



UP-COMING EVENTS

- ❖ 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'

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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)
15 th June	1764.14	2708.57	1694.33	2662.67
16 th June	1764.86	2716.49	1681.00	2669.67
17 th June	1698.73	2611.57	1634.00	2562.33
18 th June	1702.74	2625.26	1635.00	2575.33
19 th June	1682.12	2593.18	1603.67	2535.67
Average	1723.00	2651.00	1650.00	2601.00

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

Monday 15th June 2009

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2009	1729	1680	-70	1730	1661	2,947
Sep 2009	1736	1695	-65	1744	1676	6,658
Dec 2009	1737	1697	-63	1739	1678	1,569
Mar 2010	1728	1691	-58	1728	1671	1,411
May 2010	1718	1688	-59	1719	1669	128
Jul 2010	1701	1688	-59	1701	1667	50
Sep 2010	1681	1687	-59	1690S	1677S	59
Dec 2010		1693	-59			0
Mar 2010		1690	-59			0
May 2011		1700	-59			0
Average/Totals		1691				12,822

Tuesday 16th June 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2009	1691	1670	-10	1691	1665	1,977
Sep 2009	1704	1683	-12	1705	1678	3,147
Dec 2009	1706	1683	-14	1706	1679	570
Mar 2010	1696	1677	-14	1696S	1674S	295
May 2010	1684	1674	-14	1684	1684	7
Jul 2010	1690	1669	-19	1690	1665	49
Sep 2010	1680	1668	-19	1680	1674S	11
Dec 2010		1674	-19			0
Mar 2011		1671	-19			0
May 2011		1681	-19			0
Average/Totals		1701				6,056

Wednesday 17th June 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2009	1658	1617	-53	1658	1615	3,046
Sep 2009	1666	1634	-49	1668	1632	6,147
Dec 2009	1668	1636	-47	1670	1634	2,963
Mar 2010	1660	1632	-45	1663	1630	1,757
May 2010	1655	1630	-44	1657S	1629	180
Jul 2010	1655	1625	-44	1655	1642	7
Sep 2010	1654	1624	-44	1654	1634S	6
Dec 2010		1630	-44			0
Mar 2011		1627	-44			0
May 2011		1637	-44			0
Average/Totals		1629				14,106

Thursday 18th June 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2009	1626	1619	2	1645	1612	2,178
Sep 2009	1639	1637	3	1660	1632	2,924
Dec 2009	1644	1636	0	1657S	1632	1,121
Mlar. 2010	1632	1632	0	1655	1628	808
May 2010	1637	1632	2	1637	1629	147
Jul 2010		1628	3			0
Sep 2010		1626	2			0
Dec 2010		1632	2			0
Mar 2011		1630	3			0
May-11		1640	3			0
Average/Totals		1631				7,178

Friday 19th June 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2009	1621	1570	-49	1627	1566	5,309
Sep 2009	1638	1601	-36	1649	1598	8,930
Dec 2009	1646	1607	-29	1646	1604S	4,292
Mar 2010	1632	1603	-29	1639	1599	2,046
May 2010	1632	1601	-31	1635	1599	737
Jul-10	1600	1601	-27	1601S	1598	85
Sep 2010	1596	1599	-27	1597S	1594S	161
Dec 2010		1601	-31			0
Mar 2011		1599	-31			0
May-11		1609	-31			0
Average/Totals		1599				21,560

Average for the week	1599				12344
					61,722

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

Monday 15th June 2009

Month	Open	Price	Change	High	Low	Volume
Jul 2009	2746	2601	-160	2747	2588	2,801
Sep 2009	2784	2645	-153	2784	2632	11,621
Dec 2009	2776	2662	-155	2776	2648	1,051
Mar 2010	2756	2664	-154	2756	2650	498
May 2010	2694	2665	-153	2713	2653	124
Jul 2010	2692	2667	-154	2695	2692	22
Sep 2010	0	2666	-156	0	0	0
Dec 2010	0	2677	-154	0	0	0
Mar 2011	0	2683	-154	0	0	0
May 2011	0	2683	-154	0	0	0
Average/Totals		2668				16117

Tuesday 16th June 2009

Month	Open	Price	Change	High	Low	Volume
Jul 2009	2635	2623	22	2650	2605	3,362
Sep 2009	2666	2656	11	2694	2648	7,081
Dec 2009	2671	2671	9	2709	2665	803
Mar 2010	2703	2671	7	2703	2668	494
May 2010	0	2671	6	0	0	10
Jul 2010	2683	2675	8	2703	2683	9
Sep 2010	0	2674	8	0	0	0
Dec 2010	0	2682	5	0	0	0
Mar 2011	0	2686	3	0	0	0
May 2011	0	2686	3	0	0	0
Average/Totals		2630				11759

Wednesday 17th June 2009

Month	Open	Price	Change	High	Low	Volume
Jul 2009	2584	2514	-109	2585	2499	619
Sep 2009	2632	2539	-117	2636	2530	9,495
Dec 2009	2650	2559	-112	2658	2553	1,516
Mar 2010	2650	2564	-107	2650	2564	816
May 2010	2571	2568	-103	2584	2565	39
Jul 2010	2566	2568	-107	2584	2566	25
Sep 2010	2563	2567	-107	2585	2563	50
Dec 2010	2600	2578	-104	2600	2600	3
Mar 2011	0	2582	-104	0	0	0
May 2011	0	2582	-104	0	0	0
Average/Totals		2562				12563

Thursday 18th June 2009

Month	Open	Price	Change	High	Low	Volume
Jul 2009	2530	2538	24	2552	2520	130
Sep 2009	2560	2556	17	2572	2538	4,856
Dec 2009	2575	2578	19	2587	2561	646
Mar 2010	2570	2585	21	2593	2570	1,257
May 2010	2583	2587	19	2590	2573	164
Jul 2010	0	2590	22	0	0	9
Sep 2010	0	2590	23	0	0	4
Dec 2010	0	2598	20	0	0	0
Mar 2011	0	2602	20	0	0	0
May 2011	0	2602	20	0	0	0
Average/Totals		2583				7066

Friday 19th June 2009

Month	Open	Price	Change	High	Low	Volume
Jul 2009	2530	2505	-33	2536	2500	130
Sep 2009	2543	2520	-36	2566	2513	4,588
Dec 2009	2568	2542	-36	2586	2536	626
Mar 2010	2577	2549	-36	2593	2545	1257
May 2010	0	2554	-33	0	0	164
Jul 2010	0	2560	-30	0	0	9
Sep 2010	0	2561	-29	0	0	4
Dec 2010	0	2573	-25	0	0	
Mar 2011	0	2577	-25	0	0	
May 2011	0	2577	-25	0	0	
Average/Totals		2552				6778

Average for the week	2556				1695
					1695

Spot Prices (US \$ per tonne)

	15 th June	16 th June	17 th June	18 th June	19 th June
Main Crop Ghana, Grade 1	3142	3123	3012	-	-
Main Crop Ivory Coast, Grade 1	2952	2959	2842	-	-
Main Crop Nigerian, 1	2940	2949	2829	-	-
Superior Arriba	2770	2779	2669	-	-
Sanchez f.a.q	2812	2814	2687	-	-
Malaysian 110	2622	2654	2537	-	-
Sulawesi f.a.q	2685	2703	2589	-	-
Ecuador Cocoa Liquor	4135	4108	3944	-	-
Pure Prime Press African Type Cocoa Butter	5925	5879	5518	-	-
10/12% Natural Cocoa Press Cake	2231	2417	2353	-	-

Source: Cocoa Merchant Association

News

Health and Nutrition

Cocoa Lowers Blood Pressure, Tea Doesn't Laboratory Equipment

Source: Univ. Hospital of Cologne

June 16, 2009

Foods rich in cocoa appear to reduce blood pressure but drinking tea may not, according to German researchers. The findings, published in the Journal of the American Medical Association, do not indicate a widespread recommendation for higher cocoa intake to decrease blood pressure, but the researchers say it appears reasonable to substitute phenol-rich cocoa products such as dark chocolate for other high-calorie or high-fat desserts or dairy products. "We believe that any dietary advice must account for the high sugar, fat and calorie intake with most cocoa products," the authors conclude. "Rationally applied, cocoa products might be considered part of dietary approaches to lower hypertension risk."

Current guidelines advise individuals with hypertension (high blood pressure) to eat more fruits and vegetables, the authors note. Compounds known as polyphenols or flavonoids in fruits and vegetables are thought to contribute to their beneficial effects on blood pressure and cardiovascular risk.

"Tea and cocoa products account for the major proportion of total polyphenol intake in Western countries," the authors write. "However, cocoa and tea are currently not implemented in cardioprotective or anti-hypertensive dietary advice, although both have been associated with lower incidences of cardiovascular events."

Dirk Taubert at the Univ. Hospital of Cologne, Germany, conducted the analyses of cocoa's and tea's effects on blood pressure.

The trials reported a reduction in both systolic (the top number, when the heart contracts) and diastolic (the bottom number, when the heart relaxes) blood pressure. Compared with those who were not consuming cocoa, systolic blood pressure was an average of 4.7 mm Hg lower and diastolic blood pressure was an average of 2.8 mm Hg lower. These effects are comparable to those achieved with blood pressure-lowering medications. "At the population level, these reductions would be expected to reduce the risk of stroke by about 20%, coronary heart disease by 10% and all-cause mortality by 8%," they write.

Of the 343 individuals tested in the tea studies, drinking tea was not associated with a reduction in blood pressure in any of the trials.

Tea and cocoa are both rich in polyphenols, but while black and green tea contains more compounds known as flavan-3-ols, cocoa contains more of another type of polyphenol, procyanids. "This suggests that the different plant phenols must be differentiated with respect to their blood pressure-lowering potential and thus cardiovascular disease prevention," the authors write.

A rendezvous with chocolate: the delicious history and facts

Examiner.com

June 16, 2009

Chocolate, where did it originate? What kind is recommended for baking or dipping truffles? Where can I purchase the highest quality chocolate? I frequently have people ask these types of questions and thought an article specifically related to chocolate and the basic history and facts would be a good addition to my Examiner dessert column. Read on...

Our personal love affair with chocolate and it's notability as an aphrodisiac have been traced all the way back to the Aztecs where they created a warm drink of ground cacao beans mixed with water. The cacao pods were a symbol of life and fertility. It is my guess that this is the correlation to chocolate and its major association with love and ultimately, Valentines Day. Eventually the cacao beans made their way to Spain where sugar was added and the rest of the story is "chocolate history". It was initially enjoyed only by royalty and the very

wealthy. The consumption of this new discovery was seen as an extravagance for the rich. The Spanish managed to keep this under wraps for almost 100 years. But eventually the word leaked out and once its discovery began to spread through Europe, mass production began to take place. English chocolate houses appeared in larger numbers, making this new culinary discovery accessible to the masses. Chocolate is created when the cacao bean is harvested, fermented (process by which the sugars in the seeds are converted to acid) and dried. The beans are then shipped to manufacturing facilities and roasted after which time the shells are removed, leaving the nibs which are full of cocoa solids and cocoa butter. It is estimated that the average person eats approximately 10-12 lbs of chocolate per year. Scientists have confirmed that chocolate does contain addictive properties and consuming it in moderation is associated with an increased sense of well being. Best of all, dark chocolate (not milk or white) has potent antioxidant properties and has been shown in various studies to have positive health benefits. My top choices for chocolate are Valrhona and Ghirardelli. See the links below.

The Chocolate Glossary:

Chocolate Liquor: nib of the cacao bean in it's ground or melted/ liquid form. The best chocolates contain 65-70% liquor.

Unsweetened Chocolate: Also known as baking or bitter chocolate. This chocolate is very dark. Unsweetened chocolate has no sugar added thus resulting in a very bitter taste. It is for cooking and baking when using recipes where sugar is ultimately added to give it a sweet flavor and it is not a chocolate that is eaten out of hand. It can contain anywhere from approximately 30% to 70% cocoa solids.

Bittersweet Chocolate: This is a dark, unsweetened chocolate with cocoa butter, sugar, lecithin, and vanilla added to it. It is also used primarily for baking and although it contains less sugar and more liquor than semisweet chocolate, the two are usually interchangeable in recipes.

Semisweet Chocolate: The preferred chocolate choice for home bakers. Semisweet chocolate is somewhat "sweeter" and contains slightly more sugar than bittersweet chocolate but they are characteristically very close in flavor and definition.

Couverture Chocolate: Professional choice for chocolate. Means "coating or covering". It is considered the highest quality of chocolate and is the best choice for dipping truffles or candies.

Tempering: Process by which chocolate is stabilized through a method of melting and cooling. This is what gives candy or truffles the lovely, shiny outer coating. The preferred temperature of chocolate when tempering is 88-90 degrees Fahrenheit, it must remain at this temperature for dipping or coating to get the best results.

Bloom: This is the visual result of cocoa butter crystals rising to the surface and causing gray discoloration. This does not affect the flavor but is visually unappealing. This occurs when chocolate is old or not stored properly.

Best tips for storage: Chocolate is very susceptible to temperature and should be stored in a cool spot to prevent melting. Additionally it should be stored away from foods with strong odors as they can be absorbed.

Destination suggestion: Hershey, PA has proclaimed itself as "The sweetest place on earth".

For more info: Valrhona Chocolate Company , Ghirardelli Chocolate

There are several stores around the Twin Cities where the high quality varieties of chocolate mentioned above can be purchased. Try Byerly's and Lunds stores, Kowalski's and Cooks of Crocus Hill. Calling ahead is advised to confirm that they do have the specific variety of chocolate you desire.

COLUMN: The Healthy Diabetic — Chocolate, anyone?

South Carolina Now

By Jane Player

June 17, 2009

There have been so many advances in the treatment of Type 2 diabetes over the past decade. Before the discovery of insulin, the treatment for diabetes was starvation. There is a very famous book titled "The Allen

(Starvation) Treatment of Diabetes,” published in 1921. Patients during that period of time literally wasted away from the effects of the disease, and treatment was literally starvation. Patients were told not to eat anything for a few days, and after a few days of no food, tiny meals were permitted.

Here is an example of how a person ate for 4 days: Day 1 — 30 calories, Day 2 — 189 calories, Day 3 — 294 calories, Day 4 — 471 calories. These were not calories per meal; this was calories per day. At this time, this was progressive medicine and did prolong life, although not for long.

Today, we have much more effective treatments and we know much more about eating. We have a great deal of insulins available and six classes of oral drugs. This allows for a much wider variety of foods.

Over the 14 years that I have been teaching, I still get the most complaints about how someone should eat. Every Type 2 has to be concerned about what, how much and when he or she eats. There is a rich variety of foods, however, that people can enjoy.

There definitely has to be a new way of how one thinks about food because some foods can certainly become the “enemy.” When I graduated from pharmacy school more than 30 years ago, we were taught that people with diabetes could never have anything sweet. Today we know that is not exactly true. It all depends upon what your blood sugar was before you eat the meal and what other choices you have made for your meal. Eating a large portion of “free” foods will sometimes allow the Type 2 population to enjoy a small portion of something sweet.

Here are some tips for those in the Type 2 population who love chocolate. People’s nutritional needs will vary; someone trying to lose weight may need a different amount of chocolate than someone who is trying to maintain weight and get better control of blood sugars.

Also, someone trying to lose weight who is not exercising will have to eat less than someone who is trying to lose weight and does exercise. Rob van Dam, PhD, assistant professor in the Department of Nutrition at the Harvard School of Public Health, says it is reasonable to eat about a one-inch square of dark chocolate a day or one ounce a week.

Since you are limited to the amount that you can have, you need to consider getting a specialty chocolate. It may cost more in the end, but the taste is well worth it. You may want to try something like Lindt chocolates. Lindt makes bars that are 70, 80 and even 90 percent cocoa. These bars sell from \$3.50 to \$4.50 but are well worth the price if you are a chocolate lover.

Hershey’s also makes a dark chocolate bar called Cacao Reserve. It is 65 percent dark chocolate, and the price is \$3.29 for a 3.5-ounce bar. If you have to limit the amount you eat, you might as well have something delicious.

When it comes to food, just remember how blessed you are to have Type 2 diabetes and live in this present era. Just think, you could have been born prior to 1921 and you would not have had any choices. Advances are being made every year in Type 2 research, and more and more drug therapies are just around the corner. You may have to adjust how you think about food, but the rewards are very simple — LIFE.

— If you are interested in becoming a part of the Healthy Diabetic Team, Jane Player can be reached at (843) 394-3121. She is a pharmacist at Piggly Wiggly Pharmacy and is a certified diabetes educator at Pee Dee Diabetic Consultants. She can also be reached at jane.player1@gmail.com.

The health benefits of chocolate

Examiner.com

June 18, 2009



Recent studies show that chocolate, especially dark chocolate, is actually healthy for you and can lower LDL cholesterol (the bad cholesterol) by up to ten percent, lower blood pressure, improve brain performance, balance hormones, and improve mood. Dark chocolate is ranked high on the USDA's published chart of antioxidant rich foods and antioxidant rich diets have been linked to a lowered risk of heart attacks, stroke, cardiovascular disease, cancer, high blood pressure, cholesterol problems, arthritis, asthma, Alzheimer's and more.

Women using chocolate to combat PMS may not be an old wives tale after all. Chocolate has also been found to stimulate endorphin production and increase serotonin in the brain, which acts as an anti-depressant, giving a feeling of pleasure.

Dark chocolate's high cocoa content contains more flavonoids, a natural compound of polyphenols which are a group of chemical substances found in plants. In layman's terms, these make up antioxidants (the same as found in fresh fruits and vegetables) which fight against the effects of free radicals. Antioxidants have even been found to cancel out entirely the effects of free radicals which are known to cause many debilitating and fatal diseases. Chocolate also contains Theobromine which has been studied in the prevention of cancer.

When it comes to chocolate, experts say the darker, the better as it contains less of the additives and more of the natural cocoa. It is best to choose chocolate that is 65% or higher in cocoa content, but also be sure to read the ingredients. "Cocoa" should be listed as the first ingredient with a very short list of all-natural ingredients following.

Good examples:

Green & Black's Organic Dark Chocolate – 70% Cocoa Content: Chocolate Liquor, Raw Cane Sugar, Cocoa Butter, Vanilla Extract

Scharffen Berger Extra Dark – 82% Cocoa Content: Cocoa Beans, Sugar, Whole Vanilla Beans

Dagoba - Eclipse 87% Cocoa Content: Organic Cocoa Beans, Organic Cane Sugar, Non-GMO Soy Lecithin, Milk (less than 0.01%)

Poor examples:

Regular Milk Chocolate - contains less than ten percent cocoa content and lists ingredients as follows: Sugar, Chocolate Cocoa Butter, Nonfat Milk, Milk Fat, Soy Lecithin, Vanillin, Artificial Flavor, Milk

Even worse is White Chocolate - contains no cocoa content (and therefore is not really chocolate) with ingredients as follows: Sugar, Partially Hydrogenated Palm Kernel and Palm Oils, Milk, Nonfat, Milk, Soy Lecithin, Artificial Flavor.

What about fat, sugar, and caffeine?

The small amount of fat in dark chocolate is from cocoa butter, comprised primarily of oleic acid, a necessary heart-healthy monounsaturated fat (the same as found in olive oil). The darker the chocolate, the lower the sugar content (most regular sized bars contain less sugar than an eight ounce glass of fruit juice), and most good dark chocolate contain it in the form of raw cane sugar which is better for you. An average sized chocolate bar contains the amount of caffeine found in about a third of a cup of coffee or half a can of cola.

Good news for chocoholics!

Production & Quality

Rains Threaten Ivorian Cocoa Mid-Crop Size, Quality

Source: Reuters

16/06/2009

Abidjan, June 15 - Unusually heavy rains in Ivory Coast's coastal and eastern cocoa-growing regions last week threaten the quality and size of the mid-crop while damage to roads has prevented some produce leaving plantations.

Farmers and exporters said on Monday the rains had been particularly heavy in the coastal regions of Sassandra, San Pedro, Tabou, Abidjan and the eastern region of Abengourou. "It's been raining heavily for a week and there's not enough sun. It's difficult to get to the fields because the rivers have burst their banks," said Joseph Amani who farms near Abengourou. "This rains need to stop, or else it will be dangerous for the cocoa because diseases could make a come back," he said.

The purchasing manager of one European exporter and grinder said the humid conditions could cause bean quality to fall in the coming weeks. He feared beans may rot in the bush with roads impassable and farmers unable to dry them properly. "It's raining too heavily on the coastal cocoa zones. The roads have become impassable. We can't get cocoa out from the plantations," he said, asking not to be named. "A lot of cocoa is going to rot because the farmers can't dry it and get it out. We're going to have quality problems in the coming weeks," he said. He said that if the rains maintained their intensity until the end of June, black pod disease could make a return, meaning it would be difficult to reach a total mid-crop production of above 300,000 tonnes.

Ivory Coast's main crop has disappointed due to a combination of bad weather, disease and administrative chaos.

Estimates ahead of this year's mid-crop have been mixed, ranging from 200,000 to 350,000 tonnes, compared with 315,000 tonnes last year.

In the coastal regions of Sassandra, San Pedro and Tabou farmers said heavy rains had prevented buyers from making purchases since the start of the week. "It's raining virtually every day in the bush, and heavily. We're no longer seeing buyers' trucks on some roads because they're in a bad state. The trucks can't get through," said Gerard Pale Sie, who farms near Sassandra. "If the buyers can't come and get the beans, they'll spoil."

The weather was more favourable in the centre-western region of Daloa and in the western region of Soubre, where farmers said the rains were good for the development of the mid-crop. "The rains are good here. We had 13 mm last week. That's a good amount for the trees," said an analyst working for an industrial plantation in Soubre, the heart of the cocoa belt.

Below is a table showing rainfall in mm during the first 10 days of June, according to analysts' data.

Region	2009	2008
Abidjan	220	162
Daloa	0	31
Gagnoa	30	36
San Pedro	182	145
Sassandra	126	102
Tabou	224	100
Yamoussoukro	33	70

The Market

Cocoa, arabica coffee slump on chart-based selling

guardian.co.uk

By Marcy Nicholson and Sharon Lindores

June 17 2009

NEW YORK/LONDON, June 17 (Reuters) - U.S. cocoa and arabica coffee futures tumbled Wednesday, weakened by technically driven selling while the ebbing confidence in a swift economic recovery added pressure, dealers said.

Sugar closed higher with supportive news from India. "From the general picture, I'd say I'd be conservative at this point," Standard Chartered Bank analyst Abah Ofon said, speaking about the soft commodity complex. "The euphoria was premature in a way," he said. "The run up was too far, too fast."

September cocoa on ICE sank \$117, or 4.4 percent, to \$2,539 a tonne, with prices falling more than \$300 in less than a week. Cocoa prices closed at a 9-1/2 month high last week on ICE Futures U.S. at \$2,858. "Cocoa rallied a bit too long with hardly any tangible reasoning behind it and now it is paying the price for that," one London cocoa dealer said. September cocoa in London closed down 49 pounds at 1,634 pounds a tonne. "The market is still reeling from the fact demand will be down on a year-on-year basis by up to 7 percent," Ofon said. "That is adding to the bearish sentiment, but in the longer term I believe there is room for cocoa to move higher."

Arabica coffee prices also tumbled following a sharp run-up in prices to a nine-month peak early this month seen overdone. New York's September arabica contract slumped 3.70 cents to close at 1.2085 per lb. "Coffee is in liquidation mode. You have noncommercial longs that are saying 'sayonara'. It's technically weaker for sure," said one coffee trader in New York. Meanwhile, origin selling from Vietnam weighed on London robusta coffee futures with September closing down \$29 at \$1,466 per tonne.

Sugar futures were firm with support coming from news of higher sugar imports from India. Yatin Wadhwa, the head of Sucden India, said the country will import 3.0 million to 4.0 million tonnes of raw sugar in 2009/10, higher than trade estimates of 2.5 million tonnes. October raw sugar futures on ICE rose 0.17 cent to close at 15.95 cents per lb.

James Cordier, an analyst for brokers optionsellers.com in Florida, said sugar has "held up well" despite the sell-off in both the coffee and cocoa markets. "I think we're going to test the highs again," he said, referring to 16.05 cents, basis July. Sucden Financial said in a report: "It looks as though the market has further to go on the downside as recent longs exit and a new lower trading range is established. We would now expect a range of 15.50 - 16.00 on October until we see the results of the July expiry at the end of the month."

August whites in London rose \$1.70 to settle at \$428.50 per tonne. (Additional reporting by Rene Pastor in New York; Editing by Marguerita Choy) (marcy.nicholson@thomsonreuters.com; +1 646 223 6043; ReutersMessaging: marcy.nicholson.reuters.com@reuters.net) (For help: Click "Contact Us" in your desk top, click here HELP] or call 1-800-738-8377 for Reuters Products and 1-888-463-3383 for Thomson products; For client training: training.americas@thomsonreuters.com ; +1 646-223-5546) For related news and prices, click on the codes in brackets: London robusta futures 0#LKD;> NY arabica futures 0#KC;> Global futures/spreads COFWLD> World cash prices 0#COFFEE NYMEX coffee 0#KT;> European physical COFFEE/EU Asian physical COFFEE/ASIA1 Arabica prices 0#COFFEE-ARA Intl Coffee Org 0#COFFEE/ICO New York certified coffee stocks COFFEE/NYC RELATED NEWS AND OTHER TOPICS All coffee news COF] All softs news SOF] All commodities news C] Weather news WEA] Foreign exchange rates FX=S> SPEED GUIDES COMMODS> COFFEE1> COFFEE/FUT1 COFFEE/CASH1 REUTERS>

Processing & Manufacturing

Ghanaian firm boosts cocoa processing output

Alibaba News Channel

17 Jun 2009



Ghana's Cocoa Processing Company (CPC) has more than doubled its cocoa bean processing capacity to 64,500 tonne a year, after completing a five-year rehabilitation and expansion programme. In a press release, the company said the boost in output was in line with plans by the western African country to 'encourage processing'. One of the two CPC factories grinds beans into semi-finished products such as cocoa liquor, butter, natural and alkalised cake, or

powder, while the other plant manufactures confectionery products under the Golden Tree brand.

With 6,90,000 tonne, Ghana is the world's second largest supplier of cocoa beans behind its neighbour Ivory Coast that produced 1.3 million tonne last year. Ghana processes up to 2,50,000 tonne from a cocoa crop which has averaged 6,70,000 tonne over the past four years. Ghana is the second-largest supplier of cocoa to the US, which in 2005 imported \$ 1.4 billion of cocoa products.

Cocoa processing plant to bring up to 1,000 jobs to Commerce

Greenville Herald-Banner

By DANIEL WALKER - Herald-Banner Staff

June 19, 2009

COMMERCE — Commerce leaders are celebrating the sweet smell of success — the smell of processed cocoa and coffee beans — that will soon fill the town's Industrial Park. The Commerce Economic Development Corporation (CEDC) hosted community, county and state leaders as well as representatives of the Premium Cocoa Corporation Thursday to announce a new cocoa processing plant that will be built in the city's Industrial Park.

Premium executives said the plant, which will import cocoa beans from the Ivory Coast, will initially employ between 350 and 500 workers. Further expansion into cocoa byproduct processing and coffee processing will push the employment figure above 1,000 newly created jobs by 2013. Premium president Gabriel Nguessan said the plant's groundbreaking will be within 120 days, followed by two to three months to install equipment and he hopes to begin processing by early 2010. "I believe we can have the first shift running by February. We already have a huge demand from 24 countries. What we need is quality and that is what locating here in Texas will allow us to have," Nguessan said. "This is part of a bigger plan for us. We want to have a whole industrial complex here where we are processing the by-product into fertilizer and cocoa oil. By 2013 we want to move into coffee processing as well."

Premium board of directors' chairperson Betty Mitchell said she was honored to be in Commerce. "We've been working on this for years and we're proud to have gotten this accomplished," she said. "There is a high demand for cocoa. It's the new gold; this is a growth industry."

CEDC director Jeanette Burnett said the plant is the culmination of a lot of hard work and cooperation from many different agencies. "We worked on this for 18 months and I'm proud it has happened. (Premium) had a lot of opportunities to go elsewhere, but the openness of the community, the university, the State of Texas has led them to agree to come to Commerce. Premium Cocoa Company will be a part of Commerce, Texas, for a long time, God willing," she said.

Company vice-president Pascol Yao explained that the company will import the cocoa beans from the Ivory Coast to the shipping port at Beaumont; the beans will then be transported to Commerce for processing. Yao said that the openness of Commerce and Texas officials made the city a good fit for their plans, and that the assurances from Texas A&M-Commerce of agricultural partnership and research made the decision a good one. "We are also going to be working with the university to find natural insecticides to kill insects that eat the trees," Yao added.

A&M-Commerce president Dan Jones said the partnership will also benefit the university. "We have world class agricultural researchers that can be tapped. This will open up great research opportunities for us," he said.

According to Dick Latson, with CEDC, the development corporation will build the plant and then lease it back to Premium. The details of the agreement have not been released as final contracts have not been signed.

An investor from the Ivory Coast, Jean N'Dory, speaking through an interpreter, said there are agricultural cooperatives in the Ivory Coast "standing ready to get this project started. With this agreement we can fight against third world poverty. I came here to say, let's get together and get this thing done."

Business and Economy

Commodity Analyst Jurgens Bauer on Coffee, Cocoa and Orange Juice Seeking Alpha

By: Hard Assets Investor

June 17, 2009

Mike Norman, anchor, HardAssetsInvestor.com (Norman): Hello everybody, and welcome to HardAssetsInvestor.com. I'm Mike Norman, your host. Well, today we have a floor trader – yes, you don't find them too often – Jurgens Bauer of PitGuru.com and soft commodity analyst from the Intercontinental Exchange.

Jurgens, thanks very much for coming by; really, it's great. Like I said, you're sort of an anachronism, and you and I go back. We know each other from the days of the COMEX and the NYMEX back in the '80s, so it's great to see you again; I haven't seen you in a long time.

It's great to have you here because you cover an area ... the soft commodity area – we're talking about coffee, sugar, cocoa, orange juice, cotton ... really a specialized focus there. First, I'm very curious to find out: What's it like down on the floor? Everything is electronic nowadays.

Jurgens Bauer, PitGuru.com/soft commodity analyst, Intercontinental Exchange (Bauer): Well, it's a lot different from the old days; the futures pits are electronic. I've always been an options guy, and one of the things that's still available for floor traders is the option markets, so we still have pits.

Norman: Why is that? Is that because the options are just such a specialized thing that you really need to have a human, somebody in there to work with?

Bauer: Don't I wish. I think probably a better answer to is that the information flow that has to go back and forth every time there's a minute change in the price ... when you're talking about not just hundreds of options ... then you've got the multiple combinations of this option against that option, this spread against this spread, you've got fences and straddles and strangles and all this stuff, and there's too much information.

Norman: It's not a plain-vanilla type of purchase ... a futures contract, short a futures contract.

Bauer: If one of the exchanges has come up with a successful option platform which could be then utilized to transact business, I wouldn't be doing what I'm doing on the trading floor. Currently that doesn't exist. That's not to say that it won't happen at some point, but it just doesn't exist. And for now I think the window of opportunity, shall we say, is going to continue for at least another three, maybe seven more years.

Norman: All right. Let's talk about your markets. You are the soft analyst for Pit Guru, and we've seen recently again some of these markets really start to perk up. What is behind this? It's sort of a curious thing to watch, because you look at economic activity here in the United States, around the world – still very tepid, very weak. Why are these commodity prices rising? Is there a fundamental reason behind this, or is it again fund speculation?

Bauer: It's a good question. I would have to answer that by looking at each individual market, and I can provide you with fundamental reasons, for instance, for sugar.

Norman: Let's go; let's run them down.

Bauer: Sugar price has gone up because the production on a world scale is lower, and consumption is certainly going to remain the same if not go up – increase as populations increase, and diets go up, diets improve. So I would have to say there's a powerful fundamental force at work.

Norman: Is sugar also involved in this alternative energy theme, because don't they use sugar in Brazil for the making of ethanol?

Bauer: Yes; in Brazil they do. In this country, we've been ... how do I say this politically correct now ... we use corn, OK? My understanding is it's less efficient and more costly than it would be from sugar. Yes; so that force is at work as well.

In cotton, we had pretty good exports going, we had much-reduced crop size, not only in this country but tapered off around the world.

Norman: Is that because when we had the boom in the commodities like corn and wheat and soybeans two years ago, cotton acreage was reduced so that farmers used it to plant the more-lucrative crops?

Bauer: Sure, right. Not only that, you had ... so those are markets ... in coffee – right now my personal favorite market.

orman: Now coffee is at, what, like a four-month high right now?

Bauer: Yeah, coffee, made a high just shy of 140 last week; pretty much up every day last week until Friday, and then we saw some profit-taking. You remember those days when you get a little profit-taking after an up week all week? Today it was down, but you can't keep it down.

Norman: Well, I certainly drink a lot of it, not that it's so much of a contributory factor.

Bauer: And that's why it's bullish: because Mike drinks a lot. No. But in addition to all this, you also have a weaker dollar, and that's been a major factor in the soft markets. We've also seen a lot of commodity fund investment.

Norman: Yeah; that's what I want to talk about, because you deal a lot as a floor broker, you deal with people in the trade, people in the physical business of either producing or merchandising these commodities that you're talking about. What do they say about the speculative element in the markets? Are they concerned about it, do they think it's a good thing; what's their view?

Bauer: I would have to say the overwhelming majority, especially in cotton, were very much opposed to the enhanced speculation.

Norman: What's happening? Is it creating a distortion, is it making it harder for them to run their own business in terms of hedging and planning?

Bauer: Well, I don't want to say that the traders used to use the market as an ATM machine, but I will tell you that they had a distinct advantage because they knew what was going on and they could use that to their advantage. You don't want to say it's insider trading or anything, it's their business, and these markets were created for them to offset their price risk.

Norman: Nobody could know the market better than someone who's physically involved in either producing or merchandising it, that's clear.

Bauer: When you had this big influx of all this fund money, it became overwhelming to some of the boutique markets that we really have in the softs; they're not the huge big-volume markets that you have. Sugar might be an exception when you compare it to some of the average daily volumes in cotton, coffee, cocoa and orange juice, but they're certainly not as large or as deep of a market as oil or gold – what you used to trade.

Norman: It's much easier to manipulate, in other words, to push around, absolutely, and the amount of money flowing into these funds and also these new instruments – ETFs that allow investors to buy into it like a stock. These are these passive long-only commodity investments that tremendous amounts of money are flowing into. So how does the outlook now ... let's give a little bit of an outlook now, let's say, for the next six months or the remainder of this year ... is this rally going to last, is it going to extend or are we going to plateau out?

Bauer: Well, I really wish I knew the answer to that, but I would have to say - from my own perspective right now - I believe coffee has got 1.50, 1.70 in it before the year is over, in all likelihood, because we do have a legitimate supply problem there. We're approaching the season where you're going to have the potential for frost in the Southern Hemisphere, which is where Brazil and etc. ... and again you're seeing the added component of the weaker dollar. In the case of cotton.

Norman: What about orange juice and cocoa?

Bauer: All right. First let me tell you that OJ had been undervalued last year; it's a smaller market. I think that there's concerns this year; we had a lot of concerns about drought conditions, although there had been rains this past week pretty much every day in Florida in the growing areas, which ought to take care of a lot that moisture concern. Demand had also fallen off, but I think demand is returning to its historical levels. I tend to believe that, again, we're going to see prices kind of return to a normal level; in other words, head north of a dollar, head towards \$1.15, currently trading in the low 90s.

Norman: Did it surprise you when we had that big run-up in commodity prices and then the collapse, and in some cases the retracement gave back all if not more of the original move? Did you think that was going to happen?

Bauer: I didn't think the run-up was going to be as dramatic as it was; in particular, in cotton there was a two-year move in two days, and what happened is a lot of the legitimate farmers, producers who were depending on ... they're selling their crop before it's even planted, and all of a sudden the price goes up dramatically they get a margin call, and typically the bank would meet that margin call, but now the bank ...

Norman: They got the credit crunch.

Bauer: ... they got a credit problem. The bank is saying, OK, we'll loan you the money, but at X outrageous percent. The farmer is never going to make a profit on his crop if he does that. So a lot of the merchants got caught with large short positions that needed to be financed and in going to the banks, they just discovered that there was a credit crunch, and so positions had to be covered at the top. That brought the thing right back down.

Norman: When you and I were traders – well you still are – but I mean back in the '80s where you had ... the markets were ... you had the trade, you had people in the business, and then you had the professional speculators and they were there; they traded on the long side, they traded on the short side – there seemed to be more of a balance. Now what you have, it seems to me – and it came about with the advent of these index funds, these long-only vehicles – like a form of almost ... you can call it hoarding. I mean, billions and billions of dollars, and you talked about how small these markets are relative to gold and oil, and certainly relative to equities or bond markets which are limitless.

Bauer: Sure, and then the currency markets.

orman: Right, so there is that danger there, isn't it?

Bauer: Without a doubt. I think the danger expressed itself when we saw the dramatic price rise last year. It's almost like there's a vacuum created on either side of the marketplace. The cotton market hasn't been the same since last year and we've seen another run-up of 20 cents this past couple of months. We peaked a little over 60-some-odd cents, and now it's backed off. Today it was down; when I left it was down about \$2.40, and they still have limits in cotton, believe it or not, of 3 cents. So that market is being pushed around purely by speculation, and the long liquidation is what's causing it to come off right now.

We were talking about coffee, we talked about sugar a little bit, and cotton, and a little bit about OJ. Let me also mention cocoa. Cocoa was a market that was much higher last year, actually reached some very high levels. This year it's the only component of the soft markets that is actually lower over the course of the year.

Norman: Is it attractive from a buy perspective now? If you wanted to get in – if that's the one relative under-performer to the others – would you want to get into that or you stay?

Bauer: It's interesting you would ask that.

Norman: I only ask interesting questions.

Bauer: I'm of the opinion that cocoa is probably not as friendly, let's say, as the other markets. I would actually be looking on the short side of the cocoa market. It's kind of being brought up because of the weakness in the

dollar. The weakness in the dollar has dictated a lot of the near-term action in these markets in addition to the flow of funds, and the flow of funds is coming in because, as you pointed out, long only, long only.

Norman: Here's something I'm curious about. Last year, last July, there were several bills in Congress to limit speculation; none of them passed. Are the exchanges concerned about that? Because obviously it would hurt their businesses. But by the same token, these bills could come up again, if we start to see prices of gasoline and other commodities and food start to go through the roof. There's political pressure that is brought to bear by the citizenry on their representatives to do something. Do you think we'll see something like that where there will be restrictions put in place on speculation?

Bauer: I really don't want to see anything like that happen. These markets need speculation in order to exist.

Norman: But do they need it to this degree? I agree that speculation serves a function.

Bauer: In the old days, speculation was someone willing to take the risk. Today when you have, say, pension funds investing in the marketplace, the pension fund might be backed up by the taxpayer in some instance, believe it or not, so there's almost like a built-in put option against the guy's portfolio. If he loses money, well, the taxpayers are still going to have to pay. That doesn't make any sense.

Norman: These things are long-only again. Again, going back to the day when you and I were trading, we go up, we shout, we go long-only.

Bauer: It's great as it's going up, but when you try to get out, you need a speculator on the other side.

Norman: All right; well there you have it. Jurgens, it was great; it was a pleasure seeing you again. Jurgens Bauer here, from Pit Guru and also from the IntercontinentalExchange. That's it for my interview today, but a lot more on this interview series as we have brought to you. In the meantime, this is Mike Norman. Have a great day, take care.

Cocoa Prices Up Ghanaian Times

By Reuters

18 June 2009

Intercontinental Exchange (ICE) cocoa futures recovered slightly on Tuesday from the previous session's losses on the back of a weaker dollar and a stronger price for oil. The dollar fell across the board on Tuesday, pressured by comments from Russia suggesting a need for a global reserve currency other than the greenback, which also caused oil to rise above \$72 a barrel. "We had a pretty good speculative wash-out yesterday in both coffee and cocoa," said Rabobank trader Nick Hungate.

New York's September cocoa contract finished \$11 higher at \$2,656 per tonne, after falling 5.5 per cent on Monday.

London's September cocoa contract finished down 12 pounds at 1,683 pounds per tonne, having sunk 65 pounds on Monday to settle at 1,695 pounds per tonne.

Hungate said sterling's strength was keeping London low. A strong pound makes sterling denominated futures more expensive in terms of other currencies. "If it's going to recover it will take quite a few sessions," a cocoa trader said.

"They've obviously decided they kind of jumped on the commodity recovery a little too early. Maybe it's been taken back to a little bit more sustainable positions."

"I think the ICE contract will come back faster because of the stronger pound compared to the dollar," another cocoa trader said.

"Nobody is really counting, in the short term, on dollar strength so if you're going to go long on cocoa you're better off playing the ICE market than the LIFFE market."

Labour Issues

Ivory Coast Dock Workers End Strike; Port Operations Resume

Bloomberg

By Monica Mark

June 17

(Bloomberg) -- Dock workers at Ivory Coast's port of Abidjan, which accounts for 40 percent of the country's cocoa shipments, called off their 15-day strike, said Toure Touyou, the spokesman for the state-owned port.

The National Collective of Dockers union urged its members to resume work at 6 a.m. local time this morning following a meeting with President Laurent Gbagbo last night, Touyou said in a phone interview today. "This doesn't mean that the situation is resolved and we are awaiting a final meeting with the president on June 22," said Guei Plie, the spokesman for labor union, in a telephone interview today. "At the end of that meeting, we will say whether or not we are satisfied."

Ivory Coast is the world's largest cocoa producer. The dock workers' union, which represents 80 percent of employees in the industry, downed tools on June 3 over pay and working conditions and called for the dissolution of the organization in charge of recruiting workers. Port authorities agreed to release around twenty arrested strikers, as well as reinstate fired dockers and release replacement workers, after Gbagbo's personal mediation.

"Activity at the port is looking good today," said Toure Saibou, office manager of Omnivalu shipping company, which exports cocoa. "It's much calmer than yesterday, and there are numerous dockers at work. Things have absolutely kicked off." *To contact the reporters on this story: Monica Mark in Abidjan via Johannesburg at pmrichardson@bloomberg.net.*

Environmental Issues

Research & Development

Promotion & Consumption

Others

TIT BITS

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

London cocoa, coffee lower; sugar up

LONDON (June 18, 2009): cocoa prices fell more than 4 percent on Wednesday, weakened by technically driven selling and improving crop prospects in top producer Ivory Coast as the market's decline gathered pace, dealers said. August white sugar closed \$1.60 higher at \$428.50 a tonne, while a lack of demand in the physical market kept a lid on prices.

New York sugar higher

NEW YORK (June 19, 2009): Raw sugar futures finished higher on Wednesday on investor buying as the market has bucked a commodity-wide sell-off and is now poised to hit new highs in the days ahead, brokers said. The key October raw sugar contract climbed 0.17 cent to conclude at 15.95 cents per lb. The contract ranged between 15.61 and 16.02 cents, within a few points of the three-year high of 16.05 cents hit by the market earlier this year.

London sugar falls

LONDON (June 19, 2009): Sugar futures fell on Thursday, pressured by a big centre-south Brazil cane crush, while robusta coffee hit contract lows on Asian hedging and cocoa consolidated after a sharp drop on Wednesday. Brazil's 2009/10 centre-south cane crush reached 109.7 million tonnes by June 1, up 44 percent from 76.4 million tonnes crushed by this time a year ago, the Sugar Cane Industry Association (Unica) said on Thursday.

US MIDDAY: coffee and cocoa up; sugar eases

NEW YORK (June 19, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. September arabica contract up 1.85 cents at \$1.2270 per lb at 11:02 am EDT (1502 GMT). Session range from \$1.2015 to \$1.2370. Arabica coffee futures reversed higher, retracing the previous day's sharp losses in a technical correction, said traders.

US MIDDAY: coffee and cocoa drop; sugar up

NEW YORK (June 20, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Friday. September coffee arabica contract down 2.85 cents at \$1.20 per lb at 11:08 am EDT (1508 GMT). Session range from \$1.1980 to \$1.2320. Arabica futures gained downward momentum after falling from a nine-month high, said traders. October raw sugar contract rose 0.14 cent at 15.98 cents per lb at 11:08 am.

London coffee and cocoa hit new lows

LONDON (June 20, 2009): Robusta coffee futures touched their lowest point since the contract was revised in January 2008 as the market pulled back from its recent rally. cocoa futures also fell, with the stronger pound weighing on the London market and sugar was little changed in moderate trade.

New York cocoa lower

NEW YORK (June 21, 2009): US cocoa futures finished weak Friday, on chart-based pressure following a sharp drop earlier this week and on pressure from the London market, traders said. Benchmark September closed down \$36 at \$2,520 per tonne. Session ranged from \$2,513 to \$2,566. By 12:34 pm EDT (1634 GMT), September volume at a thin 4,830 lots. US cocoa futures felt spillover pressure from London's weak cocoa market, that was weighed by long liquidation - traders.