

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 335

11th – 15th May 2009

Cocoa Producers' Alliance



UP-COMING EVENTS

- ❖ International Workshop to Launch the Regional Project on Controlling Swollen-Shoot Disease in West and Central Africa
Kpalimé, Togo
26th – 28th May 2009
- ❖ International Workshop on Cocoa Policies
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'

In the News (from Newspapers worldwide)

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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)
11 th May	1671.23	2529.63	1716.00	2461.67
12 th May	1618.25	2456.73	1643.67	2409.67
13 th May	1577.11	2398.06	1610.67	2354.67
14 th May	1570.64	2382.97	1601.67	2333.33
15 th May	1587.55	2410.57	1618.33	2359.33
Average	1605.00	2436.00	1638.00	2384.00

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

Monday 11th May 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
May 2009	1831	1769	-62	1841	1764S	13,267
Jul 2009	1734	1719	-25	1756	1716	11,524
Sep 2009	1737	1716	-24	1750	1715	771
Dec 2009	1734	1713	-24	1746S	1710	481
Mar 2010	1740	1713	-22	1740	1718S	570
May 2010	1737	1715	-22	1740S	1726	289
Jul 2010		1716	-22			0
Sep 2010		1716	-22			0
Dec 2010		1713	-22			0
Mar 2011		1713	-22			0
Average/Totals		1720				26,902

Tuesday 12th May 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1769	1687	-82	1776	1691	4,528
Jul 2009	1719	1640	-79	1721	1640	10,528
Sep 2009	1716	1644	-72	1716	1644S	6,434
Dec 2009	1710	1647	-66	1713	1646	2,087
Mar 2010	1710	1649	-64	1712	1649	1,381
May 2010	1703	1649	-66	1703	1650S	248
Jul 2010	1696	1652	-64	1696S	1653S	12
Sep 2010	1696	1654	-62	1696S	1680S	17
Dec 2010		1649	-64			0
Mar 2011		1649	-64			0
Average/Totals		1652				25,235

Wednesday 13th May 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	1680	1655	-32	1680	1600	22,209
Jul 2009	1637	1601	-39	1641S	1597	31,001
Sep 2009	1644	1611	-33	1644	1608	6,308
Dec 2009	1646	1620	-27	1647	1617	5,216
Mar 2010	1643	1626	-23	1649	1625	892
May 2010	1640	1631	-18	1643S	1630	273
Jul 2010	1650	1634	-18	1650	1636S	101
Sep 2010	1650	1636	-18	1651S	1636S	5
Dec 2010	1630	1631	-18	1642S	1630S	100
Mar 2011		1631	-18			0
Average/Totals		1628				66,105

Thursday 14th May 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	N/A	N/A	N/A	N/A	N/A	N/A
Jul 2009	1597	1590	-11	1603	1573	7,030
Sep 2009	1609	1602	-9	1614S	1585	4,712
Dec 2009	1617	1613	-7	1624	1597	3,068
Mar. 2010	1621	1621	-5	1630	1606	1,458
May 2010	1620	1626	-5	1627S	1612S	334
Jul 2010	1625	1629	-5	1633	1618S	62
Sep 2010	1627	1631	-5	1632S	1621S	11
Dec 2010		1626	-5			0
Mar 2011		1626	-5			0
May-11		1626				0
Average/Totals		1619				16,675

Friday 15th May 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2009	N/A	N/A	N/A	N/A	N/A	N/A
Jul 2009	1598	1608	18	1615	1590	3,660
Sep 2009	1608	1618	16	1624	1602	2,033
Dec 2009	1617	1629	16	1634	1615	1,656
Mar 2010	1640	1636	15	1643	1633S	78
May 2010	1644	1639	13	1648	1635	57
Jul-10	1639	1642	13	1654	1639	14
Sep 2010	1643	1644	13	1643S	1643S	1
Dec 2010		1639	13			0
Mar 2011		1639	13			0
May-11		1639				
Average/Totals		1633	13			7,499

Average for the week	1633				28483
					142,416

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

Monday 11th May 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	2434	2449	-39	2434	2433	31
Jul 2009	2495	2470	-37	2519	2423	6,535
Sep 2009	2531	2488	-38	2531	2445	1,066
Dec 2009	2520	2505	-35	2540	2457	1,400
Mar 2010	2541	2520	-35	2547	2485	111
May 2010	2495	2529	-41	2495	2495	12
Jul 2010	0	2546	-38	0	0	7
Sep 2010	2534	2553	-38	2534	2534	1
Dec 2010	0	2553	-38	0	0	0
Mar 2011	0	2537	-38	0	0	0
Average/Totals		2515				9163

Tuesday 12th May 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	0	2353	-96	0	0	0
Jul 2009	2449	2377	-93	2495	2350	10,261
Sep 2009	2474	2400	-88	2513	2370	3,129
Dec 2009	2510	2417	-88	2524	2400	808
Mar 2010	2527	2434	-86	2527	2428	458
May 2010	2544	2441	-88	2544	2529	10
Jul 2010	0	2457	-89	0	0	10
Sep 2010	0	2468	-85	0	0	0
Dec 2010	0	2468	-85	0	0	0
Mar 2011	0	2452	-85	0	0	0
Average/Totals		2427				14676

Wednesday 13th May 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	2341	2302	-51	2341	2340	3
Jul 2009	2371	2326	-51	2394	2318	6,674
Sep 2009	2395	2351	-49	2406	2343	2,030
Dec 2009	2383	2370	-47	2394	2360	453
Mar 2010	2399	2386	-48	2405	2386	155
May 2010	2445	2396	-45	2445	2410	107
Jul 2010	0	2413	-44	0	0	7
Sep 2010	0	2422	-46	0	0	0
Dec 2010	0	2422	-46	0	0	0
Mar 2011	2420	2406	-46	2420	2420	846
Average/Totals		2379				10275

Thursday 14th May 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	0	0	0	0	0	0
Jul 2009	2321	2310	-16	2326	2262	7,754
Sep 2009	2338	2337	-14	2340	2289	2,561
Dec 2009	2350	2361	-9	2362	2313	1,836
Mar 2010	2350	2380	-6	2380	2336	750
May 2010	2371	2387	-9	2371	2344	164
Jul 2010	0	2404	-9	0	0	0
Sep 2010	0	2411	-11	0	0	1
Dec 2010	0	2411	-11	0	0	0
Mar 2011	2410	2395	-11	2410	2410	590
Average/Totals		2140				9,794

Friday 15th May 2009

Month	Open	Price	Change	High	Low	Volume
May 2009	0	0	0	0	0	
Jul 2009	2312	2338	28	2349	2303	7,340
Sep 2009	2341	2366	29	2371	2333	2,559
Dec 2009	2363	2388	27	2399	2355	1693
Mar 2010	2396	2406	26	2404	2376	750
May 2010	2383	2414	27	2383	2383	164
Jul 2010	0	2431	27	0	0	
Sep 2010	0	2439	28	0	0	1
Dec 2010	0	2444	33	0	0	
Mar 2011		2449	54	0	0	1
Average/Totals		2168				12508

Average for the week	2389				3127
					3127

Spot Prices (US \$ per tonne)

	11 th May	12 th May	13 th May	14 th May	15 th May
Main Crop Ghana, Grade 1	2917	2824	2801	2787	2816
Main Crop Ivory Coast, Grade 1	2768	2675	2626	2610	2646
Main Crop Nigerian, 1	2743	2650	2618	2602	2633
Superior Arriba	2582	2489	2468	2428	2453
Sanchez f.a.q	2657	2564	2536	2507	2555
Malaysian 110	2463	2370	2309	2282	2310
Sulawesi f.a.q	2528	2435	2388	2355	2386
Ecuador Cocoa Liquor	3614	3478	3450	3427	3445
Pure Prime Press African Type Cocoa Butter	5763	5546	5234	5198	5377
10/12% Natural Cocoa Press Cake	1976	1902	2055	2041	1909

Source: Cocoa Merchant Association

News

Health and Nutrition

Daily Dose: Get Your Chocolate Fix

Woman's Day

By Amy Brightfield, Health Director

May 12, 2009

I have an insane sweet tooth so I was super-excited when the news came out that dark chocolate is actually GOOD for you. Because it's plant-based (made from cocoa beans), it's loaded with antioxidants that can help protect against various diseases. And really, dark chocolate (even if it's mixed with some sugar) is a healthier way to satisfy your sweet craving than eating a lollipop or other piece of candy that's just all sugar with no nutrients.

For a few years now I've been eating a little bit of dark chocolate pretty much every day. Now, obviously, you have to be careful here since chocolate isn't exactly low-fat or low-calorie. And let me tell you—all dark chocolate certainly isn't created equal. Experts say that you should look for dark chocolate that's 60% cacao or more, and while most of the time I look for that, I've also found that the simple dark chocolate snacks—even if I don't know how much cacao they're made of—are lower in calories.

Over the years I've compiled my favorites:

Green & Black's organic chocolate. This is really, really good quality dark chocolate and they make a smaller-sized 70% cacao bar that's 190 calories.

Dove Silky Smooth Dark Chocolate Singles. You'll usually see these at the grocery-store checkout line. They're little Dove squares made into a chocolate bar. The whole bar is 190 calories and it's conveniently divided into those little Dove squares so you can easily control how much you eat. They also make a large "tablet" that's 71% cacao and contains three individually wrapped bars for 200 calories each.

The Chocolate Traveler. The minute I saw these cute little tins, I loved them! No more half-open bars hanging out in my drawer or bag. The chocolate is divided into nifty little wedges AND you can re-use the tin. Three Musketeers Mint. It's sort of like a peppermint patty but a little fluffier and mintier. Plus the whole package is just 150 calories—and there are actually two bars in one package so you feel like you're getting a lot for that 150.

Raisinets. A nutritionist actually told me she sometimes gives these to her kids as a snack. Makes sense: Raisins are fruit, and one small bag is 190 calories—which isn't too bad, especially if you split it. And again, it's better than a lollipop. Be sure to get the ones covered in dark chocolate.

Production & Quality

Heavy rain threatens Ivorian cocoa mid crop

Reuters South Africa

May 12, 2009

ABIDJAN (Reuters) - Persistent heavy rainfall in some Ivorian cocoa growing regions last week, after several weeks of humid conditions, increased the risk of black pod disease outbreaks in cocoa plantations, farmers and analysts said on Tuesday.

Black pod disease, which thrives in the wet, blighted the October-March main crop in the world's biggest grower.

Arrivals at port of beans ready for delivery were around 14 percent down on the same time last year, and traders closely watched progress of the April-September mid crop.

In the western region of Soubre, at the heart of the cocoa belt, 100.5 mm of rains fell last week, analysts said, compared with 14 mm in the same period last year. "It rained heavily all week and that's too much," said Desire Gnali, who farms near Soubre. "If it continues diseases will come back, and we'll have less cocoa to harvest just like in the main crop," he said.

In the western region of Gagnoa farmers reported similar weather, adding that heavy rains could knock off cocoa pods and flowers from the trees, reducing the size of the crop. In the centre-western region of Daloa, farmers said abundant rains were mixed with spells of sunshine, a much healthier mix for the development of the April-September mid-crop. "Conditions are good here, it's alternated between heavy rain and bright sunshine," said farmer Robert Allangba.

Good growing conditions were also reported in the southern regions of Divo, Aboisso and Agboville, in the coastal regions of Sassandra and San Pedro, in the central region of Yamoussoukro and in the eastern region of Abengourou.

Ghana May Exceed Main-Crop Cocoa Forecast of 600,000 Tons

Bloomberg

By Emily Bowers

May 15, 2009

(Bloomberg) -- Ghana, the world's second-biggest cocoa producer, may exceed its main-crop forecast of 600,000 metric tons this year, said Dramani Egala, deputy chief executive officer of operations at the Ghana Cocoa Board. "We may see some slight improvement in what we expected," Egala said today in a phone interview from the capital, Accra. He wouldn't provide a more specific estimate.

It's the first time the state-owned board, known as Cocobod, has said it may exceed its production forecast since the original estimate of 600,000 tons was announced in September. The main-crop harvest, which began in October, ends on June 4.

Cocobod bought 595,000 tons of beans from growers in the season to May 1, compared with 598,000 tons in the same period a year earlier, Bank of Ghana Governor Paul Acquah said earlier this week. Ivory Coast is the world's largest cocoa producer.

Ivory Coast cocoa arrivals at 963,594 T by May 10

Reuters Botswana

May 16, 2009



ABIDJAN (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast were 963,594 tonnes by May 10, down from 1,117,077 tonnes in the same period a year ago, according to the latest figures based on exporters' data on Friday.

The figures showed 12,073 tonnes of beans arrived at the ports of Abidjan and San Pedro from May 4 to May 10, down from 15,733 tonnes in the same week of the 2007/2008 season.

Figures from the previous week showed that 5,384 tonnes of cocoa beans arrived at ports.

Increase in consumption of cocoa vital

Malaysia Star

By LEONG HUNG YEE

May 12, 2009

KUALA LUMPUR: The cocoa industry should continue to find new ways to increase cocoa consumption to ensure that high prices of the commodity can be sustained, says Plantation Industries and Commodities Minister Tan Sri Bernard Dompok. He said the high prices of cocoa could only be sustained if the stock-to-grinding ratio were at optimum levels. "In order to maintain the stock-to-grinding ratio at an appropriate level, the industry

should look for new ways to increase cocoa consumption,” Dompok said at the Malaysia International Cocoa Conference 2009 yesterday.

He did not see anything at the moment that will “upset” the current cocoa prices, saying: “We still remember the period of depressed volatility of cocoa price in 1990’s where the average cocoa bean was priced around US\$1,300 per tonne. Currently, the average cocoa price is up to US\$2,500.”



Tan Sri Bernard Dompok (right) chatting with Robo Adhuze at the conference. Dompok says he does not see anything at the moment that will “upset” the current cocoa prices.

This year, the Malaysian Cocoa Board expects to increase another 5,000ha to 25,000ha more to be planted with high-yield cocoa. “The cocoa industry is thriving. I think cocoa-grown areas should be increased as smallholders are coming in to plant cocoa. This will also encourage jobless graduates to be engaged in the industry,” Dompok said, adding that incentives for cocoa farmers and technology transfer would help planters achieve the targeted higher cocoa output. Although 20,000ha were for cocoa plantation in 2008, the hectareage has gradually shrunk due to rigorous competition from other commodities.

Dompok said cocoa production could be increased with better research and development (R&D) programmes and sustainable replanting practices in the cocoa industry. He added that the knowledge on the crops was also crucial saying “cocoa planting is more than just sprinkling fertilisers. It requires a lot of attention and expertise.”

Earlier in his speech, Dompok said cocoa producers should always be responsive to consumer requirements. “In this modern world, one way of meeting the changing consumer demand is by means of utilising science and technology,” he said, adding that the utilisation of molecular genetics and biotechnology, as well as cocoa genome characterisation would bring about rapid changes, enhance the capacity and knowledge to meet consumers’ expectations.

Cocoa Association of Nigeria R&D head Robo Adhuze said the global economic crunch had affected some individual countries’ purchasing capacity. “However, there is no effects to chocolate. It is still selling very well. The consumption has also increased since 2005,” he said. Adhuze said globally, the industry was striving towards improving the quality of cocoa beans and cocoa products. “Quality has always been an issue from where I’m from. However, quality has improved tremendously over the past few years. “We have been able to meet the minimum standard of quality and as well as limit the amount of residue,” he said.

Vietnam, India may grow cocoa, adding to supply, official says

Thanh Nien Daily

Source: Bloomberg

May 14, 2009



Vietnam and India may cultivate cocoa beans, likely adding to supplies from Asia, said Jan Vingerhoets, executive director of the International Cocoa Organization. The crop may be planted in Vietnam’s Mekong Delta provinces as “it brings good money” for farmers, and in the southern Indian state of Kerala, Vingerhoets said in an interview May 11.

The global cocoa market is facing a third year of deficit, with shortfalls estimated at between 80,000 tons and 90,000 tons in the year to September 30, Vingerhoets said. Output is stagnating in Indonesia, the third-biggest producer, and Malaysian farmers shifted to oil palms and rubber, he said.

Small farmers in Vietnam planted cocoa trees in 2003 and the harvest this year may be 1,000 tons, up from 250 tons last year, he said. Trees take five years to mature and yield beans. "The mid-crop is now in full swing," he said.

Vietnam, which has the same cropping season as Africa, is very productive due to intensive farming methods, and may emerge a big supplier in the future, Vingerhoets said. Cocoa is cropped in Vietnam with coconut palms, cashew nut and pepper, he said.

The Ivory Coast and Ghana are the largest producers of the chocolate ingredient, with the main crop running from October to March and making up 80 percent of the annual harvest. The balance is the mid-crop harvested between April and September.

There is concern about supplies from Ivory Coast, which faces "structural problems" such as aging trees and crop disease, he said. Deliveries in the Ivory Coast fell 16 percent in the first six months of the 2008-09 season from a year earlier, according to industry statistics.

Indian demand

India, a cocoa-importing country, may start producing to meet domestic demand, Vingerhoets said.

Vietnam, which decided to grow coffee earlier this decade, is now the world's largest producer of robusta coffee beans. The country signed an accord on May 9 to join the ICO by the end of the year, Vingerhoets said. "Vietnam has less land suitable for cocoa" than for coffee and "there is real competition between crops," he said, ruling out the possibility of the country becoming a key player in the cocoa market in the medium term.

Membership to the organization will give Vietnam an access to technologies used to grow the crop, which has been blighted by diseases across continents, the executive said.

The Market

ICCO demand forecast sends cocoa down

Financial Times

By Chris Flood

May 12 2009

Demand for cocoa from wholesalers and chocolate manufacturers is set for its biggest annual drop for half a century, according to the International Cocoa Organization yesterday. The ICCO forecast that global grindings would fall more than 6 per cent in the year to September 2009 compared with a previous estimate for a decline of 2.1 per cent. But with global bean output forecast to drop 7 per cent this year, the ICCO said that it still expected the market to register a supply deficit of 80,000-90,000 tonnes.

ICE July cocoa traded 0.2 per cent lower at \$2,503 a tonne while, in London, Liffe July cocoa dipped 0.4 per cent to £1,737 a tonne.

Nick Snowdon, of Barclays Capital, said total demand was probably not as weak as the grindings estimates suggested as the data did not separate destocking and actual declines in consumption. "We have probably got through the worst in terms of demand weakness and this remains a market in a supply deficit, which should be a fairly bullish signal for prices going forward," said Mr Snowdon. He is forecasting that cocoa prices will average \$2,538 a tonne in the calendar year 2009 and \$2,875 in 2010.

The ICCO said it expected a recovery in output and grindings in 2009-10 and revised its forecast for a supply surplus next year from 100,000 tonnes plus to 150,000 tonnes.

Other soft commodities traded strongly yesterday with ICE July arabica coffee up 1.4 per cent to \$1.2850 a pound while Liffe July robusta coffee added 1.2 per cent to \$1,516 a tonne.

Sugar prices were mixed with ICE July raw sugar up 0.2 per cent to 15.31 cents a pound.

India's government has decided to allow duty-free imports of white [refined] sugar to increase supply with four state-run sugar companies each permitted to import up to 250,000 tonnes before August 1.

The International Sugar Organisation said only 25,000 tonnes of refined sugar had been reported as contracted so far with total [raw and refined] import demand expected to reach 2.4m tonnes in the year to September.

In London, Liffe August white sugar futures dipped 0.4 per cent to £336.3 a tonne.

The ISO will release fresh data this week that are expected to show the global market's supply deficit for 2008-09 revised up from February's estimate of 4.3m tonnes to 7.5m-7.8m tonnes due to lower domestic production in India and China.

Oil prices dropped , giving back some of last week's gains.

ICE June Brent fell \$1.14 to \$57 a barrel while Nymex June West Texas Intermediate lost 63 cents to \$58 a barrel after reaching a 2009 high on Friday of \$58.75.

Malcolm Graham-Wood at Hanson Westhouse, said: "Should equity markets, which have been a heavy influence on energy prices, continue to rally, then oil could take out \$60 this week." He added "however, fundamentals in the oil market remain less bullish".

Gold slipped 0.3 per cent to \$913.15 a troy ounce, consolidating above \$900 in a tight range between a low of \$909 and a high of \$917.55.

Eugen Weinberg, of Commerzbank, said gold was finding support from US dollar weakness and rising inflation fears, which were triggered by concerns about the response of policymakers to the financial crisis.

Cocoa Demand Melts, Driving Down Prices

Wall Street Journal

By TOM SELLEN

MAY 13, 2009

Cocoa futures lost 3.9% as early speculative buying vanished and selling interest tied to falling demand gripped traders. Cocoa for nearby May delivery fell \$96 to settle at \$2,353 a metric ton on ICE Futures U.S. in New York. Most-active July lost \$93 to settle at \$2,377 a ton.

The International Cocoa Organization on Monday said demand for cocoa is expected to see its largest yearly decline in 50 years due to the global economic recession. U.S. cocoa import data drove that bearish point home, said Jack Scoville, analyst and vice president at Price Futures Group.

U.S. cocoa imports fell 30.6% in March, from February, and were down 36.5% from one year ago, the Commerce Department said Tuesday. "The market has been kind of rolling over anyway, and this was just the nail in the coffin," Mr. Scoville said.

Global cocoa bean grindings, a demand signal, are expected to fall 6% in the year to September, the ICCO said. Its previous forecast had estimated just a 2.1% fall. Despite waning demand, the ICCO still estimates a world cocoa deficit of 80,000 to 90,000 tons, as production declines.

Weather in top-grower Ivory Coast has been mostly beneficial for the crop, though concerns are beginning to mount over recent heavy rain and a lack of sunshine.

In other commodity markets:

CORN: Futures rose, supported by a bullish government supply-and-demand report and continuing planting delays in the eastern U.S. corn belt. Chicago Board of Trade May corn rose 6 cents to \$4.1950 a bushel.

GOLD: Prices rose on speculative buying and a weaker dollar. Thinly traded nearby May gold gained \$10.50, or more than 1.1%, to settle at \$923.50 an ounce and June gold rose \$10.40 to \$923.90 on the Comex division of the New York Mercantile Exchange.

Processing & Manufacturing

Stock up: brief choc drought ahead

The Witness

Stephen Coan

15 May 2009

THE WITNESS, ever mindful of its readers' "sweet tooth", recently published a feature article reviewing concerns over a world chocolate shortage, concluding that although there are problems in cocoa-producing countries in West Africa and South America, there is no cause for alarm. However, it seems a world shortage of chocolate is a possibility in the short term, according to international chocolate manufacturer Lindt.

The cocoa bean harvest for 2008/2009 will be down for the third year in a row, according to Lindt spokeswoman Nina Keller, who contacted The Witness from the company's headquarters in Switzerland. "Assumptions for the deficit in the harvest year 2008/09 have recently been reduced by major forecasters from initially 200 000 tons to ... around 50 000 tons." This will reduce the worldwide stock of beans in the market to a low level, says Keller. "Present prices already reflect the short- term deficit outlook."

According to Keller, there are mid- to long-term concerns in the market. These are the result of a number of factors, including old cocoa trees not being replaced in Ivory Coast, farmers in West Africa moving away from cocoa to more lucrative crops and cacao tree diseases.

Chocolate is made from the fermented, roasted seeds of the cacao tree and two diseases are attacking the trees. The cacao swollen shoot virus has decimated trees in the Ivory Coast, while in Brazil a fungus called Witches' Broom has had a similar effect. "The future cocoa crop on a worldwide basis could shrink and therefore a big shortage could happen," says Keller. "Higher cocoa prices will incentivise farmers to produce more via planting more trees and improving husbandry," says Kellerman. "In our view there should be no long-term shortage in the cocoa market."

Business and Economy

Malaysian cocoa powder sold at 8-year high

Business Times - Malaysia

12//05/2009

COCOA powder from Malaysia was sold at US\$3,000 a tonne for nearby shipment, its highest level since 2001, suggesting that demand for the product was steady even while grinders in Asia struggle to sell butter during the economic meltdown, industry sources said today.

Indonesian cocoa powder was also traded recently at above US\$2,000 a tonne to buyers in South America, but there were no details on quantity. Powder is used in coating in chocolate manufacturing and beverages, while butter is the key ingredient for making chocolates. "Powder is currently around US\$2,400. It's been transacted," Lukas Jasman, an official at PT Bumitangerang Mesindotama, said on the sidelines of an international cocoa conference in the Malaysian capital.

PT Bumitangerang Mesindotama is one of the two grinders in Indonesia still operating after slumping demand for chocolate ingredients forced 14 other grinders to temporarily halt operations. Indonesia is Asia's second-largest cocoa grinder after Malaysia.

Malaysian powder was traded at US\$3,000 a tonne, with dealers seeing demand from Australia. Grinders have jacked up powder prices to compensate for declines in demand for butter, which was offered in Indonesia at ratios of 1.55 to 1.60 times London futures — their lowest levels in eight years. "You can say powder has been traded in a range of US\$2,400 to US\$3,000. It's hard to quote butter ratios. It depends on how desperate you are," said a Singapore-based dealer. "Demand for powder is much better. I don't think people are aggressively offering butter. They will ask you to give them the price idea, and then they will consider."

When cocoa beans are processed, grinders get butter and cake, which is later pressed into powder. Butter prices are determined by multiplying ratios with related contracts in London futures.

London cocoa futures dropped on the weakness of the pound against the dollar yesterday, with dealers also digesting comments from the chief of the International Cocoa Organisation, Jan Vingerhoets, that global cocoa grindings were estimated to fall 6.0 per cent in the crop year to September 2009, sketching their biggest decline in half a century.

Malaysia's cocoa grindings dropped 17.9 per cent to 67,104 tonnes in the first quarter of 2009. Cocoa grinding is used as measure of demand for chocolate ingredients. - Reuters

M'sia Eyes Introduction of Asean Cocoa Contract

Bernama

May 13, 2009

KUALA LUMPUR, May 13 (Bernama) -- Malaysia hopes the Asean Cocoa Contract idea, which has dragged on for more than 10 years, can be finalised and implemented soon, Deputy Minister of Plantation Industries and Commodities, Datuk Hamzah Zainuddin said. He said the idea was mooted during the second meeting of Asean Cocoa Club (ACC) in March 1997 but has not been finalised due to the lack of commitment from Association of South-East Asian Nations (Asean) members.

"Since trading in cocoa beans among Asean members has been on the uptrend, I believe that having our own contract terms will further facilitate trade within Asean," Hamzah told reporters after officiating at the two-day 12th meeting of the ACC here today.

The meeting will, among others, discuss the formulation of the contract. Hamzah said it was relevant to have a regional cocoa contract to ensure healthy trade practice in the industry and enable the region to receive the world market recognition. He said the contract could also be used as an alternative to the other existing international cocoa contracts. "I hope this contract can be finalised during this meeting," he said.

Meanwhile, Malaysian Cocoa Board's director-general, Datuk Dr Azhar Ismail, said the ACC secretariat would not initiate any more meeting on the contract if the current meeting failed to agreed on the matter. "It is not a cancellation. It will still be on going but it will be discussed within the private sector and the final inputs will be forwarded to the meeting for final approval," Dr Azhar, who is also chairman of the ACC, said in his welcoming address. The previous ACC meeting had agreed that there were two main points that needed to be considered in the contract -- enforceability of the contract and the specification of the quality of the beans.

Malaysia had earlier said the contract should not be restrictive and the parameter should be a buyer-and-seller agreement. The country also stressed that the specifications should not take the existing grades and specifications of cocoa from each member country. To facilitate the legality of the contract, an arbitration body needs to be formed.

In 2008, Asean contributed about 16 percent of the total world cocoa production and about 14 percent to the world cocoa grinding. Malaysia and Indonesia are ranked among the top cocoa producers in the Asia and Oceania region, contributing 15 percent of the world total cocoa production. Price of cocoa beans in the world market currently stood at US\$2,500 (US\$1=RM3.50) per tonne.

Boost for cocoa farmers

Daily Guide

By Charles Nixon Yeboah

14 May 2009



MORE OPPORTUNITIES await cocoa farmers as Cadbury Group and the Fair Trade Foundation, a U.K. based organization, are working to provide Fair-Trade certification for Cadbury's Milk Chocolate, which would have the effect of tripling sales for the farmers.

Hannah Tetteh, Minister of Trade and Industry, who was briefing journalists about President John Evans Atta Mills' trip to Britain, said whilst the fair-trade system works

to ensure that cocoa farmers receive more income for their crops, there are also funds invested from the Fair Trade Foundation for community development projects.

Hannah Tetteh

According to her, this significant opportunity was brokered by President Mills when he met the Chairman of Cadbury Group, acknowledging the company for paying much serious attention to their corporate social responsibility to the country. She emphasized that the President expressed commitment to provide transparent and accountable government, and prudently manage the nation's economy and resources to the investors he met.

She noted that an open forum on investment opportunities in Ghana held at Lancaster House was oversubscribed, with attendance from business men who had already invested in Ghana and potential ones. "From our interaction with the invitees after the forum, it was quite clear that they had considered it an opportunity to interact with officials from the new administration and discuss government's vision for the promotion of trade, industry and the creation of business opportunities for local and foreign investors."

She further highlighted Ghana's position as the best country to do business in within the ECOWAS sub-region as per the World Bank's 2009 Doing Business Report and stated that the government was committed to continually improving and streamlining official processes and applications to make easier, doing business in Ghana.

On his part, the Minister of Finance, Dr. Kwabena Duffuor emphasized the government's commitment to prudent fiscal management in order to ensure that the deficit is brought under control and to create a foundation for the country's future economic growth. He further intimated that the budget that had been presented to Parliament was considered by the IMF to be prudent and a sufficient basis for supporting the government's economic programs.

COCOBOD CEO tours ADM Cocoa in Kumasi

Joy Online

15 May 2009



The Chief Executive Officer of Ghana Cocoa Board, Mr. Tony Fofie has paid a day's working visit to the construction site of ADM Cocoa Ghana Limited factory at Kumasi. The visit to the 16,000 square metre facility whose construction started last year and is expected to be completed in June, was at the invitation of the company.

Briefing the CEO and his entourage, the General Manager of ADM Cocoa Ghana Limited, Mr. Pieter Frieling disclosed that his company had employed 90 permanent workers and many more as casual labourers for the construction of the facility. He appealed to the COCOBOD Chief Executive to ensure that enough light crop cocoa beans were available for the company since its raw material for operation would be made up of 80% light crop cocoa beans. Mr. Pieter Frieling conducted the COCOBOD chief and his entourage round the 30,000 tonnes capacity warehouse already stocked with 5,500 bags of cocoa beans in readiness for production in June. A processing factory equipped with state of the art machinery was undergoing a test run at the time of the visit.

Mr. Tony Fofie commended the company for locating its factory outside the port cities of Tema and Takoradi and urged the management to live up responsible corporate attitudes in its operational area to ensure harmonious relations with the community.

Mr. Fofie further assured the company of adequate arrangements to supply the facility and others with enough beans to keep their operations on course.

Labour Issues

Workshop for District Child Labour Actors

Ghanaian Times

By Times Reporter

13 May 2009

Mr Antwi Boasiako Sekyere, Deputy Minister of Employment and Social Welfare, in a handshake with Mrs. Rita Owusu Amankwah, National Programme Manager for the National Programme to Eliminate the Worst Form of Child Labour in Cocoa Growing Areas. Mr Antwi Boasiako Sekyere (second from right), Deputy Minister of Employment and Social Welfare, in a handshake with Mrs. Rita Owusu Amankwah, National Programme Manager for the National Programme to Eliminate the Worst Form of Child Labour in Cocoa Growing Areas.

This was at a trainer of trainers' workshop in Kumasi for over 100 district actors of interventions to equip them to effectively implement their action plans to reduce the incidence of child labour in cocoa industry. The participants drawn from Eastern, Volta and Central regions, included traditional leaders, district coordinating directors of the various assemblies as well as education, statistical officers and Cocobod field officers among others. The workshop also aimed at deepening the commitment of stakeholders on the menace and solutions to it.

Addressing the participants the deputy minister noted that the prosperity of the nation depended greatly on the quality of the human resources. He commended COCOBOD and its partners for the collaboration towards the elimination of the menace.

Environmental Issues

Research & Development

Promotion

Chocolate in Brussels

(In Brussels, chocolate is serious business)

Canoe.ca

By CATHY STAPELLS, SPECIAL TO SUN MEDIA

May 15, 2009



Shopping for chocolate in Brussels. (Clipart.com)

BRUSSELS, Belgium -- It was a tough job but somebody had to do it. During a recent visit to Belgium, I volunteered to sample as much chocolate as I could, comparing chocolate grown from different regions in the world (yeah, Ecuador!) and trying some of the new artisanal flavours that included tequila, green tea, lavender and tobacco (the last one is not my fave).

Belgium is world renowned for its high quality chocolate based on the use of top-notch ingredients and exceptional production practices. In fact, there are more than 2,100 chocolate shops around the country, and more than 172,000 tons of chocolate are produced every year.

The country takes its chocolate very seriously. In 2000, a European Union decision allowed for up to 5% of the cocoa butter in chocolate to be replaced with vegetable fat and still be called chocolate. This offers chocolate makers a huge cost savings as vegetable fat is cheaper than cocoa butter. However, chocolate purists and

artisanal producers under a designation called AMBAO (Swahili for cocoa) use only 100% cocoa butter, preserving the integrity and taste of their chocolate.

Even in a chocolate mecca like Belgium, there is a lot of cheaper chocolate available. Just keep in mind that price is a real indication of quality and cocoa content. You get what you pay for. For better quality chocolate, look for names such as Neuhaus, Galler, Le Chocolatier Manon, Pierre Marcoloni, Mary (official purveyor of chocolate to the Belgian court), Wittamer (which started in Austria) and Leonidas (cheaper than the others, but still quite good).

A pilgrimage site for chocolate lovers is the Neuhaus store on Galerie de la Reine in Brussels, which has existed on the site since 1857 when Jean Neuhaus arrived from Switzerland and opened his shop of tasty treats. It was his grandson, also named Jean Neuhaus, who put Belgium on the map when he created pralines in 1912. He developed the technique for these individual, hand-crafted delicacies that consist of a "couverture" chocolate shell that hold all kinds of fillings including caramels, hazelnut, creams and ganaches. Common today, it revolutionized and expanded chocolate offerings from that day forward.

Christian Manon of Le Chocolatier Manon prides himself on his authentic, traditional, handmade pralines. He makes all his own fillings -- 65 different kinds -- from fresh ingredients such as butter, cream, nuts and fruits. "People aren't informed enough about quality chocolate. Much of the factory-produced chocolate has way too much sugar and fat in it. Eat a few pieces and you'll find the fat sticks in your throat. Butter doesn't, so you'll know it's good," he says.

One of Manon's most popular flavours is a multi-layered chocolate called "bouchon" that includes dark chocolate with cognac buttercream. Believe me, it's delicious. (In Toronto, you can buy Manon chocolates at Chocolates & Creams on Queen's Quay West.)

Many of today's artisan chocolatiers are distinguishing themselves by the originality and flavour of their fillings. Chocolatier Pierre Marcolini's high-end store on Rue des Minimes looks like a designer fashion boutique. And like haute couture fashion, he launches different summer and winter chocolate collections, plus special editions for Christmas and Easter. The exquisite packaging rivals that created for the finest perfumes.

Increasingly, he has been creating chocolate that emphasizes the origin of the cocoa beans, from places such as Ghana, Ecuador and Venezuela. Sampled in this way you really taste the difference, the cocoa reflecting its origin much like terroir affects the flavour of wine.

At the modest Musee du Cacao et du Chocolate (mucc.be) just off the Grand Place, visitors learn all about how cacao beans are grown and processed, as well as production techniques for making chocolate.

Excellent chocolate shops can be found around the country. If you're in the charming, historic city of Brugges, don't miss The Chocolate Line on Simon Stevinplein. Self-described "shock-o-latier" Dominique Persoone has crafted some unusual flavours of chocolates: Marzipan with black olives, fresh basil and sun-dried tomatoes, cola and almond praline that pops in your mouth, and tequila and sea salt.

Also stop by Chocolaterie Suikerbuyc on Katelijnestraat. At Suikerbuyc (sugarbelly in English), you can watch the chocolatiers at work from a glass viewing area. Its tea room called "de Proeverie" is situated opposite the shop and is famous for its hot chocolate. Its dark chocolate hazelnut pralines are divine.

BOTTOMLINE

For information on chocolate tours and events, go to visitbelgium.com/chocolate.htm. For travel information, see visitflanders.us.

Others

Saving The World, One Chocolate Bar At A Time

Forbes

Kiri Blakeley,

05.14.09,

With a recession in full swing, the CEO of Divine Chocolate has her work cut out for her.



Erin Gorman, CEO of Divine Chocolate

Erin Gorman always wanted to help save the world, but she never imagined she would do it with chocolate. While at Ursinus College, a small liberal arts college outside of Philadelphia, Gorman majored in philosophy and English, but her goal was to help bridge the divide between the rich and the disadvantaged. "I was always interested in dealing with poverty issues," she says. "But at that age, I didn't have a clearer thought than that."

In 1997, her ambitious plans led her to American University in Washington, D.C., for a master's degree in public policy, with a special interest in prison reform. But after several personal talks with inmates, she kept coming back to one idea: Poverty was the main reason people ended up in prison. "I realized if you didn't address the root cause, you would never solve problem," she says.

After graduation, a version of Gorman's dreams came to pass when she took a job as program director with Washington, D.C.-based Green America (formerly Co-Op America), an organization that lobbies companies to become more socially responsible and environmentally friendly. Her particular interest was in addressing poverty through economic reforms, such as finding ways for Third-World farmers to get fair prices for their crops.

That made her a perfect fit for London-based Divine Chocolate, a fair trade company with \$25 million in sales partly owned by the very farmers in Ghana who harvest the cocoa. In 2005, Divine UK had been in business for seven years and wanted to expand into the U.S. Gorman, now 35 and married, was tapped to secure investors, which she did while keeping her day job at Green America. "There were about two years when I didn't sleep," she jokes.

In 2007, after securing financing for the Washington, D.C.-based Divine US from fair trade advocate Lutheran World Relief and micro-lender Oiko Credit, Gorman told Divine UK's managing director Sophi Tranchell that it was time to hire a CEO for the new company. Tranchell replied, "We thought you could do it."

Gorman's lack of retail experience didn't bother Tranchell, who had run Divine UK since 1999. What she wanted was someone who was passionate about the cause. "If you really believe that the chocolate is good and that what the farmers get is good, then you can be really persuasive when you need to be," says Tranchell, who even saw Gorman's business naïveté as an advantage: "She's able to ask any question and not be embarrassed about not knowing the answer."

With no experience running a company, Gorman was hesitant at first. "If you had told me one day I'd be running a company, I would have said you were joking. I thought businesspeople were old men."

TIT BITS

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

Malaysian cocoa powder sold at eight-year high

KUALA LUMPUR (May 13, 2009): cocoa powder from Malaysia was sold at \$3,000 a tonne for nearby shipment, its highest level since 2001, suggesting that demand for the product was steady even while grinders in Asia struggle to sell butter during the economic meltdown, industry sources said on Tuesday.

London cocoa futures hit five-month low

LONDON (May 14, 2009): London cocoa futures hit a five-month low on Wednesday after piercing a key chart support level, while raw sugar fell as traders locked in gains from Tuesday's near three-year high. Arabica coffee drifted lower with traders pausing for breath after the sharp surge of the last few days.

US MIDDAY: coffee and cocoa lower

NEW YORK (May 14, 2009): Arabica coffee futures corrected lower early Wednesday after hitting a 7-1/2-month high Tuesday, while US cocoa continued lower as market participants responded to chart-based sell signals, traders said. Arabica coffee for July delivery fell 1.40 cents to \$1.2740 per lb by 9:08 am EDT (1308 GMT). Session range from \$1.2610 to \$1.2880. July volume at 2,731 lots.

cocoa in London sets five-month low

LONDON (May 15, 2009): cocoa futures in London fell to a fresh five-month low on Thursday, weighed by weak demand, before industry buying helped to stem the decline. Arabica coffee futures rose, underpinned by reduced supplies following crop problems in Colombia and Central America as well as a cyclical downturn in Brazil's production, while sugar prices were mostly steady.

US MIDDAY: cocoa and coffee fall

NEW YORK (May 15, 2009): US cocoa futures fell to a two-month low in early trade on Thursday on bearish fundamentals and weak chart-based indicators, while arabica coffee continued to correct lower from Tuesday's 7-1/2-month high, traders said. Arabica coffee for July delivery fell 1.15 cents to \$1.26 per lb by 8:59 am EDT (1259 GMT). Session range from \$1.2485 to \$1.2645 per lb. July volume at 2,832 lots.

US MIDDAY: coffee lower, cocoa rises

NEW YORK (May 16, 2009): US cocoa futures rebounded quietly higher early Friday, in a corrective bounce from Thursday's two-month low, while arabica coffee crept lower in sideways dealings, traders said. Arabica coffee for July delivery eased 0.30 cent at \$1.2770 per lb by 9:11 am EDT (1311 GMT).