconography, there is much pottery showing cacao and the use of cacao in various places. But our work was able to say not only is this tied in anecdotally, but it's scientifically supported by having physical evidence."

Warriors

In ancient times, cacao was used by warriors, the elite, the government.

It'd be fairly tough to conjure up a facsimile of that ancient beverage. "Nothing like a Hershey bar, I don't think," Hurst said.

Imagine baking chocolate, a little hot water, maybe spices such as annatto, cinnamon, nutmeg, perhaps even honey and some other herbs and spices, whipped up in a blender. Then consume the foam (thought to be closer to God).

Hurst's lecture is the fourth in the Moreton Lectures series. Millsaps College received \$800,000 from the Keck Foundation, used to establish a laboratory, the W.M. Keck Center for Instrumental and Bioanalytical Analysis for Comparative Archaeology; Hurst is one of the speakers in a series this year kicking off the lab's opening, said Timothy Ward, associate dean of sciences and chemistry professor at Millsaps.

Especially keen on the lecture is Millsaps anthropology professor George Bey. "I'm a Maya archaeologist and he is one of the individuals who has brought a big part of my culture to life with his determination of use of chocolate - cacao - in ancient Maya society."

Vessels

Quite a bit is known about its role, from the type of vessels used, ownership of vessels, art depictions of cacao beverage preparation and even some evidence of recipes. "Besides cacao in its liquid form, the Maya used chocolate in various food recipes," Bey says. "So we find remains of preserved meals in tombs that show different uses of chocolate, for sauces and things like that." It was so valued, it was used as a form of currency. "Things could be measured in value by how many cacao beans they were worth."

"It's a rich commodity with a lot of great history and for those of us who are just the least bit geeky, there's a lot of neat chemistry involved," Hurst says.

But is it cocoa or cacao? Are they interchangeable?

Hurst says he used to call it all cocoa until his archaeologist friends took him to task. Here's what they told him: "When it's on the tree, it's cacao. When it's in the brown can that everybody uses, it's cocoa."

Production & Quality

Meltdown: Nigerian must go back to farm – Orji

The Punch

By Ibanga Isine, Port Harcourt

17 Apr 2009



Chief Theodore Orji

Abia State Governor, Chief Theodore Orji, on Thursday, said unless Nigerian returned to the farm, it would be difficult for it to survive the current global economic meltdown. The governor, who said this at the opening of the 5th National Cocoa Day in Umuahia, noted that it was sad for a country with abundant natural resources to run a monolithic economy that relied only on oil.

He described the theme, "Cocoa for health and wealth," as fitting, especially at a time the global economic crisis was hitting the country hard and affecting its macro-economic and fiscal projections for the year.

He said, "It should also be food for thought for us that while the price of crude oil on which we have hinged our wealth is shrinking by the day, the price of cocoa, which we have neglected, is rising in the commodities exchange daily. "The inherent message for us, therefore, is that it is time to go back to our farms. Nigeria must,

as a matter of urgency, devote more time and greater resources to agricultural development on a commercial basis to shore up our revenue profile. “As you are aware, there was a time when agriculture was the mainstay of our economy. The groundnut pyramids in Kano, cocoa plantations in the West, oil palm and rubber estates in the East and several other cash crops were veritable sources of foreign revenue for our country. “The regional administrations executed monumental projects with revenue generated from agricultural products. Today, all these feats are materials for history books in our schools. We found crude oil and abandoned agriculture. It is time to go back to the land.”

In Abia State, he said the government was taking steps to develop the agricultural sector so that the legacies of the former Premier of the Eastern Region, Dr. Michael Okpara, would not die. According to him, the present administration is poised to improve upon the state’s rating among the cocoa producing states, adding that the current rating of the state is inaccurate.

As part of measures to improve yields, he said improved cocoa seedlings were being distributed free of charge to farmers across the state, while also setting up 10 cocoa seedling nurseries to decentralise the operations of the nursery.

Cocoa industry: Africa underutilising potential

The Punch

By Sulaiman Adenekan

17 Apr 2009



Cocoa tree

The contribution of cocoa beans from Nigeria and other West African countries to the developed nations is evidenced from their transformed economies of the latter group. This has given birth to considerable number of cocoa processing plants and distributors of confectionery products; employment creation and revenue generation.

Wikipedia, quotes the International Cocoa Organisation as reporting that Côte d’Ivoire produces 1.3million tonnes of cocoa, representing 38 per cent; Ghana, 720,000 tonnes representing 20.7 per cent, Cameroon 175,000 tonnes representing 5.0 per cent and Nigeria, 160,000 tonnes representing 4.6 per cent of the 3.5 million tonnes of world production.

Most of the cocoa cultivated in the region is exported to countries in Europe and North America, with Netherlands and United States of America coming as the world’s two leading cocoa processing countries.

It is pathetic that both wealth and health values accrueable from cocoa produced by Africa are benefited by the western world through the establishment of processing plant while the producing nations remain veritable source of raw materials with little or no value to show for the efforts.

On the issue of processing, according to cocoa sources in 2005/2006, Europe accounted for 42 per cent of world processing with Netherlands accounting for 14 per cent and United States of America 12 per cent. Also, statistics on consumption shows that Western Europe and North America accounted for an estimated two-thirds of overall chocolate consumption in 2005.

According to the source, Western Europe was the largest regional market with 37 per cent of worldwide chocolate consumption, led by the United Kingdom, Germany and France; while the US was the largest individual consumer market.

No wonder the Chairman, Alternative Uses of Cocoa, sub-Committee of the Committee for Sustainable Cocoa Development and Deputy Governor, Osun State, Erelu Olusola Obada, said, “They eat what they do not produce while we produce what we do not eat.” She said that the cocoa processing companies in the country currently utilised 38,000 metric tonnes out of the total processing capacity of 130,000 in the country due to low level of cocoa consumption in the country and high tariff placed on processed cocoa from Nigeria as against cocoa bean that attracted low tariff.

Obada said that the local production of cocoa bean by farmers in the country had also increased from 150,000 metric tonnes to 380,000 metric tonnes. She said, "The European Union increased tariff on our processed cocoa while the tariff for beans is very low, which means they prefer to have our beans rather than our processed cocoa. Right now, I don't think that the processors are happy because many of them have their warehouses filled with processed goods that they cannot sell. "This is the time to review our cocoa policy for the benefit of the country, because cocoa is a natural food that prevents diabetes, high blood pressure and even malaria, it is a miracle food."

Speaking in the same vein, , the Chairman, COPAN, Mr. Abimbola Oladapo, said that the challenges facing the industry ranged from lack of incentives from the government, high duty paid on processed cocoa products and infrastructure problem. He urged government to intervene to rescue the industry, as it could go under any moment from now if nothing was done moreso that it is being affected by the global financial crunch.

Oladapo added that there was low demand for cocoa products and high demand for cocoa beans, a situation that was compounded by the non endorsement of the Economic Partnership Agreement. The non-endorsement of EPA has resulted in collection of duty on processed cocoa product, while cocoa beans was being exported without any external duty paid which has caused a lot of distortion in the market.

Oladapo said, "When you process cocoa butter, your sales price is about \$5,000 freight on board per tonne, and our cost of processing is \$7,000. Therefore, there is a difference of about \$2,000 loss per tonne that cocoa processors are now made to bear. "We are now saying that if government does not come to the aid of cocoa processors now, factories will go under anytime from now, even the existing ones are just trying to survive and I don't think any reasonable person will want to go into cocoa processing."

The Managing Director, Multitrex Investments Plc, Mr. Yusuf Isiaka, said that the company was investing N6bn and increasing its production capacity to 65,000mt for its new consumable cocoa processing plant, a semblance of Nestle in Nigeria so as to increase local consumption of cocoa in the country. He said the new plant would gulp about N6bn out of which N2bn would be set aside for raw materials with the exclusion of cost of energy and plantation investment. He said the company had spent N3bn on the expansion project and would still need another N3bn towards the to complete the project, to justify the shareholders investment in it and boost their confidence.

The Chairman, Nestle Nigeria Plc, Mr. Olusegun Osunkeye, said the cocoa and cocoa products were next to oil and was the second foreign exchange earner for Nigeria, adding that government should wake up to the challenges facing the industry, as cocoa could help bridge the financial gap created by the falling oil prices in the world. He said there was a need for good infrastructure, as a lot of money was spent by companies to provide their infrastructures, hoping that the country would generate 6,000 megawatts by the end of 2009 as planned by government.

Nigerian Cocoa farmers ask State to Raise Subsidies (Update1)

Bloomberg

By Vincent Nwanma

April 17, 2009

(Bloomberg) -- Cocoa farmers in Nigeria, Africa's third-largest producer, are calling on the government to raise subsidies to protect the industry from rising production costs. The increased cost of chemicals, such as fertilizers and pesticides, are the main concern for farmers, Joseph Affun- Adegbulu, president of Cocoa Association of Nigeria, said today on the sidelines of a conference at Umuahia, in southeastern Nigeria. "The government has indicated that it will subsidize these chemicals, but it is yet to do so," he said.

Nigeria ranks behind the Ivory Coast and Ghana as the world's largest cocoa producer, according to the Web site of the International Cocoa Organization. The government has boosted output by providing farmers with quick-maturing seedlings and fertilizers at subsidized prices since 2005, while improved farming methods have also helped.

Fertilizer prices, which constitute more than 60 percent of cocoa production costs, have soared in recent months, Affun- Adegbulu said. A fungicide called Ridomil, for example, now costs 250 naira (\$1.69) a sachet, compared with 60 naira a year ago. *To contact the reporter on this story: Vincent Nwanma in Lagos via Johannesburg at pmrichardson@bloomberg.net*

The Market

Cocoa falls on poor European grind data

guardian.co.uk

By David Brough

April 14 2009

LONDON, April 14 (Reuters) - London white sugar futures rallied to a seven-month high on Tuesday after India's Election Commission approved a government proposal to allow tax-free imports, while cocoa fell after poor European grindings data.

London robusta coffee dropped on investor selling as the market re-adjusted to the slide in arabicas on Monday when the robusta market was closed for the Easter holiday, dealers said.

London May white sugar May later eased to \$410.70 at 1326 GMT, up \$7.70 or 1.9 percent in volume of 5,114 lots.

"Everyone who is short is piling into whites. It is in response to New York's move higher yesterday (when London was shut)," a London dealer said, affirming the ICE raws market had rallied in response to the Indian move on the duty on Monday. May whites go off the board on Wednesday. "Whether the Indian announcement diverts sugar from the delivery remains to be seen," broker Sucden Financial said in a daily market report. "After all, they may choose to purchase cheaper low quality whites. Anyway, the usual threat of Argentine sugars exists (for delivery), as well as Brazils."

Benchmark ICE May raw sugar was up 0.06 cent at 13.38 cents a lb. Dealers talked of strong resistance at 14.00 cents a lb. "Producer pricing will now be a factor as July approaches 14.00 (cents)," Sucden Financial said.

Cocoa futures fell, weakened by a lower-than-expected first quarter European grind. "The European grind for me was a bit of a surprise. I thought it would hold up better than it did," said Standard Chartered analyst Abah Ofon.

Europe's cocoa grind fell 11.1 percent year-on-year to 315,177 tonnes in the first quarter of 2009, the Brussels-based European Cocoa Association said on Tuesday.

Traders had expected the grind to show a decline of around three to five percent. Standard Chartered's Ofon said, however, demand for cocoa may start to revive later this year. "I don't believe we are going to start from here to see a continuous slump. I believe the data is going to improve somewhat as we head into H2," he said, adding demand in the second quarter could, however, still be sluggish.

May cocoa in London stood 26 pounds lower at 1,816 pounds a tonne at 1328 GMT. The contract traded as high as 1,974 pounds in early April but has weakened during the last few days, hurt partly by concerns about a downturn in demand. "I think 1,800 (pounds a tonne) is going to be a decent floor and prices thereafter are going to be reasonably well supported given the supply situation in Ivory Coast," Ofon of Standard Chartered said. Cocoa arrivals at ports at top grower Ivory Coast have been running well below last year with the October-March main crop finishing 178,000 tonnes lower than the prior season. July cocoa futures on ICE fell \$44 to \$2,533 a tonne.

London robusta coffee futures adjusted lower on investor selling after a slide in arabicas on Monday when the London market was closed, dealers said. "We were due (to open) lower," one London robusta coffee dealer said. "The market fell in thin conditions (volume)." London July robusta coffee futures were down \$48 or 3.1 percent to \$1,510 per tonne in slim volume of 3,043 lots at 1331 GMT. ICE May arabica futures were down 0.7 cent at \$1.1660 per lb. (Additional reporting by Nigel Hunt in London)

Nestle Q1 Organic Sales Growth Seen at 3.7 pct

Source: Reuters

17/04/2009

Zurich, April 17 - Nestle, the world's largest food company, is expected to post a 3.7 percent rise in organic sales growth for the first quarter, a Reuters poll showed on Friday. Closely-watched underlying, or organic, sales growth, strips out currency effects and acquisitions. The 11 analysts polled by Reuters forecast on average sales rising 1.2 percent to 26 billion Swiss francs (\$22.51 billion)

Processing & Manufacturing

N.America Q1 Cocoa Grind down 12.97 Percent

Source: Reuters

17/04/2009

New York, April 16 - North American cocoa grindings in the first quarter dropped 12.97 percent from a year earlier, to 99,875 tonnes, data from the National Confectioners Association showed Thursday. The report previously included data from the United States only, but starting in this first quarter of 2009 the report included Canada, Mexico and the United States, NCA said in a release.

Cocoa grinding is used as a measure of demand for the key chocolate ingredient.

First-quarter 2008 figures were recalculated to reflect the historical data, at 114,759 tonnes, NCA said.

Last year, the U.S. cocoa grinding in the first quarter was pegged at 91,876 tonnes.

There were 11 companies that responded to the survey, including chocolate makers Barry Callebaut USA , Hershey Co , Nestle Chocolate & Confections , ADM Cocoa and Mars Snackfood US.

NCA also said reports will no longer include liquor and butter melted data.

Europe's cocoa grind fell 11.1 percent year-on-year to 315,177 tonnes in the first quarter, the Brussels-based European Cocoa Association said Tuesday.

Germany's first-quarter cocoa grind fell 21.3 percent on the year to 80,401 tonnes, the association of confectionery producers BDSI said last week, reflecting a slump in demand from chocolate makers due to the economic crisis.

Business and Economy

Natural resource

Organic chocolate gobbling up a healthy share of a sweet market

San Diego Union Tribune

By Peter Rowe (Contact) Union-Tribune Staff Writer

April 15, 2009

ANAHEIM – Brant Secunda had a dream – a dark, silky, too-good-to-be-true dream. He would rescue Mexico's 250,000 Huichol Indians by enlisting an ancient and irresistible force: organic chocolate.

Secunda's company, Shaman Chocolates, donates all proceeds to the Huichol. Launching the Santa Cruz company in 2002, the rookie chocolatier thought he could taste success. "People would go wild," Secunda said, recalling his vision. "We would have so much money, we wouldn't know what to do with it."

He sighed. "We were naive."

Shaman's chances were akin to a paper airplane's in a hurricane. Secunda told his tale at the Natural Products Expo West, an annual eco-convention at the Anaheim Convention Center, where 1,900 vendors hawked hemp milk, agave-infused tonics, probiotic energy bars, New Zealand free-range eggs, tea-tree-oil deodorant. And, hemming in Shaman's cramped booth, dozens of companies scrapping for limited supplies of organic cacao and for consumers of cacao's scrumptious byproduct, chocolate.

Secunda's rivals peddle organic chocolate for baking, drinking, snacking. Chocolate-covered mulberries and goji berries; chocolate bars studded with lavender and rose hips, ginger and chai, pumpkin seeds and chiles. Gourmet sweets to keep post-surgery hearts beating (Figamajig's chocolate-coated fig bars) and to make pre-rendezvous hearts race (Chocoholic's "quickie" packets of "body frostings").

Every choco-craving, it seems, is catered to – including the lust for natural chocolate with organic peanut butter. “We have a unique niche,” said Jerry Swain, founder of Jer’s, a Solana Beach purveyor of gourmet peanut butter and chocolate confections. All this fuss for a substance that, less than 20 years ago, was regarded as yet another poison in America’s toxic diet. “Chocolate causes allergic reactions in some people,” Tricia Hamilton noted in “Carob Cookbook” (1990). “It contains caffeine, is high in saturated fat, it takes a lot of sweetness to override its bitterness, and is usually high calorie.”

Compare that scowl to the broad smile worn by organic-chocolate titan Green & Black’s. Buoyed by studies touting dark chocolate’s health benefits, this subsidiary of Britain’s Cadbury insists that consumers can have it all. “You don’t need to compromise,” said Bill Sofio, a Green & Black’s marketing director. “You can have the best chocolate and be responsible to yourself and be responsible to the Earth.”

Save the Huichol and provide guilt-free bliss? Is there anything organic chocolate can’t do?

Precious little – in our dreams. In reality, organic chocolate is still high in calories and fat and contains caffeine. It remains off-limits to many with allergies. Tricia Hamilton’s objections stand, even if she backed the wrong confectionary horse. Perhaps attitudes toward chocolate have just kept pace with the candy, which is undergoing an extreme makeover.

The cacao tree, which grows in a band 20 degrees north and south of the equator, supplies the sweet’s main ingredients: cocoa powder, cocoa butter and chocolate liquor, a non-alcoholic liquid. Sugar, milk and other items are commonly added.

In premium bars labeled “72 percent,” cacao trees supplied 72 percent of the contents – triple the amount found in, for instance, a Hershey bar. Back in 1977, though, when Mollie Katzen was writing her first natural foods cookbook, “chocolate” was synonymous with cheap candy bars. “Chocolate was junk food,” said Katzen, whose “The Moosewood Cookbook” has been in print for 30 years. “It had more fats and sugars in it.”

Health-food enthusiasts suggested a nutritionally worthy replacement: carob. The seed, saddled with unrealistic expectations, never recovered. Katzen extolled carob’s virtues but admits those don’t include suitability as a chocolate stand-in. “Don’t compare it to chocolate,” she said. “Anybody who loves chocolate will not only hate carob, they will resent it.”

As the Natural Products Expo West made clear, this never-quite-serious rival has been routed. Fling a Birkenstock in the exposition hall, and odds were about 1 in 100 you would clobber a purveyor of 85-percent cocoa chocolate bars. A carob dealer? About 1 in 19,000. “The demand is not there,” said Gene Zeller, whose Wyoming-based Queen Bee Gardens has sold carob truffles for 25 years. “It has actually been tapering down for years.”

The decline of carob accelerated in 2000, when University of California Davis researchers publicized dark chocolate’s flavonoids, compounds rich in antioxidants that fight heart-damaging “free radicals.” Separate studies echoed those findings, while more research hinted that chocolate’s mood-enhancing qualities mimic falling in love, and that this candy makes a dandy anti-anxiety potion.

Scientists want further study; marketers are ready as is. Read the small print on a 10-ounce, \$20 tub of raw chocolate and agave nectar: “Good for increasing energy, uplifting your mood, putting you in the mood and curbing your appetite. Very satisfying!” If nothing else, this hype satisfies corporate accountants. Green & Black’s Sofio confessed that studies linking dark chocolate to health have translated into healthy profits. Besides, he noted, there’s conclusive evidence that this sweet remedies one common ailment. “It’s the cure for the sweet tooth.”

‘Whenever possible’

Despite the recession, overall chocolate sales rose 4 percent in 2008, to a Whopper-ing \$17 billion. Organic chocolates are just a bon-bon in the industry’s 100-pound box. But this is the nation’s fastest growing organic snack – U.S. sales leapt 450 percent between 1999 and 2007, jumping to \$94 million. While figures are not yet available for 2008, vendors already forecast a rosy ‘09. “People are still buying chocolate,” said Jordan Michael Schuster, who founded Fearless Chocolate in San Francisco in December 2006. “If people stop buying chocolate, we’re all in trouble.”

While demand for cacao raised without pesticides and artificial fertilizers is growing, supplies have lagged behind.

San Diego chocolatier Will Gustwiller estimates that only two or three of the 20-odd chocolates he offers daily are organic. He would like to boost that number, but not if it means flavors and prices will vary from day to day. "It's extremely difficult for me to use organic," said Gustwiller, who owns Eclipse Chocolat, a cafe in University Heights. "It's inconsistent. We use organic whenever possible – and 'whenever possible' is the crux of the issue."

Much of the supply of organic cacao is gobbled up by Dagoba Organic Chocolate, a division of Hershey's, and Green & Black's, which has an exclusive deal with a farmers' co-op in Belize. This ensures the company sufficient cacao and bragging rights in the competitive realm of choco-charity.

Divine, a British company with offices in Washington, D.C., is co-owned by a Ghanaian co-op. Fearless Chocolate donates 1 percent of profits to customer-nominated causes. Endangered Species Chocolate, based in Indianapolis, gives 10 percent to employee-selected nonprofits. This year: the Ocean Conservancy and African Wildlife Foundation.

Brant Secunda may have overestimated his, and the Huichols', chances to conquer this crowded market. But he's learning, concocting bars with exotic ingredients (Hawaiian pink sea salt and macadamia nuts) and enlisting legendary Iron Man competitor Mark Allen to discuss chocolate's role in a training regimen. "It's really good for your heart," Allen said. For Secunda's team, this has been an education. And like many great chocolates, it has been bittersweet.

FG to boost cocoa production

Daily Sun

From MATTHIAS NWOGU, Umuahia

April 18, 2009

Minister of Agriculture and Water Resources, Dr Sayyadi Abba Ruma said the Federal Government was poised to reposition Agriculture and Cocoa in particular to generate substantial foreign exchange for the country. Towards that goal, he said the Federal Government has mapped out a programme to increase the present annual Cocoa production in the next few years.

The Minister in a key note address at the 5th Annual National Cocoa Day in Umuahia on Thursday with the theme, 'Cocoa for Health and Wealth' said that Cocoa if well positioned has the potentials of meeting the nation's food and financial problems. According to him, research has shown that Cocoa has therapeutic values with good results on diabetes, arthritis, anemia as well as sexual enhancement values. He said pure and undiluted Cocoa drinks have also been proved to have very high medicinal content.

The minister said that the nation was now faced with the challenge of marketing Cocoa not just as a cash crop but as food and health product, by processing the seed to get other derivatives from it. He said to achieve all these and improve on the quantity of Cocoa produced in the country, there was need to encourage a new generation of farmers with incentives to replace ageing farmers, which he said the government has already embarked upon.

Abia State Governor, Dr T.A.Orji in his remarks, said that the state was desirous of benefiting from the N200billion Agricultural loans of the Federal Government to enable her assist commercial farmers in the state including the Itunta Cooperative Society. He said that the nation as a matter of urgency needed to devote greater percentage of her resources on the development of commercial Agriculture to enable it shore up its revenue profile. The Governor who spoke through his Deputy, Comrade Chris Akomas, recalled the time when the regions were noted for their specific cash crop production, including groundnuts and cotton in the North, Cocoa in the West and palm produce in the East which they used to develop their individual region.

Uganda Business News: Uganda's cocoa output expected to rise

UGPulse.com

2009:04:17

Uganda's October 2008 to September 2009 cocoa output is expected to increase 15% on year as more young cocoa trees come into production. Uganda is trying to promote cocoa growing to end over-reliance on coffee as its major export crop. CDA projects cocoa output to rise to 50,000 tons by the 2011-12 season.

Unlike coffee, cocoa trees aren't affected by the wilt disease, which is blamed for the destruction of around 50% of Ugandan robusta coffee trees between 1993-2006, and more coffee farmers are switching to the cultivation of cocoa as a result.

Joseph Kimera, the project officer at the Cocoa Development Authority says that more cocoa trees planted five years ago continue to come into production. He says this is expected to increase this season's cocoa output to 15,000 metric tons, compared with 13,000 tons produced in the 2007-08 season.

Kimera also says that the favorable weather has increased the main harvest which is currently under way, and that the yields are very impressive, adding the CDA expects a bumper harvest. He adds that the local farm gate prices have also increased by around 10% this season, which he says is encouraging farmers to practice good crop husbandry methods, thus boosting yields. According to Kimera, the cocoa sector hasn't been affected by the current turmoil in the global commodity markets and more farmers continue to expand their acreage to profit from favorable farm gate prices.

Labour Issues

Environmental Issues

Research & Development

Promotion

Others

TIT BITS

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

Sugar and cocoa rise in London

LONDON (April 18, 2009): cocoa futures ended higher on Friday as industry buying helped the market to rally after a two-week slide fuelled by weak first-quarter grindings data while sugar prices rose sharply on fund buying, dealers said.

Vietnam's black beans add to global supply crunch

HANOI (April 18, 2009): A record amount of poor quality, blackened coffee beans from Vietnam's latest crop may not have much short term impact, but in the longer run will add to a growing global supply deficit. The increase in black to beans to 15 percent, from the more usual 10 percent, could potentially take at least 80,000 tonnes off Vietnam's exports this year, analysts say.

Ivorian cocoa prices slip

BIDJAN (April 18, 2009): cocoa farm-gate prices in Ivory Coast's main growing regions tracked London futures prices lower last week, exporters and farmers said on Thursday. The April-September mid-crop phase of the season in the world's biggest grower began slowly, with activity muted by the long Easter weekend, and benchmark world prices slipping from recent highs.

Ghana to exceed cocoa crop target

ACCRA (April 18, 2009): cocoa purchases in Ghana reached 562,534 tonnes by April 2 and the world's No 2 grower is likely to exceed its 2008/09 main crop target of 600,000 tonnes by about 20,000 tonnes, the head of regulator Cocobod said. After a slow start to the season, cocoa purchases have picked up in Ghana and, assuming current favourable weather persists, that trend will continue, Cocobod Chief Executive Tony Fofie told Reuters in an interview on Thursday.

US MIDDAY: cocoa, coffee down

NEW YORK (April 18, 2009): US cocoa fell to a five-week low in early trade Friday, following weak North American first-quarter grind data, while arabica coffee futures were little changed, traders said. Benchmark July cocoa down \$28 at \$2,353 per tonne by 9:17 am EDT (1317 GMT). July volume at 2,364 lots.

Commodity prices enjoy mixed fortunes

LONDON (April 19, 2009): Commodity markets diverged last week as traders reacted to mixed economic data in China and the United States, which both consume vast amounts of most raw materials. Many dollar-priced commodities were dented by the stronger US currency, which makes them more expensive for foreign buyers and tends to dampen demand.

Europe cash cocoa prices fall

HAMBURG (April 19, 2009): Prices for cocoa beans and butter fell last week in Europe's cash cocoa market after falling grinding figures showed weakening demand, physical cocoa traders said on Friday. There was also market talk of major re-sales of cocoa beans by at least one multi-national cocoa grinder, which put further downward pressure on differentials.

New York cocoa reverses to end up

NEW YORK (April 19, 2009): US cocoa futures reversed direction to settle higher Friday on late-day buying ahead of the weekend that lifted prices off a five-week low forged on demand concerns and the weak sterling, traders said. Benchmark July closed up \$32 at \$2,413 per tonne.