UP-COMING EVENTS


IN THIS ISSUE

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

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Do your health a favour, drink Cocoa everyday
‘It’s nature’s miracle food’
In the News (from Newspapers worldwide)

**Health and Nutrition**
- Chocolate indulgence
- Cocoa in Chocolate May Be Good for the Heart

**Production and Quality**
- Colombia: U.S. government subsidizing switch from coca to cocoa

**The Market**
- Cocoa Rallies to 30-Year High on Dollar, Demand
- SOFTS-ICE cocoa nears 30-year high on dollar, Cadbury
- Higher Cocoa Prices and Smuggling
- U.S. Cocoa Hits 30-Yr Top on Investor Interest
- SOFTS-ICE sugar, coffee, cocoa fall on strong dollar-market

**Processing & Manufacturing**
- The Dark Side of Chocolate

**Business & Economy**
- Nigerian Cocoa Shipments increased by 48% in August (Update1)
- High Cocoa Prices More of a Concern for Nestle than Sugar Prices, Says Company Executive Vice President
- Ivory Coast eyes regulation to stem cocoa declines

**Labour Issues**
- Guilt-Free Chocolate? Look to Ivory Coast
- Ivory Coast’s Main Cocoa Union Starts Picket Protest (Update1)
- Ivory Coast Cocoa Workers Union Ends Strike

**Research & Development**
- 

**Promotion & Consumption**
- World Cocoa Foundation announces Launch of Cocoa Livelihoods Program in Ghana
- Nestle to Help Cocoa Growers as Prices Soar

**Others**
- Some Customs Officers assist cocoa smuggling
- Develop a single approach for cocoa certification

### ICCO Daily Cocoa Prices

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

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COCOA PRODUCERS’ ALLIANCE, NATIONAL ASSEMBLY COMPLEX TAFAWA BALEWA SQUARE,  
P.O. BOX 1718, LAGOS, NIGERIA. TEL: +234(0)1-263-5574 FAX: +234(0)1-263-5684  
Email: econs@copal-cpa.org Website: www.copal-cpa.org
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**Average for the week**: 3385  
**Volume**: 12328
Health and Nutrition

Chocolate indulgence
The Guardian – Nigeria
By IYABO AYANDARE
October 23, 2009

CACAO or dark chocolate comprises a number of raw and processed food produced from the seed of the tropical cacao tree and has been cultivated for at least three millennia all over the world for its benefits to the circulatory system. Though regularly eaten for pleasure, there are potential beneficial health effects of eating chocolate, which includes serving as anticancer, brain stimulator, cough preventive and antidiarrhoeal effects. An aphrodisiac effect is yet unproven.

On the other hand, the unconstrained consumption of large quantities of any energy-rich food such as chocolate is thought to increase the risk of obesity without a corresponding increase in activity. Raw chocolate is high in cocoa butter, a fat which is removed during chocolate refining, then added back in varying proportions during the manufacturing process. Manufacturers may add other fats, sugars, and milk as well, all of which increase the caloric content of chocolate.

Recent studies have suggested that cocoa or dark chocolate may possess certain beneficial effects on human health. This is mainly caused by a particular substance present in cocoa called epicatechin. Cocoa possesses a significant antioxidant action, protecting against LDL oxidation, perhaps more than other polyphenol antioxidant-rich foods and beverages.

Some studies have also observed a modest reduction in blood pressure and flow-mediated dilation after consuming dark chocolate daily. Consuming milk chocolate or white chocolate, or drinking fat-containing milk with dark chocolate, appears largely to negate the health benefit. Processed cocoa powder (so called Dutch chocolate), processed with alkali greatly reduces the antioxidant capacity as compared to "raw" cocoa powder. Processing cocoa with alkali destroys most of the flavonoids.

One-third of the fat in chocolate comes in the form of a saturated fat called stearic acid and monounsaturated fat called oleic acid. However, unlike other saturated fats, stearic acid does not raise levels of LDL cholesterol in the bloodstream. Consuming relatively large amounts of dark chocolate and cocoa does not seem to raise serum LDL cholesterol levels; some studies even find that it could lower them. Indeed, small but regular amounts of dark chocolate lower the possibility of a heart attack.

A study performed at the Karolinska Institute in Stockholm and appearing in the Journal of Internal Medicine (September 2009), found that survivors of heart attacks who ate chocolate at least two or three times a week reduced their risk of death by a factor of up to three times compared to survivors who did not eat chocolate. The benefits were specific to chocolate and not to other sweets.

Romantic lore commonly identifies chocolate as an aphrodisiac. The reputed aphrodisiac qualities of chocolate are most often associated with the simple sensual pleasure of its consumption. Although there is no proof that chocolate is indeed an aphrodisiac, a gift of chocolate is a familiar courtship ritual.

A study from James Madison University, presented at the American College of Sports Medicine annual meeting, showed that post-exercise consumption of low-fat chocolate milk provides equal or possibly superior muscle recovery compared to a high-carbohydrate recovery beverage with the same amount of calories. Athletes consuming chocolate milk had significantly lower levels of creatine kinase, an indicator of muscle damage, compared to drinkers of carbohydrate beverage. Sweating causes loss of fluid and also important minerals, including calcium, potassium and magnesium. The two-hour window after exercise is an important, but often neglected opportunity to recover.
Very little evidence exists to suggest whether consuming flavonoid-rich dark chocolate may increase or decrease the risk of cancer. Studies suggest a specially formulated type of cocoa may be nootropic and delay brain function decline as people age. Flavonoids can inhibit the development of diarrhea, suggesting antidiarrheal effects of cocoa.

The major concern that nutritionists have is that even though eating dark chocolate may not affect serum cholesterol, blood pressure or LDL oxidation, it is not known whether it affects certain biomarkers of cardiovascular disease. Furthermore, the amount needed to have this effect would provide a relatively large quantity of calories, which, if unused, would promote weight gain. Obesity is a significant risk factor for many diseases, including cardiovascular disease. As a consequence, consuming large quantities of dark chocolate in an attempt to protect against cardiovascular disease has been described as 'cutting off one's nose to spite one's face'.

Again, there is a popular belief that the consumption of chocolate can cause acne. This belief is not supported by scientific studies. Various studies point not to chocolate, but to the high glycemic nature of certain foods, like sugar, corn syrup, and other simple carbohydrates, as a cause of acne. Chocolate itself has a low glycemic index. Other dietary causes of acne cannot be excluded yet, but more rigorous research is required.

Chocolate has one of the higher concentrations of lead among products that constitute a typical Westerner's diet, with a potential to cause mild lead poisoning. Recent studies have shown that although the beans themselves absorb little lead, it tends to bind to cocoa shells and contamination may occur during the manufacturing process.

While studies show that the lead consumed in chocolate may not all be absorbed by the human body, there is no known threshold for the effects of lead on children's brain function and even small quantities of lead can cause permanent neuro-developmental deficits including impaired IQ.

Satisfy your sweet-tooth with these value added chocolate recipes. You can get some of the ingredients at standard supermarkets.

Chocolate scouffle

Preheat oven to 350 deg F (Gas mark 4 or 180 deg C). Grease one large souffle dish or 6 small souffle dishes. Melt the chocolate over hot water (in a double boiler). Add a pinch of salt to the egg whites and whisk with an electric mixer until they hold soft peaks. Add 1/3 cup of sugar gradually while whisking with the electric mixer. Mix gently the melted chocolate with the egg yolks and approximately one cup of the whisked egg whites. Fold in the remaining part of the whisked egg whites. Bake in the middle of the oven until crusted on top and practically cooked in the middle, approximately 30-45 minutes for a large souffle dish.

Chocolate cake

Preheat oven to 350 deg F (Gas mark 4 or 180 deg C). Grease a 9-inch (23 cm) cake tin. Mix flour, cocoa powder, baking powder, salt, sugar and vanilla essence in a bowl. Add milk/water, vegetable oil and eggs. Mix everything together until smooth, either by hand or by using an electric mixer at slow speed. If the batter is too runny you may add slightly more flour. Move to bake tin and bake at 350 degrees until a wooden pick inserted in center comes out clean, approximately 35 to 45 minutes. After the cake has cooled, slice the cake through the middle to make two layers (easier if the cake has been in the fridge).

Frosting

Heat 2/3 cup of heavy cream in a saucepan.

Remove from heat, add 260g of finely chopped dark semisweet chocolate, stir until smooth, and let it cool until in thickens, if needed in the fridge.

Use one 1/3 of the frosting between the two layers, 1/3 on top, and the rest around the cake. Put the cake into the fridge for one hour or more to harden the frosting. Cool for 40-45 minutes before serving.

Hot chocolate drink
In a large mug, mix the hot chocolate mix, chocolate syrup, cinnamon, and chili powder. Pour in the milk. Add the boiling water and stir.

Chocolate trifle

Prepare brownie mix according to package directions and cool completely. Cut into 1-inch squares. In a large bowl, combine pudding mix, water and sweetened condensed milk. Mix until smooth, then fold in 8 ounces whipped topping until no streaks remain.

In a trifle bowl or glass serving dish, place half of the brownies, half of the pudding mixture and half of the 12 ounce container of whipped topping. Repeat layers. Shave chocolate onto top layer for garnish. Refrigerate for 8 hours before serving.

Chocolate coconut cream pie

Bake pie pastry. Cool. Meanwhile, in a saucepan, combine sugar, cornstarch and salt; stir in milk. Cook and stir over medium-high heat until thickened and bubbly. Reduce heat; cook and stir 2 minutes more. Remove from the heat. Beat egg yolks lightly. Stir a little of the hot mixture into the yolks; return all to saucepan. Bring to a gentle boil. Cook and stir 2 minutes more. Remove from the heat. Stir in butter and vanilla. Pour 1-1/2 cups mixture into small bowl; add coconut to bowl and set aside.

Combine chocolate layer ingredients; blend into remaining mixture in saucepan. Return to heat; cook and stir until mixture begins to boil. Remove from the heat; spread one cup over bottom of pie-crust. Top with coconut mixture and finish with remaining chocolate mixture.

For meringue, beat egg whites with cream of tartar until foamy. Gradually add sugar, beating until stiff peaks form. Spread over hot filling, sealing to edges of pie crust. Bake at 350 degrees F for 12-15 minutes or until lightly browned. Cool to room temperature; chill several hours before serving.

Cocoa in Chocolate May Be Good for the Heart

U.S. News & World Report
By Jennifer Thomas, HealthDay Reporter
October 23, 2009
FRIDAY, Oct. 23 (HealthDay News) -- If you're tempted to raid your child's Halloween candy stash at the end of this month, here's one reason you might not have to restrain yourself.

Spanish researchers put 42 men and women on a diet that included 40 grams of unsweetened cocoa powder (about 1.4 ounces) mixed with skim milk daily, or plain skim milk. After one month, those who drank the cocoa-flavored milk had lower levels of inflammatory markers associated with heart disease than those drinking the milk alone.

That result was critical because the participants, whose average age was about 70, were at high risk of cardiovascular disease because they had diabetes and three or more risk factors for heart disease, including smoking, high blood pressure, high levels of LDL "bad" cholesterol (more than 160 milligrams per deciliter), low levels of HDL "good" cholesterol (below 35 milligrams per deciliter), obesity or a family history of early coronary heart disease.

The inflammatory markers, called adhesion molecules, are proteins that cause white blood cells to stick to the walls of the arteries, which can lead to the formation of atherosclerotic plaques, explained Shelley McGuire, an associate professor of food science and nutrition at Washington State University and a spokeswoman for the American Society for Nutrition.

"One of the major strengths of the study was they were measuring adhesion molecules, which we have recently learned are very important in the formation of atherosclerosis," McGuire said. "Another strength is that the study was randomized and controlled. Because of this, we can pretty confidently say there was something in the cocoa powder that had an effect."
The researchers also found that the cocoa powder group had an increase in HDL cholesterol, which can help reduce levels of LDL cholesterol and has been shown to have anti-inflammatory, antioxidant properties. The study is published in the November issue of the American Journal of Clinical Nutrition. During the study, participants didn't take additional vitamins or supplements, and the only cocoa-containing products they consumed were those provided by researchers.

Previous research has suggested chocolate may be beneficial for heart health because it contains anti-inflammatory chemicals called polyphenols. Polyphenols are also found in wine, coffee and tea, along with fruits and vegetables such as apples, broccoli, onions, blueberries, blackberries, cherries, strawberries, plums and red grapes, said Connie Diekman, director of university nutrition at Washington University in St. Louis. "One of the best ways to get plenty of polyphenols is to consume lots of fruits and vegetables," Diekman said.

The researchers noted the anti-inflammatory effects derived from cocoa were modest compared to those observed for other foods rich in polyphenols, such as wine. And before you start inhaling candy bars, which are high in fat and calories, researchers noted that study participants were given non-fat, sugar-free cocoa powder and skim milk. Even then, they gained a small amount of weight.

In the study, the chocolate milk contained about 136 calories. If adding cocoa to your diet, be sure to reduce calories somewhere else, or get some extra exercise. "My recommendation, as a registered dietitian, would be for people to look at cocoa -- whether in the form of cocoa or chocolate -- as a part of a healthful eating plan, not a magic bullet for reducing inflammation," Diekman said. "If including cocoa and small amounts of chocolate in an otherwise healthful eating plan helps people enjoy what they eat and stick with that plan, then these things can fit." In findings that should come as no surprise, researchers noted that "adherence to the dietary protocol was excellent."

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**Production & Quality**

**Colombia: U.S. government subsidizing switch from coca to cocoa**

Examiner.com
October 20, 2009

The U.S. government will provide financial aid to farmers in Colombia who want to stop growing illegal coca crops and start growing cocoa.

According to Colombia Reports, Cundinamarca Governor Andres Gonzalez Diaz announced the project after meeting with the U.S. ambassador to Bogota, William Brownfield, on Monday. With the help of the Americans and departmental and state agencies "we can improve the income of nearly 5,000 families," Gonzalez told local radio station Santa Fe.

The U.S. government has attempted such programs before, most notably in Bolivia, where the cultivation of coca is legal in some areas. Those programs have been met with controversy and resistance in a country where such “assistance” is viewed as foreign interference in internal matters.

The coca leaf is a very hardy plant, and grows easily in many parts of the region. Coca farmers in South American countries can rarely make as much or more money from growing substitute crops as they can from growing coca, regardless of foreign subsidy programs to that end.

In addition to the subsidy program, the Governor and Ambassador Brownfield discussed the military base in Puerto Salgar, which is part of a controversial military agreement between both countries.

According to separate Spanish-language news reports, the information was released by a local radio station (possibly the same Santa Fe station), which offered no details on any points raised during the meeting.

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**The Market**

**Cocoa Rallies to 30-Year High on Dollar, Demand**

Wall Street Journal
NEW YORK – U.S. cocoa rallied to its highest point since 1980 on a weaker dollar which encouraged buying across commodities. Additionally, cocoa-futures prices have been rallying on supply concerns from the Ivory Coast, the number-one producer of cocoa, and on signs of improving demand for chocolate.

Production outlooks for cocoa are lower this year as aging trees yield less cocoa. Above, a farm worker harvests cocoa in Ahouatoue village, north of Abidjan, Ivory Coast, in 2007.

The dollar's break Wednesday helped to push prices to new highs. A weaker dollar makes dollar-denominated commodities such as cocoa attractive to foreign buyers. Agricultural commodities, metals and crude oil were higher on sector-wide buying Wednesday. The dollar index fell to near to 75.085 Wednesday.

ICE Futures U.S. December cocoa futures pushed up to $3,387 a metric ton, the highest price point for the commodity since Feb. 14, 1980. The contract pulled back slightly to settle up $51 at $3,384. Cocoa futures have risen 30.4% so far this year.

It's unclear how smoothly the just-started 2009-10 cocoa harvest in Ivory Coast will proceed and that has supported prices at this level, according to Judy Ganes, president of J Ganes Consulting in Katonah, N.Y. The West African nation accounts for roughly 40% of global production.

Though cocoa-bean arrivals from Ivorian farms to ports are up 79% from Oct. 1-18, the first weeks of the harvest, overall production outlooks are about 100,000 metric tons lower than the last year's 1.22 million metric ton output as aging trees yield less cocoa.

Weather concerns are also a factor as the El Nino weather phenomenon would reduce the crop in top producer Ivory Coast and Indonesia, the world's third-largest cocoa producer behind Ghana.

Cocoa demand is showing signs of picking up again. Losses in world-cocoa demand measured by manufacturer grindings from major chocolate-producing countries show signs of bottoming out. Only modest year-on-year losses in the U.S. and European third-quarter 2009 cocoa grinds, along with a more than 11% increase in German grind highlight ideas that the decline in cocoa consumption bottomed out and may be set to recover.

Underlying demand from the growing middle class in India and China is another bullish factor in the cocoa market as economic forecasts eye a recovery, said James Cordier, president of Liberty Trading and founder of OptionSellers.com in Tampa. Some good news on the demand front also came from the corporate sector Wednesday when Cadbury PLC reported higher-than-expected sales.

Cadbury said sales in the third quarter before the effect of currency translation rose 7%, compared with analysts' expectations of around 4%. As a result, the company, which makes a variety of confectionary products, raised its full-year sales and profit targets.

However, cocoa's price gains came from the market's intrinsic fundamental picture and wasn't from buying related to the Cadbury data, Ms. Ganes said. "The sales could be of non-chocolate items. Cadbury also might have benefited from customers shifting away from pricier premium chocolates," Ms. Ganes said.
LONDON/NEW YORK, Oct 21 (Reuters) - ICE cocoa futures rose close to a 30-year high on Wednesday on a weak dollar and better-than-expected results from Cadbury signalling improving demand, while sugar edged up.

Coffee futures inched higher in routine two-way investor dealings, supported by the soft dollar.

In cocoa, the weak dollar and strong results from UK confectioner Cadbury pushed futures up to just below the key $3,385, above which the commodity would breach 30-year highs. "The Cadbury story is a better than expected result for Q3, signalling improving demand," said Ricardo Santos, head of the agri-commodity brokerage at BNP Paribas Fortis in London.

Cadbury beat sales forecasts and raised targets in a bumper third-quarter trading report, pushing up its shares and pressuring suitor Kraft to come up with a bigger bid to win its takeover battle.

ICE Dec cocoa was up $30 at $3,363 per tonne at 1349 GMT, having earlier touched a session high of $3,366. If the contract breaks above $3,385 per tonne, the high reached on July 1, 2008, it will be the highest since February 1980, on a monthly continuation chart.

A stronger pound weighed on London cocoa futures, which are denominated in sterling.

Dealers talked of expected increased allocations by the end of October into cocoa by Deutsche Bank's exchange-traded commodity funds. "They (Deutsche Bank) have finished their rebalancing," said Sterling Smith, an analyst for Country Hedging Inc. in St. Paul, Minnesota. Smith was citing information from a private analyst's report, which he said was reliable. "They're done most likely with their liquidation portion. They were being forced to lower their number of positions in certain markets and being required to buy more in some other markets," Smith said.

Cocoa and cotton were the two commodities of most interest, he said.

A farmers' strike in top producer Ivory Coast did not appear to have any market impact as supplies were flowing steadily, traders said.

London (Liffe) March cocoa was down 2 pounds at 2,169 pounds per tonne in low turnover of 2,770 lots.

Sugar futures inched up on light investor buying, supported by the softer dollar, and dealers said a lack of physical demand dragged on the market.

David Sadler, a senior trader with Sucden, saw support in benchmark ICE raw sugar futures around the 23.00/22.50 cents area, with resistance around 24.70/25.00.

ICE March raw sugar futures were up 0.37 cent at 23.96 cents a lb, while Liffe December white sugar was up $7.80 or 1.3 percent at $599.00 per tonne in thin volume of 1,809 lots.

BRAZIL SUGAR WEEK

Dealers' attention remained focused on Brazil sugar conference week, as they tried to gauge the impact of excessive and persistent rainfall on yields in the world's top producer.

Raw sugar futures more than doubled this year, due to India's strong appetite for imported sugar and concerns over the impact of the heavy Brazilian rains on the cane crush.

"The rains in Brazil are still the big focus of the market," said Pierre Sebag of London-based consultancy Sugar K Ltd.

Coffee futures were little changed in light two-way investor dealings, underpinned by the soft dollar, as robusta dealers focused on the arrival of the new crop in top grower Vietnam.

ICE December arabicas were up 0.9 cent at $1.4270 per lb. On Monday December arabica futures closed at the highest level in 15 months, at $1.4425 per lb. (Editing by Anthony Barker)
Higher Cocoa Prices and Smuggling
Graphic Online
22/10/2009

The Government has announced a new producer price for cocoa farmers in the country and a novelty insurance package to motivate them to boost their yield and farm size. The new price of GH¢138 per 64-kilogramme bag of cocoa, or 35.29 per cent more than the previous price of GH¢1,632 per tonne, would put a total of GH¢2,208 per tonne of cocoa in the pocket of the cocoa farmer. This amount represents an approximate 71.06 per cent of the world selling price of the cash crop, which is currently hovering around US$3,080.

According to the Minister of Finance and Economic Planning, Dr Kwabena Duffuor, who made the announcement after a meeting of stakeholders on October 14, the Government had also set aside seed money of GH¢21.43 per tonne of their produce, working out to a total of GH¢15 million to set up the social security fund for cocoa farmers. This will entitle them to pension benefits upon retirement, a departure from the practice where they had to save for the future on their own.

The Government also directed COCOBOD to work out bonuses, within a matter of two weeks, and pay to farmers in relation to the 2008/2009 main crop season in view of the favourable price of cocoa on the world market. The payments must be effected by December this year.

Other rates and fees in the industry would also increase in accordance with the favourable cocoa season. They include buyers’ margin, hauliers’ rate, the internal marketing costs of the Cocoa Marketing Company, as well as fees related to agronomic practices and scale inspection. In addition, there will be quarterly price reviews, instead of the yearly ritual to pass on any price increases on to the farmer.

These are some of the measures to encourage the farmers to stay the course and attract new farmers, particularly the youth, into cocoa farming. The farms in Ghana have for long remained in the hands of the aged who hire labourers to work for them. They often bequeath the farms to their family members to continue, without necessarily adding to the number of farmers in the industry.

That notwithstanding, one major problem that the generous package seeks to resolve is the scourge in smuggling of cocoa beans to neighbouring Cote d’Ivoire for higher prices. This practice has reduced the nation’s foreign exchange earnings from the sale of cocoa beans.

Cocoa prices have fluctuated between US$2,800 and US$3,050 on the world market since the fourth quarter of last year. The price as of October 14 was US$3,130 per tonne (about GH¢4,560). And cocoa purchases for the 2008/2009 crop season exceeded the 650,000-tonne projection to hit 710,000 tonnes. The next crop season, 2009/2010, is projected to repeat this feat.

Despite the hike in price on the world market, cocoa farmers in Ghana have received little for their output. This is why the measures announced by the Government look good in the medium term and when implemented well and enhanced in future, could help curtail smuggling completely.

Ghana has been a longstanding producer of cocoa beans for export. Its cocoa industry, the fulcrum of the economy, has been strong because of the structures and institutions built around it.

The Cocoa Marketing Board, now COCOBOD, has been one of the institutions that has pushed the industry to its present height. It is a home-grown institution, the pride of the people of Ghana, and Governments have turned deaf ears to donor partner calls for its collapse. COCOBOD still remains the sole buyer and exporter of cocoa beans in the country. It fixes the producer price and licenses produce buying companies to purchase cocoa beans from the hinterlands on its behalf. The board is, therefore, responsible for extensive services at the cocoa farms, where the farmers are helped with agronomic practices for them to increase yield and maintain the quality of the beans.

These have helped the country to retain the first position as the producer of quality beans even as it lost its title as the highest producer of the beans. This explains why the country at independence in 1957 and shortly thereafter had one of the highest per capita incomes in Africa, and rubbed shoulders with the likes of South Korea and Malaysia on productivity and income levels.
Currently, Ghana comes second after Cote d’Ivoire as the largest producer of cocoa beans with production levels in the country increasing from 496,800 tonnes in 2003 to 710,000 tonnes in 2009. It is, therefore, welcome news to hear the farmers themselves express joy and satisfaction with the package. “We are very grateful to the government for this significant increment from GH¢1,632 per tonne. We believe it will encourage more people to go into cocoa farming and also increase their farm sizes,” the Chairman of the Finance Committee of the National Cocoa and Sheanut Farmers Association, Nana Adjei Damoah, told the GRAPHIC BUSINESS shortly after the stakeholders had issued a joint statement in Accra.

For now, it is appropriate to see how the revised Cocoa Sector Development Strategy document, which was approved in April 1999, would dovetail into the Government’s medium-term plan being prepared by the National Development Planning Commission (NDPC). It will also be heart warming to see the collaboration between COCOBOD and the National Security apparatus to fight the smuggling of cocoa beans to neighbouring Cote d’Ivoire, work to perfection. GB

**U.S. Cocoa Hits 30-Yr Top on Investor Interest**

Source: Reuters
22/10/2009

New York/London, Oct 21 - U.S. cocoa futures closed at the highest level in almost 30 years on Wednesday, eking out the record as investors bought amid a weak dollar and a sign that the appetite for chocolate may be improving.

Coffee and sugar futures also finished higher on support from the weak dollar.

In cocoa, the weak dollar, strong results from British confectioner Cadbury and firm charts pushed the spot contract up to the highest level since February 1980. "The Cadbury story is a better than expected result for Q3, signaling improving demand," said Ricardo Santos, head of the agri-commodity brokerage at BNP Paribas Fortis in London. Cadbury beat sales forecasts and raised targets in a bumper third-quarter trading report, pushing up its shares and pressuring suitor Kraft to come up with a bigger bid to win its takeover battle.

ICE December cocoa closed up $51 to close at $3,384 per tonne, the highest settlement for the front-month position since February 1980.

The stronger pound, however, prevented stronger gains in London cocoa futures, which are denominated in sterling.

London (Liffe) March cocoa finished up 7 pounds at 2,178 pounds per tonne.

Dealers talked of expected increased allocations by the end of October into cocoa by Deutsche Bank's exchange-traded commodity funds. "They (Deutsche Bank) have finished their rebalancing," said Sterling Smith, an analyst for Country Hedging Inc in St. Paul, Minnesota. Smith was citing information from a private analyst's report, which he said was reliable. "They're done most likely with their liquidation portion. They were being forced to lower their number of positions in certain markets and being required to buy more in some other markets," Smith said.

Cocoa and cotton were the two commodities of most interest, he said.

Sugar futures rallied up on light investor buying, supported by the softer dollar, and analysts said the long-term outlook for the market is for futures to move up in the weeks ahead. Dealings were light as many market players were still away at the Sugar Week in top grower Brazil.

ICE March raw sugar futures climbed 0.45 cent to conclude at 24.04 cents per lb, while Liffe December white sugar closed up $7.40 at $598.60 per tonne.

Traders said they continued to hear talk of Indian inquiries, but the absence of many players meant little in the way of actual business being done. "The fundamentals continue to support, but prices are already pretty high," said Jack Scoville, an analyst for brokers The Price Futures Group in Chicago.

Dealers' attention remained focused on Brazil sugar conference week, as they tried to gauge the impact of excessive and persistent rainfall on yields in the world's top producer.
Arabica coffee futures rebounded higher, on the soft dollar and support from the strong commodity complex. Meanwhile, robusta coffee dealers focused on the arrival of the new crop in top grower Vietnam. ICE December arabicas rose 2.50 cents to $1.4430 per lb. London November robusta coffee ended $4 up at $1,450 a tonne.

**SOFTS-ICE sugar, coffee, cocoa fall on strong dollar- market**
Forexyard
By David Brough
October 24, 2009

* Vietnam exporter to sell coffee to Armajaro
* Ivorian cocoa growers end strike

LONDON, Oct 22 (Reuters) - ICE raw sugar, cocoa and coffee futures fell on investor selling in light volumes on Thursday, pressured by falling equity markets and a firmer dollar, dealers said. "The equity markets closed off (down) post our (commodities') closes (on Wednesday)," said Nick Hungate, a soft commodities trader with Rabobank, adding the stronger dollar dragged on the softs complex. Hungate also referred to a lack of physical offtake weighing on sugar futures.

The market fundamentals in sugar remain strong due to concerns over heavy rainfall in top producer Brazil, and expectations of a sharp Indian appetite for imports into 2010.

ICE December raw sugar futures were down 0.14 cent to 23.90 cents a lb at 1156 GMT, while London (Liffe) December white sugar was down $2.30 to $596.30 per tonne in low turnover of 742 lots.

ICE cocoa consolidated below Wednesday's highest settlement in nearly 30 years, pressured lower by weaker equities, the stronger dollar and softer commodity prices.

Dealers referred to steady new crop supplies coming from key West African producing countries, but noted that the global demand picture remained weak.

Dealers also took stock of an end to a three-day strike by growers in top producer Ivory Coast, although the stoppage did not appear to have had a significant market impact this week.

ICE December cocoa futures were down $19 to $3,365 per tonne, while Liffe March cocoa was up 7 pounds to 2,185 in thin volume of 1,159 lots.

Coffee futures also fell, pressured by outside financial markets and the stronger greenback, with traders referring to a large buildup of investor positions.

ICE December arabica futures were down 2.8 cents to $1.4160 per lb, while Liffe November robustas were down $11 to $1,439 in moderate volume of 3,159 lots.

Vietnamese coffee exporter Intimex has signed a deal to sell 100,000 tonnes of coffee from the new 2009/2010 season to British firm Armajaro Trading, trade and company sources said on Thursday. (Editing by James Jukwey)

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**Processing & Manufacturing**

**The Dark Side of Chocolate**
Manila Bulletin
By JUNJUN DE GUZMAN, ADOREE CHONG UY
October 21, 2009
In this article, we tackle two of everyone’s favorite ingredient — chocolate and cocoa. With their luscious flavor, everyone loves having these in their cakes, pastries, and desserts.

Q: Hi Jun Jun and Adoree. May I ask why there are certain cocoa powders that give a darker color of brown, while some are lighter in color? (Josephine Balatbat of Quezon City)

Adoree: Hi, Josephine. There are basically two types of cocoa powder, the regular American-type cocoa powder and the alkalized Dutch-processed cocoa powder. Alkalized cocoa gives a darker reddish-brown color to your product while the regular cocoa powder gives a lighter brown color. You will even find a black cocoa powder that will make your product really dark. So, use the corresponding cocoa powder according to your preferred outcome.

Jun Jun: True and complete, Josephine. I don’t have to add anything anymore except that the cocoa powder in the grocery under a famous chocolate brand is non-alkalized.

Q: Why do some recipes say that you have to dissolve the cocoa powder in water first before you can add it to the other ingredients, while most recipes just say that you have combine the cocoa powder with the other dry ingredients? Will there be any difference in the end product? (Gail Concepcion of Taguig)

Adoree: Thanks for your question, Gail. I mentioned earlier that there are basically two types of cocoa powder: the regular and the alkalized. Aside from the corresponding hue of browns that they give, regular cocoa powder does not easily dissolve while the alkalized cocoa powder is easier to dissolve. For this reason, most recipes that use the regular cocoa powder will state that you should dissolve the cocoa powder in the liquid called for in the recipe. On the other hand, most recipes that use alkalized cocoa powder will state that the cocoa powder should be added together with the other dry ingredients in the recipe.

Jun Jun: That’s right, Gail. But with me, I always have a problem dissolving both types of cocoa. So, I always make sure to melt it in lukewarm water so that I won’t have too many lumps or minute cocoa elements in my batter.

Q: Greetings to both of you, Jun Jun and Adoree. I have a brownie recipe that uses semi-sweet chocolate and I find the brownie on the sweet side. Will it be all right for me to change the chocolate to unsweetened chocolate? (Joyce Natividad of Makati)

Adoree: Hi, Joyce. Unsweetened chocolate is pure chocolate mass. If you substitute the same amount of semi-sweet chocolate with unsweetened chocolate, you might get a different result. I suggest you use bittersweet chocolate. If you still find it sweet, you can also substitute part of the unsweetened chocolate. For example, if the original recipe calls for 100 grams of semi-sweet chocolate, you can use 70 grams bittersweet chocolate with 30 grams unsweetened chocolate instead. Do a kitchen test on the proportion that work best for you. Good luck.

Jun Jun: That’s true, Joyce. Unsweetened chocolate is very bitter since it has no added sugar, use local bittersweet chocolate since this is the baking chocolate very popular with Filipino bakers. If you want a more bitter type of chocolate, remove some of your bittersweet and replace it with unsweetened until you get the type of chocolate you want.

Q: Why is it that the dark chocolate I used for my chocolate fudge did not melt smoothly? It was grainy and lumpy. Are there remedies? (Pam Apacible of Parañaque)

Adoree: Pam, your chocolate might be old or maybe you had some moisture in your chocolate while melting it. You see, chocolate should be free from any moisture when you melt it. Your container should be really dry; you should also be careful not to drop water into the chocolate. You should also not store the chocolate in the refrigerator because of the moisture there. Sometimes, adding oil will help smoothen up the melted chocolate but it does not always happen. I do not think this is a nice remedy, especially if you will use the chocolate in baking. You do not want the additional oil in your product. Next time you melt chocolate, please be careful.
Jun Jun: Another reason for this is burning the chocolate. In my experience, when the chocolate melts slower, it usually slowly clumps together and becomes paste. Be careful in melting chocolates and if you microwave, do it in intervals of 10 to 15 seconds. The chocolate will look unmelted but if you mix it after heating, it will become very liquid.

Q: I heard from my friend that I should not refrigerate dark chocolate. Is this true? If so, how do I store it without letting it melt? My problem is that there are a lot of ants in our house. Thank you very much. (Annelie Rivera of Pasay City)

Adoree: Annelie, your friend is right. Baking chocolates should be stored in a cool, dry place. You should not put them in the refrigerator because of the moisture in the refrigerator. Doing so will make the chocolate grainy when you melt it. I suggest you wrap the chocolate in foil then in plastic, then put the chocolate in an airtight container and just put it in a room where there is an air-conditioner. Be sure to keep it away from sunlight.

Jun Jun: As long as it is not baking chocolate and it is mainly for eating, you can refrigerate it. But, once it is used for baking, keep it in a well-sealed plastic container and keep it in the coolest place in your house, which just might be your comfort room.

**Business and Economy**

Nigerian Cocoa Shipments increased by 48% in August (Update1)

*Bloomberg*

By Vincent Nwanma

Oct. 21, 2009

(Bloomberg) -- Cocoa shipments from Nigeria, the world’s fourth-biggest producer of the chocolate ingredient, climbed 48 percent in August, the Federal Produce Inspection Service said. Exports increased to 7,253 metric tons in the month, from 4,902 tons in the same period a year earlier, the Lagos-based service said in a statement today. The service inspects and certifies cocoa beans fit for shipment, after state produce officers have graded them.

Nigerian farmers said in September they stepped up harvesting of cocoa beans after rains subsided in the country’s main growing areas. They had earlier suspended harvesting of the beans after heavy rainfall and a lack of sunshine caused an infestation of mould.

Nigeria ranks behind Ivory Coast, Ghana and Indonesia as the world’s biggest cocoa growers, with output expected to total 229,000 tons in the 2009-10 season, according to the Web site of the International Cocoa Organization. The crop is the West African nation’s second-biggest foreign exchange earner, after oil.

The following is a monthly breakdown of export data provided by the service. Figures are in metric tons:

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<th>Month</th>
<th>2008-09</th>
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<td>Total</td>
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</table>

To contact the reporter on this story: Vincent Nwanma in Lagos at vnwanma@bloomberg.net.
High Cocoa Prices More of a Concern for Nestle than Sugar Prices, Says Company Executive Vice President
Source: FLEXNEWS
22 October 2009

Petraea HEYNIKE
Executive Vice President
responsible for the Strategic Business Units, Marketing, Sales and Nespresso

The recently noticed record high prices in the raw sugar market are less of a concern than the 30-year high prices seen in cocoa market, Nestle's Executive Vice President Petraea Heynike told FLEXNEWS at a company press conference in Switzerland this morning.

Sugar is an important ingredient for Nestle, but much less so than in the past as the company is using less of it.

Heynike said that Nestle has to ride commodity price peaks and this what has been done with sugar by reflecting the price increases in the company's products. "I'd say the cocoa price is more important than the sugar price", said Nestle's Executive Vice President.

Cocoa-futures prices have been rallying on supply concerns from the Ivory Coast, the number-one producer of cocoa, and on signs of improving demand for chocolate.

The dollar's break Wednesday also helped to push cocoa prices to 30-year highs this morning.

Also during this morning's conference, Heynike said that Nestle was intending to invest CHF 460 million (about 304 million euro) in cocoa and coffee sustainability during the next 10 years

Ivory Coast eyes regulation to stem cocoa declines
Forexyard
By Ange Aboa and Loucoumane Coulibaly
October 23, 2009

* Ruling and opposition parties planning cocoa re-regulation
* Aim is to fix farmgate prices each season to boost output
* Schemes recall "Caissestab" system abandoned in 1999

ABIDJAN, Oct 23 (Reuters) - Top cocoa producer Ivory Coast is poised to re-regulate its agriculture sector in the coming months to try to reverse output declines that have put the country's main revenue generator at risk, government and opposition sources said on Friday.

The move could mark a return to a system abandoned a decade ago in the West African nation in which the government sells the lion's share of the nation's cocoa production forward onto the world market and fixes prices to farmers. "It is not yet formalised by the president, but it is very likely that we will return to stabilisation of prices to guarantee a minimum price to growers," said a source with knowledge of the government cocoa reform committee's plans.

Analysts have said such a reform could encourage a revival in the country's slumping cocoa output by providing growers with a bigger share of the proceeds from their crops amid widespread complaints they are being underpaid.

In the current system, the government announces an official price during the season, but it is used only as a guideline and actual prices are determined by the domestic market.

A government official confirmed that plans to reform the cocoa sector were afoot, but did not give details. "There will be a strong structure for controlling the many aspects of the sector," said Tito Tiehi, an official in

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A government official confirmed that plans to reform the cocoa sector were afoot, but did not give details. "There will be a strong structure for controlling the many aspects of the sector," said Tito Tiehi, an official in
President Laurent Gbagbo’s agriculture programme. “We will implement a policy to defend Ivory Coast’s place as top producer and even win back market share worldwide.”

The country’s cocoa industry, dogged by underinvestment in the wake of a 2002-03 civil war, recently closed the book on its worst harvest in at least five years, underpinning a rally in world prices to 30-year highs. Farmers have said an inability to reap the benefits of high world market prices have led them to put off much-needed improvements to their plantations.

Gbagbo has said he thinks growers should be guaranteed at least half of the value of their crop.

RISK OF MISMANAGEMENT

If history is any guide, however, the planned re-regulation could fail to yield results.

Ivory Coast jettisoned its government-controlled system, dubbed "Caissestab", in 1999 in favour of liberalisation to cheers from the farming sector, which accused the bureaucracy of skimming proceeds from forward sales and leaving growers with a too-small share.

President Gbagbo's plans for re-regulation coincide with preparations for long-delayed elections, which he has said he hopes to hold by the end of this year. But even if a poll is held and Gbagbo loses his bid for re-election, reform remains a likelihood as both top opposition candidates are also leaning toward re-regulation.

Alassane Ouattara, head of the opposition Republican party, plans to set up a government-controlled cocoa and coffee marketing system similar to that used in neighbouring Ghana, the world’s No. 2 cocoa supplier. "As soon as Ouattara is elected, he will appoint a minister of agriculture to be immediately responsible for executing reforms in the coffee and cocoa industries," said Goussou Toure, director of Ouattara's Republican party. "The structure will have the opportunity to combine spot sales and forward sales to maximize the profit on the market," he added. "The first step is that we will fix a guaranteed price that will never be less than 50 percent of the international price. This means that buyers will have to buy the beans at this price on pain of punishment."

The opposition Democratic Party headed by Henri Konan Bedie, meanwhile, has also said it plans to reform the sector to be managed by a single body like "Caissestab". "Once Bedie is elected, we will immediately start up new measures for cocoa and coffee, that are pillars of the Ivorian economy," said Boniface Britto, the party's agriculture secretary. "We will return to a kind of minimal organization and management control." (Reporting by Ange Aboa and Loucoumane Coulibaly in Abidjan; Writing by Richard Valdmanis in Dakar; editing by Christopher Johnson)

Labour Issues

Guilt-Free Chocolate? Look to Ivory Coast
Source: Reuters
19/10/2009
Abidjan, Oct 19 - Chocolate may never be entirely guilt-free, but more and more of it is likely to come from cocoa farms with sustainable and socially responsible growing methods, according to a U.S. environmental group.

Demand for "certified" agricultural products has already swept the coffee industry, with heavyweights like Starbucks hawking conscience-light beans, and the trend now appears to be taking root in the cocoa sector.

Edouard Millard, head of the West Africa office of New York-based Rainforest Alliance, said certified cocoa output in the world's No. 1 grower Ivory Coast is on track to triple this season to some 15,000 tonnes. "What we are seeking is a cocoa sector that can play a role in the economy of (Ivory Coast), while on the other hand in 50 years we can still have the forest," Millard told Reuters in an interview.

Chocolate bars made with those beans will bear the organization's symbol, guaranteeing that the plantation adhered to strict rules around growing and employment, and earned a premium for their efforts.
Ivory Coast's cocoa sector, dogged by under-investment following a 2002-03 civil war, has been criticized by human rights and environmental groups in recent years for engaging in child labor, for clearing sensitive forests and for using ecologically harmful pesticides.

Nearly 40 percent of the world’s cocoa comes from Ivory Coast's plantations. But demand for cocoa that can offer chocolate buyers a clear conscience for a price premium is on the rise, and growers are noticing, Millard said.

Under the Rainforest system, major wholesale purchasers agree to pay a premium for certified products and pass along the cost to consumers. Growers get a portion of this price premium to alter the growing methods.

"Certification in cocoa, as opposed to coffee, is in its infancy such that the volumes are still very small. But there is a market that exists, and this number should grow very quickly,” Millard said.

"In 2008, this past season, we reached between 4,000 and 5,000 tonnes (in Ivory Coast). We're hoping during this year's season to reach at least 15,000 tonnes," he said.

"We foresee that in Ivory Coast in three or four years we'll have about 100,000 tonnes of certified cocoa, with half of that coming through the Rainforest system," he said.

Ivory Coast leads global output of cocoa, with some 1.2 million tonnes of total output in the 2008-09 season that ended Oct. 1, and sits near other West African producers like Ghana, Nigeria and Cameroon.

"In five to six years, we will reach around 250,000 tonnes of certified cocoa worldwide. The market is developing and is ready to absorb this quantity," he said.

"Our role is to teach good production practices and insist on respect for the requirement not to employ children in the production of cocoa and to preserve the ecosystem," he said. "(The producers) preserve their forests through sustainable practices and they get a premium as well."

Ivory Coast’s Main Cocoa Union Starts Picket Protest (Update1)
Bloomberg
By Monica Mark
Oct. 21, 2009
(Bloomberg) -- About two dozen members of Ivory Coast’s largest cocoa union were seen picketing outside the Senate building in the commercial capital of Abidjan in support of a demand for the return of government subsidies for cooperatives.

The Organization of Agricultural Producers, which represents a quarter of the country’s cooperatives, is also demanding the resignation of the head of the country’s cocoa and coffee body, Gilbert N’Guessan. Yesterday, OPA President Kone Mamadou said in a telephone interview from the city that the union may join a protest today by farmers in the Ivory Coast’s biggest cocoa-growing region who have been withholding beans since Oct. 15 to demand higher prices and more state financing.

Ivory Coast, which is the world’s biggest producer of the bean and accounts for about 40 percent of global output, may see cocoa production decline by as much as 15 percent in the season that started on Oct. 1 and ends on Sept. 30 next year because of a lack of investment by impoverished farmers and delayed government programs to distribute pesticides, according to shippers. Ageing trees and diseases including black pod rot are also curtailing output.

Meeting Today

Cocoa farmers in the central-western Sassandra region, which accounts for about 300,000 tons of annual bean output and includes the towns of Daloa and Tabou, will meet with the committee, known as the CFGCC, today, Michel Gueya, president of the Haut Sassandra Cooperatives union, said by phone from Daloa yesterday. “We have been in talks with government representatives and so far these have failed,” he said. “We want to see if a solution can be reached.”
The cooperatives are demanding the resumption of subsidies suspended since the cocoa-coffee managing body was installed last season as part of reforms requested by the International Monetary Fund and World Bank. The unions want the government to guarantee farmgate prices they receive for their beans.

Cocoa for December delivery fell four pounds, or 0.2 percent, to 2,139 pounds ($3,542) on the Liffe exchange in London at 12:07 p.m. To contact the reporter on this story: Monica Mark in Abidjan at mmark3@bloomberg.net

Ivory Coast Cocoa Workers Union Ends Strike
Source: Reuters
22/10/2009
Abidjan, Oct 22 - A union of cocoa cooperatives in Ivory Coast ended a three-day strike on Wednesday, saying it expects the government to address its concerns over support for the industry. "We suspended the strike," said Jerome Ebah, a spokesman for the strikers. "We put our problems to the National Council of Elders and representatives of the FDPCC. They promised solutions," he said.

Farmers in the No. 1 cocoa supplier have long complained that they are not getting high enough prices for their products. The union, which represents a third of the West Africa country's 2,000 cooperatives, had gone on strike from Monday seeking increased government aid. It had sought to block all cocoa deliveries to ports but exporters said arrivals had not been affected. Ebah told Reuters cocoa deliveries will be back to normal within 48 hours.

Markets are acutely sensitive to signs of disruption to supply in Ivory Coast, where harvests are in a long-term decline that analysts say can only be arrested by serious reforms. U.S. cocoa prices struck a 30-year high on Wednesday.

Research & Development

Promotion & Consumption

World Cocoa Foundation announces Launch of Cocoa Livelihoods Program in Ghana
Reuters
SOURCE World Cocoa Foundation
Oct 19, 2009

Five-Year Program to Reach Nearly 60,000 Smallholder Farmers in Ghana

ACCRA, Ghana, Oct. 19 /PRNewswire/ -- At a ceremony held in Accra, the World Cocoa Foundation today announced the launch of the Cocoa Livelihoods Program (CLP) in Ghana. The program, first announced in February 2009, is funded by the Bill & Melinda Gates Foundation and 12 chocolate industry companies and is expected to significantly improve the livelihoods of nearly 60,000 cocoa farmers in Ghana over the next five years.

"We welcome this opportunity to improve the lives of so many Ghanaian cocoa farmers and look forward to collaborating with other stakeholders to make this program a success," said Mr. Anthony Fofie, CEO, Ghana Cocoa Board. "Since February, the Ghana Cocoa Board has been actively engaged on the program's Steering Committee helping to plan for the start of activities in the 2010 growing season."

The work in Ghana is part of a larger, five country program targeting 200,000 cocoa-growing households across Ghana, Cote d'Ivoire, Nigeria, Cameroon and Liberia. Activities in Ghana will focus on improving production and quality at the farm level, equipping farmers with business skills, promoting diversification of income, and improving access to inputs and support services. In Ghana, 21 districts in the Ashanti, Eastern, Brong-Ahafo, Western and Central Regions will benefit from the program. Accra will serve as the headquarters for the program.
"Making real progress against hunger and poverty starts with small farmers," said Richard Rogers, program officer at the Bill & Melinda Gates Foundation. "Crops like cocoa represent a critical portion of Africa's agricultural economy, and improving farmer knowledge and productivity, and the quality of the cocoa production, can help these small farmers boost their yields and incomes so they can improve their lives."

"This program builds on the success of previous government initiatives and cocoa sector development programs, like the Sustainable Tree Crops Program funded by the U.S. Agency for International Development and the cocoa industry," said Mbalo Ndiaye of the World Cocoa Foundation, the program's director. "The experiences of these programs were essential in informing the design of the Cocoa Livelihoods Program and improving the sustainability of cocoa."

The Cocoa Livelihoods Program is managed by the World Cocoa Foundation and implemented through a consortium of five organizations including Agribusiness Services International (ASI) an ACDI/VOCA affiliate, Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) GmbH, the International Institute of Tropical Agriculture (IITA)/Sustainable Tree Crops Program (STCP), SOCODEVI and TechnoServe. Funding for the program comes from the Bill & Melinda Gates Foundation and the private sector: major branded manufacturers The Hershey Company, Kraft Foods and Mars, Incorporated; cocoa processors Archer Daniels Midland Company, Barry Callebaut, Blommer Chocolate Company and Cargill; and supply chain managers and allied industries Armajaro, Ecom-Agrocacao, Noble Group (Noble Cocoa), Olam International Ltd. and Starbucks Coffee Company. Additional support is provided by the German Federal Ministry for Economic Cooperation and Development (BMZ). Each country government has a representative on the Steering Committee.

About the World Cocoa Foundation
Established in 2000, the World Cocoa Foundation is a leader in promoting economic and social development and environmental stewardship in 15 cocoa-producing countries around the world. With nearly 70 member companies from the Americas, Europe, Asia and Africa, the Foundation actively supports a range of farm-level programs harnessing sustainable agriculture practices to improve the quality of life for the millions of smallholder farmers growing this unique crop. For more information about the World Cocoa Foundation, visit: www.worldcocoafoundation.org.

Nestle to Help Cocoa Growers as Prices Soar
Source: Reuters
By Laura MacInnis
22/10/2009
VEVEY, Switzerland, Oct 22 - Nestle SA one of the world's biggest buyers of cocoa beans, said on Thursday it would help cocoa farmers produce more beans to confront a sharp climb in global market prices.

The Swiss maker of Smarties, Raisinets, Kitkat bars and Nesquik chocolate milk said a fourth consecutive year of global cocoa bean shortages had driven up costs, as it announced third-quarter results that were helped by good sales. "This is unheard of for us and it is even predicted for next year, going into a fifth year," Nestle Executive Vice President Petraea Heynike said of the shortages a day after U.S. cocoa futures hit a nearly 30-year high in New York.

Chocolate consumption has doubled in the past two decades, and over the past five years alone global consumption has risen 14 percent. But most cocoa farmers in key producing countries, mainly in West Africa, are seeing their yields fall because of ageing trees that are vulnerable to blights and small, unproductive plots, Heynike said. "Production and grinding of the cocoa beans is not meeting the consumption, and that is leading to the very high prices that we have seen," she said at a press conference.

The company -- whose other top-selling chocolate bars include Butterfinger and Aero -- said it would spend 110 million Swiss francs ($109 million) on "sustainability initiatives" for the cocoa sector in the next decade. Those include providing millions of disease-resistant plantlets to cocoa producers which Nestle said can yield 50 to 200 percent more than the trees in use on many farms.

It also plans to train producers in "modern best practices which could lead to significant improvements in the quality of the cocoa they produce", said the firm, which is forecasting 2 percent inflation for its main raw materials which also include sugar and milk in 2009 and 2010.

SUSTAINABLE COFFEE
The cocoa ventures are in addition to the 350 million Swiss francs ($346 million) the Nescafe and Nespresso maker has pledged to spend on sustainable coffee in the coming decade.

Nestle invested a smaller amount to help farmer output -- 60 million francs ($59 million) for cocoa and 200 million francs ($198 million) for coffee -- in the past 15 years. "We want to up the ante in what we are doing in this area," Heynike explained. "We want to increase productivity and sustainability."

Nestle's chocolate and confectionary sales rose 4 percent in the first nine months of 2009, outperforming the company's overall 3.6 percent sales gain. The company wants to make inroads into emerging markets including India, where it is selling new bars including Munch Guru, while also targeting high-end consumers who are turning to dark chocolates including those with the Nespresso brand.

**Others**

**Some Customs Officers assist cocoa smuggling**

Ghana News Agency -
October 20, 2009

Sunyani, Oct 20, GNA - Cocoa smuggling to neighbouring Cote d'Ivoire is being aided by some customs officials, Nana Asoma Gyan, Chief Farmer of Debiso B Cocoa District in the Western Region, has alleged. He said stopping the menace required concerted efforts because in some instances farmers were not the only culprits, "as some unscrupulous officials lead the smugglers".

Nana Gyan who made the allegation at Sunyani, at a meeting of the Western- North Regional District and Zonal Chief Farmers with their Queen Mothers, explained that one night, just before the opening of the current cocoa season, he came across a custom official on a motor-bike, escorting three cargo trucks loaded with cocoa, travelling to La Cote D'Ivoire.

The chief farmer said when they confronted the officer the next day he claimed they were empty trucks that went to the other side of the border in the Debiso area to cart some goods. The meeting, chaired by Nana Alhaji Alhassan Bukari, a chief farmer, was to inaugurate a three-member committee to administer the affairs of the region for the next six months to prepare the grounds for the election of substantive officers.

Nana Gyan said: "I am ever ready to testify anywhere should a body be set up to investigate and bring that particular officer to book." The meeting, therefore, suggested the need for the formation of farmers' vigilante groups to monitor and assist in the apprehension of unpatriotic farmers and officials involved in smuggling.

Addressing the meeting earlier, Nana Bukari expressed the appreciation of the Ghana Cocoa-Coffee and Shea-Nuts Farmers Association to the government for the increase in the purchasing price of cocoa. "We are again showing our gratitude to the government not only because of the cocoa purchasing price increment but also the proposed government policies on cocoa farmers - the social security pension plan and the old age housing scheme- which are very laudable efforts in the right direction," the chief farmer emphasised.

Nana Agyei Damoah, the Brong Ahafo Regional Chief Farmer, appealed to farmers and individuals involved in the cocoa smuggling business to refrain from the practice "because when one is caught the minimum jail term is five years imprisonment."

**Develop a single approach for cocoa certification**

Ghana News Agency
October 22, 2009

Accra, Oct. 22, GNA - Mr. Fiifi Kwetey, a Deputy Minister of Finance and Economic Planning, on Thursday called on players in the cocoa industry to develop effective measures for a single and harmonized approach to the cocoa certification requirements. "It is the hope of government that all companies in the cocoa industry will consult adequately and come out with a single harmonized approach so as not to burden the producing countries with different certification requirement," he said. Mr. Kwetey was speaking at the opening of the seventh Regional Executive Committee of the Sustainable Tree Crops Programme (STCP) meeting in Accra.
The STCP is an initiative aimed at introducing production, marketing and institutional innovation in the cocoa sector to improve the economic and social well being of tree crop farmers. The project has the mandate to engage in public and private partnership within the cocoa belt countries in West Africa to identify the potential of cocoa in contributing to the rural transformation.

About 50 representatives from countries including Ghana, Nigeria, Cameroon, Cote d'Ivore and Liberia are participating in the two-day workshop to review the STCP strategies for closing the yield gap between the farm and experimental stations.

The programme, organized by International Institute of Tropical Agriculture (IITA), a non-governmental organization, would also discuss and evaluate cocoa certification requirements, marketing system and its implication for industry.

Mr. Kwety said government was ready to help develop innovations to enable farmers have easy access to finance in its quest to boost cocoa production and to achieve the one million metric tonnes of cocoa target in 2012. He said government would soon roll out the cocoa "Hi-Tech" program to assist and facilitate farmers' access to the use of fertilizer and agro-pesticides. "We reckon that efforts such as this as well as the cocoa mass-spraying programme against mirids and black pod diseases in the medium term would play a catalytic role to boost cocoa production in the country", Mr Kwetey said.

Giving the overview of the project in Ghana, Mr Isaac K. Gyamfi, Country Manager of STCP, said the capacity building workshop organized by STCP on appropriate methods of cocoa production in 56 districts had helped to increase their cocoa yields to about 40 per cent. He said the introduction of group sales, entrepreneurship training and quality control had also resulted in about 15 per cent higher farm-gate prices for farmers.

Mr. Gyamfi said STCP trained farmers through various methods including Video Viewing Clubs and research with active participation of farmers. He said the phase two of the project would build the capacity of farmers and personnel of the Extension Service of the Ministry of Food and Agriculture on community organization development, alternatives income opportunities for cocoa farmers, and policy initiatives for a sustainable cocoa economy contributing to rural transformation and growth.
TIT BITS
(Source: Business Recorder – www.brecorder.com)

London sugar, coffee and cocoa up
LONDON (October 22, 2009): December white sugar in London ended up $7.40 at $598.60 per tonne on investor buying helped by a soft dollar. Focus on impact of Brazilian rainfall on cane crush. London November coffee ended $4 up at $1,450 a tonne, also supported by the weaker dollar. Market focusing on the arrival of the new Vietnamese robusta crop.

US MIDDAY: cocoa hits 30-year high
NEW YORK (October 22, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Wednesday. December arabica coffee contract rose 0.90 cent to $1.4270 per lb at 11:11 am EDT (1511 GMT). Session range from $1.40 to $1.4350. Arabica coffee futures reversed higher, bouncing off Tuesday's session low and feeling support from the weak US dollar, said brokers.

US MIDDAY: coffee and sugar fall
NEW YORK (October 23, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. December arabica coffee contract fell 1.75 cents to $1.4255 per lb at 11:08 am EDT (1508 GMT). Session range from $1.4030 to $1.4355. Arabica coffee futures moved sideways, weighed down by a firmer dollar and light origin selling, said brokers. March raw sugar contract dropped 0.49 cent to 23.55 cents per lb at 11:08 am.

London sugar and coffee lower; cocoa up
LONDON (October 23, 2009): December white sugar in London ended $11.50 lower at $587.10 per tonne on Thursday, depressed by a firmer dollar and lack of offtake in the physical market. London November coffee ended $13 lower at $1,437 a tonne, also weighed by a stronger dollar. March cocoa in London ended 13 pounds higher at 2,191 pounds a tonne. Market creeping up towards a 24-1/2 year high for the second month of 2,207 pounds set about two weeks ago, supported partly by an improving outlook for demand.

Brazil's cocoa arrivals down four percent
SAO PAULO (October 23, 2009): Brazil's 2009/10 (May/April) cocoa arrivals, including imports, reached 2.26 million 60-kg bags by October 18, down 4 percent from this time last year, Bahia Commercial Association said this week. Bahia, Brazil's main cocoa state, delivered 24,660 bags in the week ending October 18, about one third less than the 37,031 delivered a year ago.

US MIDDAY: coffee sinks, cocoa down
NEW YORK (October 24, 2009): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Friday. December arabica coffee contract tumbled 6.45 cents, or 4.5 percent, to $1.3720 per lb at 11:06 am EDT (1506 GMT). Session range from $1.3595 to $1.4325. Arabica coffee futures sank in heavy volume after hitting a flurry of sell-stops below $1.40, said brokers.

London coffee, sugar slip; cocoa rises
LONDON (October 24, 2009): December white sugar in London ended $3.6 lower at $583.5 per tonne on Friday, with dealers' attention focused on the impact of heavy rains in top producer Brazil on yields. London November coffee ended $74 lower at $1,363 a tonne, as investors and funds lightened positions in an over-bought market.

Ivory Coast cocoa arrivals up
ABIDJAN (October 24, 2009): cocoa arrivals at ports in top grower Ivory Coast reached 55,157 tonnes by October 18, up from 38,077 by October 19 of the previous season, according to data from the Bourse du Cafe et Cacao (BCC) obtained by Reuters on Friday. The figures showed 29,737 tonnes of beans arrived at the ports of Abidjan and San Pedro from October 12-18, compared with 14,774 tonnes from October 13-19 last year.