

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 374

8th – 12th February 2010

Cocoa Producers' Alliance



UP-COMING EVENTS

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'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)
8 th February	2110.89	3248.15	2215.67	3033.33
9 th February	2112.06	3252.85	2212.67	3041.00
10 th February	2107.16	3253.01	2223.67	3040.00
11 th February	2156.99	3325.60	2259.33	3115.00
12 th February	2167.00	3321.47	2262.67	3102.67
Average	2131.00	3280.00	2235.00	3066.00

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

Monday 8th February 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2010	2206	2237	32	2239	2186	7,166
May 2010	2195	2214	15	2218	2178	4,760
Jul 2010	2183	2196	13	2199S	2160S	940
Sep 2010	2165	2176	12	2177S	2147	535
Dec 2010	2163	2165	3	2166	2138	796
Mar 2011	2136	2140	3	2140	2113	322
May 2011	2115	2135	4	2115S	2115S	100
Jul 2011		2134	3			0
Sep 2011		2134	3			0
Dec 2011		2134	3			0
Average/Totals		2167				14,619

Tuesday 9th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2231	2238	1	2249	2227S	4,382
May 2010	2212	2210	-4	2225	2203	3,549
Jul 2010	2194	2190	-6	2204	2182	888
Sep 2010	2176	2170	-6	2181	2161	976
Dec 2010	2165	2153	-12	2167	2148	859
Mar 2011	2145	2129	-11	2155	2136	75
May 2011		2126	-9			0
Jul 2011		2123	-11			0
Sep 2011		2123	-11			0
Dec 2011		2123	-11			0
Average/Totals		2159				10,729

Wednesday 10th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2233	2246	8	2250	2219	3,364
May 2010	2207	2222	12	2227	2188	2,881
Jul 2010	2190	2203	13	2208S	2171	1,010
Sep 2010	2170	2183	13	2182S	2158	376
Dec 2010	2144	2163	10	2164S	2140	373
Mar 2011	2121	2148	19	2151	2121	9
May 2011	2118	2143	17	2118	2118	2
Jul 2011		2143	20			0
Sep 2011		2143	20			0
Dec 2011		2143	20			0
Average/Totals		2166				8,015

Thursday 11th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2247	2285	39	2309	2245	4,423
May 2010	2222	2256	34	2279	2222	6,270
Jul 2010	2215	2237	34	2256S	2215S	323
Sep 2010	2203	2219	36	2234	2203	183
Dec 2010	2167	2197	34	2211S	2167	425
Mar 2011	2174	2180	32	2180	2174	37
May 2011		2175	32			0
Jul 2011		2175	32			0
Sep 2011		2175	32			0
Dec 2011		2175	32			0
Average/Totals		2207				11,661

Friday 12th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2295	2286	1	2312	2261	3,466
May 2010	2266	2261	5	2283	2227	5,158
Jul 2010	2247	2241	4	2260	2211	403
Sep 2010	2225	2220	1	2234	2193	392
Dec 2010	2197	2198	1	2212	2172	268
Mar 2011	2168	2186	6	2168	2164S	15
May 2011		2182	7			0
Jul 2011		2182	7			0
Sep 2011		2182	7			0
Dec 2011		2182	7			0
Average/Totals		2212				9,702

Average for the week	2212				10945
					54,726

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

Monday 8th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3008	3019	47	3029	2955	18,236
May 2010	3028	3054	53	3065	2990	15,723
Jul 2010	3068	3081	49	3085	3019	2,251
Sep 2010	3092	3102	43	3109	3040	320
Dec 2010	3128	3132	42	3140	3072	79
Mar 2011	3140	3163	43	3155	3106	83
May 2011	3151	3163	45	3151	3151	30
Jul 2011	0	3173	45	0	0	0
Sep 2011	3149	3183	46	3155	3149	4
Dec 2011	0	3198	46	0	0	0
Average/Totals		3127				36726

Tuesday 9th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3019	3003	-16	3020	2978	10,907
May 2010	3054	3038	-16	3057	3022	14,279
Jul 2010	3081	3066	-15	3081	3046	2,350
Sep 2010	3094	3092	-10	3106	3070	543
Dec 2010	3130	3122	-10	3139	3100	488
Mar 2011	3159	3151	-12	3166	3134	129
May 2011	0	3151	-12	0	0	0
Jul 2011	0	3161	-12	0	0	0
Sep 2011	0	3171	-12	0	0	0
Dec 2011	0	3186	-12	0	0	0
Average/Totals		3114				28696

Wednesday 10th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2988	3012	9	3027	2967	7,830
May 2010	3028	3040	2	3052	3002	11,008
Jul 2010	3040	3067	1	3075	3040	2,457
Sep 2010	3068	3085	-7	3094	3064	818
Dec 2010	3100	3116	-6	3125	3097	384
Mar 2011	3142	3146	-5	3154	3139	226
May 2011	3127	3146	-5	3127	3127	18
Jul 2011	0	3156	-5	0	0	0
Sep 2011	0	3166	-5	0	0	0
Dec 2011	0	3181	-5	0	0	9
Average/Totals		3112				22750

Thursday 11th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3013	3089	77	3100	3006	5,199
May 2010	3038	3116	76	3125	3032	13,219
Jul 2010	3062	3144	77	3150	3062	2,379
Sep 2010	3101	3163	78	3167	3101	740
Dec 2010	3131	3192	76	3196	3131	284
Mar 2011	3180	3216	70	3220	3180	298
May 2011	3175	3214	68	3214	3175	220
Jul 2011	3220	3216	60	3220	3220	2
Sep 2011	0	3226	60	0	0	0
Dec 2011	0	3251	70	0	0	0
Average/Totals		3183				22341

Friday 12th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2295	2286	1	2312	2261	3,466
May 2010	2266	2261	5	2283	2227	5,158
Jul 2010	2247	2241	4	2260	2211	403
Sep 2010	2225	2220	1	2234	2193	392
Dec 2010	2197	2198	1	2212	2172	268
Mar 2011	2168	2186	6	2168	2164S	15
May 2011		2182	7			0
Jul 2011		2182	7			0
Sep 2011		2182	7			0
Dec 2011		2182	7			0
Average/Totals		2212				9702

Average for the week	2212					1764
						1764

News

Health and Nutrition

Science cafe explores health benefits of dark chocolate and wine

Journal and Courier

By TAYA FLORES • tflores@jconline.com •

February 9, 2010

Andrea Rau of Lafayette occasionally enjoys the bittersweet taste of dark chocolate. "There must be good stuff in it," the 27-year-old said. "I don't feel that bad about eating it. I think everything in moderation is pretty good." Rau might be on to something. With Valentine's Day just around the corner, many people will be indulging in wine and chocolate for a mouthwatering bite of decadent romance. But relax, these foods might actually offer health benefits instead of just being indulgent treats.

Mario Ferruzzi, an associate professor of food science at Purdue University, will talk about whether chocolate, red wine and coffee are guilty pleasures or healthy choices. Ferruzzi's talk is part of Purdue's Science Cafes held at K. Dees Coffee and Roasting Company in downtown Lafayette.

Ferruzzi said historically red wine, coffee and chocolate have been considered guilty pleasures and not good for you, but the tables have turned. He said scientific evidence is showing that products such as red wine, chocolate, coffee and tea have protective health benefits.

For instance, he said there is an association between the consumption of dark chocolate and cocoa-rich products and the reduced risk of certain markers for heart disease. "They find that you get better blood flow and with that you have a reduced risk for heart disease," he said.

But not all chocolate has this benefit. Ferruzzi recommended eating products that are rich in cocoa solids instead of cocoa butter because cocoa solids have more polyphenol antioxidants or protective compounds found in certain foods and beverages.

In milk chocolate there are fewer polyphenol antioxidants and white chocolate virtually has none. Red wine is also associated with a reduced risk of heart disease because red wine contains polyphenol antioxidants similar to cocoa.

There is also a benefit from the ethanol or alcohol in red wine, which has the ability to decrease the risk for heart disease with moderate consumption -- one to three servings a day.

America's favorite beverage -- coffee, is a bit more mysterious. "Unlike wine, chocolate and tea, coffee has not been studied extensively. A lot of people for years assumed coffee drinking was bad for you."

However, he said coffee is now linked to a reduced risk for Alzheimer's disease, Parkinson's disease and Type 2 diabetes. Coffee is also a good source of potassium, which is good for the heart. "Coffee seems to be a very health-promoting beverage," he said.

The sweet benefits of chocolate

Gary Post Tribune

BY CORRINE POWELL,

February 10, 2010

Q: Are antioxidants found in cocoa and chocolate good for me?

A: Many people don't realize that cocoa and therefore chocolate products deliver many naturally occurring compounds similar to other foods in a healthy, plant-based diet.

Some of these beneficial compounds are minerals such as calcium, potassium, magnesium and copper. Much of the current research is focused on another group of compounds called flavanols.

* Because of their molecular structure, many compounds in the flavanol family can act as antioxidants. Antioxidants can have a variety of beneficial effects in the body.

* The cocoa bean contains natural flavanol antioxidants, similar to those found in green tea, red wine and blueberries.

* Cocoa and dark chocolate are among the most concentrated sources of flavanol antioxidants.

* Short-term, preliminary studies have suggested that consumption of products containing cocoa and chocolate may provide cardiovascular benefits. So, while more research, including longer term studies, is needed, the preliminary evidence about the flavanols in chocolate is promising.

Chocolate tips:

Most nutritionists suggest you fit chocolate into a well balanced diet of fruits, vegetables and low-fat foods to keep your body fit and to maintain a healthy weight.

Is chocolate really good for your heart?

WCBD

February 12, 2010



Take a hint, guys—chocolate is a **must** for Valentine's Day. But think twice before you reach for the typical heart-shaped boxes.

Clinical dietitian Lisa Cimperman says, "if you're going to buy chocolate, splurge, get the good stuff."

The 'good stuff'—is dark chocolate. Dark chocolate contains heart-healthy flavonoids—plant compounds that act as antioxidants in the body. "Dark chocolate has been beneficial in lowering blood pressure," said Cimperman.

And that's not all—recent studies have linked dark chocolate to everything from protecting against heart attacks and stroke... to improving mood ... even warding off complications during pregnancy. Not just any dark chocolate will do however—experts say the product must contain at least 60% cocoa.

Chocolate manufacturers have obviously seen the research ... and proudly display their cocoa percentages—72%! 86%! 90! Major confectioners have also added dark versions of popular chocolates like Reese's Cups and Hershey Kisses.

While the science is real—experts say moderation is key—limit yourself to about an ounce of good dark chocolate a day to reap the benefits. "Common sense goes a long way with this research, ok?" said Cimperman. "Chocolate is not going to be the magic bullet for every disease." So yes—indulge a little on Valentine's Day. and leave it to the experts to say it best: "Buy the good stuff, ok?"

Analysis: Chocolate may reduce stroke risk

USA Today

By Mary Brophy Marcus, USA TODAY

12 Feb., 2010

Just in time for Valentine's Day, research out this week suggests eating chocolate may have a positive impact on stroke. Don't go buying too many heart boxes just yet, though, say the study authors.

A new analysis, which involved a review of three prior studies, suggests eating about a bar of chocolate a week can help cut the risk of stroke and lower the risk of death after a stroke. But the evidence is still limited, says study author, neurologist Gustavo Saposnik at St. Michael's Hospital, University of Toronto. "This is something that requires further investigation," Saposnik says.

One study they looked at found that 44,489 people who ate one serving of chocolate per week were 22% less likely to have a stroke than people who ate no chocolate. Another study found that 1,169 people who ate 50

grams of chocolate once a week were 46% less likely to die following a stroke than people who didn't eat chocolate.

The research appears in this week's *Neurology* and will be presented at the American Academy of Neurology's 62nd annual meeting in Toronto in April. Saposnik says future studies need to address which component in chocolate, the amount, and what kind — white, milk or dark — makes a difference.

New chocolate-stroke studies should also take into account age and gender of consumers, says Italo Mocchetti, a professor in the Department of Neuroscience at Georgetown University Medical Center. Mocchetti, who has studied flavonoids, says this chemical, which is found in cocoa, is linked to anti-inflammatory and anti-cancer properties.

The chocolate-health connection is something many clients are interested in, says Katrina Markoff, owner of the premium chocolate line Vosges. "We get a lot of customers that come in who only want to eat dark chocolate because they believe that it helps their health — everyone speaks in cocoa percentages now," Markoff says. "This generation is really interested in super foods."

Passion for chocolate fuels effort to make it more tasty and healthful

Seattle Times

By Sandi Doughton

February 13, 2010



If the healthful benefits of broccoli could be distilled into a pill, veggie haters worldwide would rejoice. But who would choose to get their chocolate fix by gulping a tablet?

The rush to cash in on chocolate's apparent ability to lower blood pressure, improve circulation and maybe even fight diabetes is threatening to take the fun out of indulgence.

Products like purified cacao capsules are already on the market. A Texas company filed a patent last year on chocolate bars bulked up with fiber.

Not exactly the kind of thing to make a girl swoon on Valentine's Day.

Brace yourself for more of the same as manufacturers push to turn chocolate into what a recent trade article called "a suitable vehicle for functional confectionary."

One small Seattle chocolate company hopes to subvert that trend.

In a former brewery in Fremont, Andy McShea of Theo Chocolate is trying to tease out the molecular basis of scrumptiousness. In the short term, the former pharmaceutical-industry biochemist is using scientific insight to optimize Theo's artisan approach to chocolate making. In the long term, he's aiming for the same goal as the candy industry's biggest players: a way to maximize chocolate's health benefits while minimizing its baggage of fat and calories. But if it isn't delicious too, what's the point? asks McShea, Theo's sole scientist and chief operating officer. "The hair-shirt approach doesn't work."

Consumers were not enamored of Cocoa Via, one of the first health-themed chocolate products. The granola-type bar from candy giant Mars, Inc., was fortified with flavonols, the antioxidants credited with many of chocolate's health effects. Mars' newest attempt is a dietary-supplement drink mix billed as a "concentrated source of cocoa flavonols," and next up is a fruit-flavored drink fortified with flavonols from cocoa.

The company is so convinced of chocolate's biomedical potential it created a new division to develop and patent foods and possibly drugs based on cocoa and its components. Mars is even helping sequence the genome of *Theobroma cacao*, the species that is the source of so much delight — and Theo Chocolate's namesake. "We see a lot of potential," said Mars spokesman Hugo Perez, who estimates the company has spent tens of millions of dollars on cocoa research.

If McShea is fazed by the competition's scientific firepower, he doesn't show it. "We're going to do things better," said the cocky Brit, who studied at Harvard and also worked at Fred Hutchinson Cancer Research Center.

The tough talk comes from a company 4 years old, with about 50 employees. But Theo's organic, fair-trade products, like dark chocolate with dried cherries and almonds, have earned raves in publications from Time Out New York to O Magazine.

Theo says it's the only Northwest company that manufactures chocolates from beans to finished product.

An artisan operation has advantages over megacompanies when it comes to producing a healthful product, McShea says. Industrial processing can destroy flavonols and other key compounds. McShea says his lab analyses of popular chocolate brands show mass-produced candy doesn't have as complex a flavor profile as artisan chocolate.

McShea also has graphs and charts that show the heirloom varieties of cacao trees favored by Theo produce more flavanol-rich and flavorful beans than the varieties that dominate large cacao plantations.

The main stumbling block to a yummy chocolate health food is the fact that flavonols are bitter, McShea said. Chocolate stripped of sugar has a mouth-puckering quality. Chocolate that skimps on cocoa butter is chalky.

McShea said. "Nobody has been able to do that yet." His chemical analyses, which are helping reveal what makes chocolate taste, feel and smell good, are a step in that direction. But the goal isn't to engineer chocolate into something else, McShea said. It's to find that magic mix of tree, bean and roasting method that will lead to the prize.

To get there, McShea will need to make the most of every advantage he has. His Super Secret Chocolate Laboratory is the size of a bedroom. He turns to researchers at the University of Washington and their million-dollar machines to help him bore into chocolate at the nano-level.

McShea also acts as his own guinea pig. He says he logged a 20 percent drop in blood pressure after dosing himself with pure chocolate extract. He self-medicated a back strain by eating cocoa nibs, and claims the anti-inflammatory effects sped his recovery.

Don't try this at home — and don't take McShea's high jinks as proof. But reputable research does appear to validate many of the medicinal effects first noted by the Maya and Aztecs.

More than 200 clinical studies have shown eating small amounts of dark chocolate can lower blood pressure, improve circulation, reduce levels of bad cholesterol and increase sensitivity to insulin, a marker of diabetes resistance. Most of the studies are small, though, and most were paid for by candy makers. "The evidence is not conclusive," said Jeffrey Blumberg, director of the Antioxidants Research Laboratory at Tufts University. The research has largely focused on indicators of health like blood pressure, rather than actual heart disease, Blumberg pointed out. "I think it's critically important to remember, no matter how you cut it, chocolate is still not a health food."

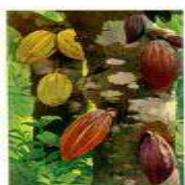
Blumberg doesn't dismiss chocolate's potential. But the reductionist approach of isolating compounds, putting them in pills or powders and expecting the same benefits as from eating carrots, oranges and other whole foods has failed repeatedly, he pointed out. Beta carotene didn't live up to its hype, nor did vitamin E.

Adam Drewnowski, director of the UW Center for Obesity Research, endorses the value of whole, healthful foods, and considers good chocolate among them. While chocoholics await the supercharged confections of tomorrow, he says it's possible to maximize health benefits today by eating only premium dark chocolate, in small quantities. "Do not accept inferior imitations," said Drewnowski, who nibbles from a fine French chocolate bar every day. "If you're just grabbing bags of Hershey Kisses on the way to work, you're not doing yourself any favors."

Healthy Chocolate in Hawaii

Hawaii Health Guide

Feb 11, 2010 /



Did you know that cocoa is actually a FRUIT - and even more surprised to learn that it is actually one of the most healthy fruits commonly eaten, and that it grows in Hawaii?

The Aztecs thought it gave their warriors strength. Early doctors used to prescribe it to cure ailments. Throughout history, chocolate has been revered more for its medicinal qualities than its delicious taste. "Chocolate nourishes and preserves health entire, yet causes a pleasant and natural sleep and rest," wrote Dr. William Hughes, an English physician in 1672. "Drunk twice a day, a man may very well subsist therewith, not taking anything else at all."

From a delicacy for kings to a favorite treat, from a sacred and revered health food to a modern scientific wonder, the history of chocolate is rich, varied, and never boring.

Recent research studies have shown a link between cocoa and cardiovascular health, with reduced risk of blood clots, strokes, and heart attacks.

Cornell University food scientists discovered that cocoa powder has nearly twice the antioxidants of red wine, and up to three times the antioxidants found in green tea.

Raw cocoa has the highest antioxidant value of all the natural foods in the world!

The ORAC score per 100 grams of unprocessed raw cacao is 28,000, compared to 18,500 for Acai Berries, 1,540 for Strawberries, and only 1,260 for raw Spinach. The ORAC score for a typical manufactured Dark Chocolate is an impressive 13,120 - although one unique, organic, and non-roasted brand of Dark Chocolate has a much higher ORAC score. But for Milk Chocolate the ORAC score is much lower at 6,740.

Cocoa also appears to have anti-aging and anti-inflammatory properties. And cocoa is a good source of the minerals magnesium, sulphur, calcium, iron, zinc, copper, potassium, and manganese; plus some of the B Vitamins.

When heart problems occur, magnesium is the most likely mineral to be missing in the person's diet.

Cocoa has a high content of the "beauty" mineral, sulfur. Sulfur helps build strong nails and hair, promotes healthy and beautiful skin, helps detoxify the liver, and supports healthy functioning of the pancreas.

Fresh cocoa beans are super-rich in the type of bioflavonoid called flavanols which are strong antioxidants that help maintain healthy blood flow and blood pressure. The heart-healthy flavanols in cocoa, especially the epicatechins, prevent fatty substances in the bloodstream from oxidizing and then clogging the arteries.

Flavanols help make blood platelets less likely to stick together and cause blood clots, heart attacks, and strokes - without the negative side effects associated with the use of aspirin (ASA) and other pharmaceutical blood-thinners.

Cocoa beans contain 10,000 milligrams (10 grams) of flavanol antioxidants per 100 grams - or an amazing 10% antioxidant concentration level! When it comes to supplying your body with effective antioxidants, no other natural food can even come close. No exotic super-fruit like Acai berries, no high-antioxidant fruits like prunes or blueberries, and no vegetables. The antioxidants in cocoa are easily absorbed by the human body, and are more stable and long-lasting than those in any other foods.

Cocoa also contains the amino acid Tryptophan which makes the neurotransmitter known as serotonin, which promotes positive feelings and helps keep us from feeling depressed. Cocoa contains the neurotransmitters dopamine, and phenylethylamine (PEA), and contains anandamide and MAO Inhibitors - which make this heart-healthy food a healthy food for the brain too.

Phenylethylamine (PEA) helps promote mental alertness and the ability to concentrate. The PEA in healthy chocolate can be of help to students taking tests, and to senior citizens who want to retain the mental capacity of a younger person and postpone the onset of dementia.

Studies have indicated that consuming dark chocolate produced an increased sensitivity to insulin (which indicates a protective effect against diabetes).

While you may have believed that cocoa and chocolate were "bad for you", the truth is that THE RIGHT KIND OF CHOCOLATE provides many health benefits that make it not only "good for you" but better for your body than most of the fruits and vegetables your mother made you eat when you were a child.

Chocolate is made from Cacao.

The term cacao, essentially a botanical name, refers to the tree, the pods and the unfermented beans found in the pods. The word cocoa, by contrast, refers to the fermented cocoa beans in bulk, and also to the manufactured powdered product used for drinks and in food manufacturing.

The cocoa beans are the seeds of the cacao tree species *Theobroma cacao* L., and the genus *Theobroma*. *Theobroma cacao* is the only species of commercial value and is divided into four distinct varieties: Hawaiian, Criollo, Trinitario, and Forastero.

Except for in Hawaii, the growing conditions required by the cacao tree are fairly precise with the usual areas of cultivation lying within 20 degrees latitude of the equator. Within these latitudes a temperature range of 21 to 32 degrees Centigrade (70 to 90 degrees Fahrenheit) is required. Soil conditions can vary considerably, but a firm roothold and moisture retention are necessary.

Traditionally, cacao trees are grown under shade trees to resemble their natural habitat, however, high yields have been obtained from trees growing in non-shaded areas when sufficient moisture and nutrients are made available to the trees. Cocoa trees, which begin bearing fruits after the age of five, generally live up to 100 years and are in their prime 30 to 40 years after maturity.

Can dark chocolate help you lose weight? Because it has appetite-suppressant properties, cocoa is often added to weight loss products to help control hunger.

While chocolate deserts may be "fattening", the truth is that the fats found in cocoa butter are actually healthy fats! Cacao contains oleic acid, a heart-healthy monounsaturated fat which is also found in olive oil and is believed to raise the level of the "good cholesterol" known as HDL cholesterol (the acronym HDL stands for "High Density Lipid").

Healthy chocolate can be of great benefit to tobacco smokers - but not just because they need lots of the antioxidants which neutralize the free radicals generated by the toxic compounds in tobacco smoke. A recent study in Switzerland indicated that dark chocolate may help prevent hardening of the arteries.

A 2006 clinical study by Swiss researchers found that within minutes of consuming dark chocolate, their test group of 20 smokers experienced a significant improvement in the function of the endothelial cells which line the artery walls. Smoking tobacco has long been linked to hardening of the arteries and an increase in the production of clot-forming platelets in the blood.

Raw cocoa beans contain over 300 chemically identifiable compounds. This makes cocoa one of the most complex food substances on Earth!

Production & Quality

Nestle and Mexican Government work Together to Support Coffee and Cocoa Productivity in Mexico

Source: Nestle S.A.

February 8, 2010

Nestlé today welcomed the Mexican Minister of Agriculture, Livestock, Rural Development, Fishing and Food (SAGARPA), Francisco Javier Mayorga Castañeda; the Director of the National Forestry Agriculture and Livestock Research Institute (INIFAP), Pedro Brajcich Gallegos; and the Nestlé Mexico Vice-President of Coffees and Beverages, Mario Vera at its Research and Development Center in Tours (France). The purpose of the visit was to show the visitors the coffee and cocoa propagation techniques that are currently being implemented with Mexican producers and farmers. These techniques help increase productivity.

In line with the Creating Shared Value philosophy - Nestlé's way of doing business - Nestlé provides technology, technical support and social programs to its coffee, milk and cocoa producers in Mexico. These initiatives help farmers to achieve higher quality crops and thus obtain higher income and higher living standards. Every year, Nestlé invests more than 7 million pesos (USD 540 thousand) in its coffee and cocoa sustainable development projects in Mexico.

Since 1993 Nestlé México has collaborated with the National Forestry Agriculture and Livestock Research Institute (INIFAP) in several coffee, cocoa and milk-related research and technology transfer projects. It started sponsoring PhD courses for the INIFAP's staff at Nestlé's Research and Development Center in Tours (France) on the development of protocols for new vegetative propagation techniques through the in vitro cultivation of tissues, called "somatic embryogenesis".

The INIFAP has been working with Nestlé on coffee and cocoa genetic improvement programmes for 16 years. The purpose of these programs is to develop plants with improved productivity characteristics, higher disease resistance and higher quality that will increase farmers' competitiveness and income.

Around 3 million improved coffee plants have been cultivated from 2002 to 2009, and currently producers in the states of Chiapas, Oaxaca, Puebla and Veracruz are benefiting from these programs. Nestlé and the Mexican Government will work together to expand these programs to other states including Tabasco and Guerrero.

By investing in research and development to benefit coffee and cocoa producers, as well as by improving Mexican consumers' nutrition, health and wellness through its products and community programmes, Nestlé is strengthening its commitment to Mexico. Over the next three years Nestlé will invest 5 thousand million pesos (USD 390 million) in the country.

40,000 tonnes of cocoa lost to smuggling since October 2009

Ghana News Agency

GNA

February 08, 2010

Accra, Feb. 8, GNA - About 40,000 metric tonnes of cocoa have been lost through smuggling to neighbouring Cote d'Ivoire and Togo since the beginning of the Main Crop season in October last year, Ghana Cocoa Board (COCOBOD) said on Monday. "There may be a deficit because just as we did the forecast people are telling us that we might be close to 800,000 but because of smuggling. If we are able to seal some of these leakages we will be able to mop up whatever we get from the field," he said.

COCOBOD's Chief Executive Tony Fofie said in an interview that the upsurge in smuggling could dent the target of 700,000 metric tonnes projected for the 2009/10 cocoa season "We are saddened by the upsurge in smuggling. Although the price differential is there, we believe there is more to this sort of smuggling," he said.

Government has already increased the Producer Price of cocoa twice in effort to keep a tight rein on smuggling. Mr. Fofie said apart from increasing producer price, security and patrols must be stepped up along the country's western and eastern corridors to stem the menace. Already, teams of security personnel have been dispatched to areas along the western and eastern borders. He said management was also working on incentive packages to farmers and interventions such as pest and diseases control, spraying and enhanced subsidies on fertilizer to boost incomes.

Mr. Fofie said management would continue to seek the welfare of farmers and provide incentives to enhance increased production and its contribution to the Gross Domestic Product. Currently, cocoa contributes about six per cent to the country's GDP. He announced that management was making efforts to ensure that the benefits that accrued from cocoa were equitably distributed throughout the country through focusing on cocoa farmers in the rural communities. "COCOBOD has over the years, assisted in the establishment of educational institutions, training and development of the country's human resources and would continue to do so," he said.

Uganda cocoa exports seen up 20 pct this season

Reuters South Africa

By Elias Biryabarema

Feb 9, 2010

KAMPALA (Reuters) - Ugandan cocoa exports for the October 2009 to September 2010 season are forecast to grow 20 percent to about 18,000 tonnes due to higher prices and expanding acreage, a senior official said on Tuesday.

Cocoa is a significant source of foreign exchange for the landlocked east African country, which earned some \$35 million by exporting 15,000 tonnes of cocoa in 2008/09. This season, it expects exports to bring in about \$45 million.

"The main driving factor for the jump in production we're witnessing is prices," Joseph Kimera, head of the state-run Cocoa Development Project (CDP), told Reuters in an interview.

"The price situation we have now is the best since 1977 and farmers had to pick every single bean last season to cash in on these high prices." He said the CDP expected farmers' enthusiasm to continue. In the 2007/08 season, Uganda exported 13,000 tonnes of cocoa.

Ugandan cocoa currently trades at between \$3,400 and \$3,700 per tonne in the international market, while farmgate prices range between 4,000 shillings and 5,000 shillings per kilo. "We're seeing demand in the international market rising and we think the current price bubble will sustain through the season," Kimera said.

Cocoa production has fluctuated in Uganda since it was introduced nearly 100 years ago. But Joseph said the government had now stepped up support for farmers through the supply of seedlings, and by training them to take care of their crops.

West Africa cocoa spared annual harmattan

DAWN.com

12 Feb, 2010



West Africa produces around two thirds of the world's cocoa, some 2.3 million tonnes a year, making it by far the most significant growing region. -Reuters Photo

ABIDJAN: West Africa's humid cocoa-growing zones have been spared the severe dry winds that can be ruinous for their crops around this time of year, the chief meteorologist in the world's top cocoa grower said.

Ivory Coast's head of meteorology Guehi Goroza told Reuters the annual harmattan, a dry wind that usually sweeps down from the Sahara between December and March and can blow cocoa pods from trees or damage them with dust, had thus far been mild. "The harmattan is not severe this year and we are not getting any signs telling that it's going to be," he said late on Thursday. "We're not seeing a sharp drop in temperature and humidity, so qualitatively, we can say it's not so bad."

West Africa produces around two thirds of the world's cocoa, some 2.3 million tonnes a year, making it by far the most significant growing region.

More than half of that amount is grown in Ivory Coast, with the rest coming from Ghana, Nigeria and Cameroon, all of them affected by more or less the same weather patterns.

Farmers reported a drying out of the weather in Ivory Coast since last month, but say they have seen no sign of the harmattan. The rains returned this week, potentially boding well for the cocoa crop.

Fears that dry weather and winds would cause a dramatic tailing off of the region's production have kept cocoa trading at 30-year highs in New York and London since last month. "The harmattan is not favourable for cocoa," Goroza said. "I can't tell you the cocoa harvest will be excellent or not this year, but in principle, when the harmattan is not severe, it's good for cocoa."

Ivory Coast cocoa output is running about 4 percent below the five-year average.

Predictions Unwise

Ivory Coast's cocoa trees are especially prone to hot, dry weather because they are aging. Farmers have had little incentive to invest in new trees because of the uncertainty and turmoil that has persisted since a 2002-3 civil war.

The schedule for elections meant to end the crisis keeps getting pushed back by political bickering. Key reforms to the cocoa sector - including distributing more resistant varieties of cocoa trees to farmers - have been held back.

Last season's torrid cocoa harvest in Ivory Coast, which saw a sharp fall in production to barely 1.2 million tonnes - more than 10 per cent below the previous season - was not helped by a harmattan and lack of rainfall in January 2009.

Goroza said the harmattan's dry winds had been largely held above the 6th parallel north of the equator by West Africa's monsoon. But he cautioned climatic conditions could change. "This is not sufficient to make a prediction about cocoa, because we could still have an evolution in the climate."

Goroza said the harmattan was becoming less predictable because of climate change, which was playing havoc with the monsoon rains that help beat it back. "It's clear that the harmattan is changing its form as a consequence of climate change: it's the same thing all over West Africa, south of the Sahara," he said.

One consequence of climate change was more erratic weather, with longer, harsher dry spells and unpredictable rainfall, sometimes too much in one go then too little. "All countries along this band need to adapt our growing practices to the changing climate. We need varieties that are resistant to climate change," Goroza said.

The Market

Coffee Prices Gain on Forecast Output to Drop; Cocoa Climbs

BusinessWeek

By Elizabeth Campbell

February 08, 2010

(Bloomberg) -- Coffee futures rose for the first time in four sessions on forecasts that global output will drop and demand will outpace supplies. Cocoa posted the biggest gain in almost three weeks.

World output will fall to 123.6 million bags in the crop year ending Sept. 30 from 128.2 million bags in the previous year, the London-based International Coffee organization said today. Demand will reach 130 million to 132 million bags, Nestor Osorio, the group's executive director, said at a conference in Moscow. A bag weighs 60 kilograms (132 pounds). "Coffee is going to be pretty tight," said John Caruso, a senior market strategist at Lind-Waldock, a unit of MF Global Holdings Ltd. in Chicago. "The outlook has been fairly bullish."

Arabica-coffee futures for March delivery rose 1.85 cents, or 1.4 percent, to \$1.3065 a pound on ICE Futures U.S. in New York. The price dropped 4.6 percent in the previous three sessions.

Production in Brazil, the world's largest grower, may total 44 million bags this year, less than the Agriculture Ministry's forecast for between 45.9 million bags and 48.7 million bags, as rainfall damages the crop, a government meteorologist said.

Coffee has climbed 9.3 percent in the past year as adverse weather damaged crops in Brazil and Colombia.

Cocoa futures for May delivery climbed \$53, or 1.8 percent, to settle at \$3,054 a metric ton in New York, the biggest gain for a most-active contract since Jan. 19.

Last week, the price dropped 5.7 percent, bringing a two- week slump to 12 percent.

The price rebounded today partly "on a correction on the big down move," said Bill Frejlich, a broker in Chicago at Fox Investments, an MF Global unit. The price has climbed 7.8 percent in the past year on speculation that global supplies will dwindle.

Cocoa Gains on Signs Use May Outpace Production; Coffee Drops

BusinessWeek

By Elizabeth Campbell, February 11, 2010,

(Bloomberg) -- Cocoa rose the most in eight weeks in New York on signs that demand may exceed global production of the chocolate ingredient. Coffee declined.

World cocoa output will trail consumption in the current season, extending a production deficit, Macquarie Group Ltd. said yesterday in a report. Growers will produce 3.59 million metric tons of beans in the year

through September, Macquarie estimated. The supply outlook is supporting futures at current prices, said Dennis Cajigas, a Lind-Waldock analyst in Chicago. "The market itself does have that shortfall" taken into account, said Cajigas, a senior market strategist at the unit of MF Global Holdings Ltd.

Cocoa futures for May delivery rose \$76, or 2.5 percent, to \$3,116 a metric ton on ICE Futures U.S. in New York in the biggest gain for a most-active contract since Dec. 16. The chocolate ingredient has climbed 16 percent in the past year, partly on speculation that global supplies will dwindle.

The Valentine's Day holiday on Feb. 14 in the U.S. creates more demand for the chocolate ingredient, Cajigas said. "Valentine's and Easter oftentimes do give a bit of an increase of commercial demand," he said, referring to the Christian holidays. Easter Sunday is April 4 this year.

Coffee Falls

Also in New York, arabica-coffee futures for May delivery slipped 0.15 cent, or 0.1 percent, to \$1.3365 a pound on ICE. Earlier, the most-active contract touched \$1.3545, the highest price since Feb. 3. Cocoa has gained 13 percent in the past year as supplies tightened from South America.

A global-production deficit in coffee may jump to as much as 30 million bags in 10 years unless investment in plantations is increased, the International Coffee Organization said today. Coffee has jumped 4 percent from a four-month low of \$1.285 on Feb. 5. "Fundamentally, there are worries about availability of good coffee for the remainder of this year," said Raymond Keane, a Balzac Bros. trader in Charleston, South Carolina. "That's definitely a concern."

Coffee in Colombia is having "considerable problems" with a smaller crop size and insect issues, Keane said.

Cocoa Falls as Dollar Rise Trims Commodity Appeal; Coffee Gains

BusinessWeek

By Catarina Saraiva February 12, 2010,

(Bloomberg) -- Cocoa prices fell the most in a week as equities sank and the dollar rose against the euro, curbing investor demand for some commodities. Coffee gained.

The MSCI World Index of shares dropped as much as 1 percent after China told banks to raise cash reserves to help cool the world's fastest-growing economy. The dollar climbed as much as 1.2 percent against the euro on concern that a European plan to help Greece avoid default will fall short. The Reuters/Jefferies CRB Index of 19 commodities fell as much as 1.6 percent "It's outside markets," said Bill Frejlich, a Fox Investments broker in Chicago, citing equities and the dollar. "The combination is really what's driving market direction right now."

Cocoa futures for May delivery slipped \$17, or 0.5 percent, to \$3,099 a metric ton at 12:11 p.m. on ICE Futures U.S. in New York. A close at that price would be the biggest drop for a most-active contract since Feb. 5. "The market has ticked into a short-term downturn again," Frejlich said.

Futures may fall for four to six weeks, if the dollar continues to rally, bringing prices to as low as \$2,700 in the next two weeks, he said. Cocoa hasn't been that low since mid- August. Also on ICE, arabica-coffee futures for May delivery added 0.75 cent, or 0.6 percent, to \$1.344 a pound. The commodity has gained 4.3 percent this week, after four straight weekly declines.

Processing & Manufacturing

High Tech Chocolate

FOXNews - [Elena Ferretti](#)

By Elena Ferretti

February 09, 2010



"For our pilot program we brought in DSA-1, data sensor arrays, and a mobile weather station, and wired the fermentation centers with the sensors. We take the physical and sensory records cataloged from the cocoa samples and marry them with the weather and sensor data," says John Kehoe, Director of Sourcing and Farming Relations at San Francisco chocolate maker, Tcho. "The only problem is that the broadband connection in the Peruvian jungle is not so good."

Tcho (rhymes with “show,” a phonetic spelling for the first syllable of “chocolate”) deploys the most advanced technology to coax the perfect expression of flavor from the world’s best cocoa beans that it helps produce. They’re not just improving the flavor of chocolate, they’re reinventing it and in the process creating what it calls “a new American chocolate.”

Kehoe has been in the cocoa business since 1991, including twelve years exporting it from Venezuela, which produces some of the world’s best. He travels the globe sourcing the best cocoa and when he finds it, works closely with farmers using the latest technology to help them improve their crops. Ironically, at Tcho, Kehoe doesn’t source from Venezuela due to the government’s habit of nationalizing companies at will. “We’re in it for the long-term and their policies make that impossible.”

Cocoa’s path to chocolate begins by fermenting pulp-coated cocoa pod seeds in wooden boxes for six to eight days to “break down proteins and develop flavor precursors,” says Kehoe. After drying preferably in sunlight for four to ten days, the seeds are now cocoa beans. The farmers “winnow” or shell the beans leaving the “nibs” which they grind into a paste called “cocoa mass” or “cocoa liquor.”

Then Tcho refines, conches, tempers molds and wraps it creating a confection which is “like a ganache inside a chocolate coating with exceptional mouth-feel,” says co-founder Louis Rossetto. “We focus on flavors and we focus also how it acts in your mouth over time. It’s dark but it has none of the bitterness associated with dark chocolate.” It’s as much about sensation as taste.

The embracing of innovation befits a company founded by Internet pioneer and a leader of the digital revolution, Louis Rossetto, and a technologist who created virtual reality systems for NASA, Timothy Childs. Childs left NASA, started making chocolate, and became fascinated with its potential. Rossetto invested in his idea. It’s Silicon Valley ultra high-tech meets San Francisco artisanal slow food.

While there’s no obvious relationship between technology and chocolate, Rossetto says the connection is how he works, not on what he’s working on. “The work that you’re best at is the work you’re obsessed with. Great work comes from great passion. You can’t wish yourself to be obsessed. You’re grabbed on an emotional level that’s irrational. That’s why I’m here.” He wants to change the perception of American dark chocolate in much the same way that Napa Valley changed the perception of American wine.

Tcho offers chocolate by flavor rather than by percentage and country of origin like most brands, because percentage reveals only total cocoa content - a combination of cocoa liquor, cocoa butter and cocoa powder, but doesn’t reveal the proportion of each, and it’s that proportion that yields flavor and intensity. Origin misleads because “flavor varies from region to region,” explains Kehoe. Buying Ghana chocolate is “like buying ‘California wine’ or ‘French Wine.’ It’s a big statement that doesn’t tell you much.”

Tcho’s categories are fruity, chocolaty, citrus and nutty. Only “fruity” has no fruit, “nutty,” no nuts. “Think grapes,” says Rossetto. “Some grapes are more fruity, some have more minerals. That’s the wine’s flavor. It’s the same with cocoa.” Fruity,” he says, “is like a fruit bomb in your mouth. It’s complex, you taste strawberries, cherries, plums, dark red fruits.”

In addition to technology and flavor codification, several other things make Tcho unique. First, Tcho is a “pod to palate” producer, growing its own cocoa, processing it, and making its own finished products. “Most chocolate makers buy from someone else, re-melt, and make their own confection,” says Rossetto. “We manufacture from scratch.”

Second, the team is seriously fanatical about how they make their chocolate, measuring ingredient sizes down to the micron. And they appreciate it on an arcane and molecular level: “well-tempered chocolate technically is a triple-packing polymorphic triglyceride crystalline structure.” Organic chemistry, anyone?

Third, they partner with and invest in their farmers in the same way wine-makers do which lets them produce high-quality, flavor specific cocoa. “Quality has to be there. It’s the basis of what we do,” says Kehoe. Tcho provides a further technological edge by installing flavor labs so that the farmers can turn cocoa into chocolate and test and evaluate. Many have never tasted their own product. The cocoa improves with every crop, as do the farmers’ incomes.

Tcho's farmers are moving from growing a commodity product to a premium one, like bulk wine grapes versus high-end specialty grapes. Chocolate is where coffee was 25 years ago, says Rossetto. As dark chocolate demand rises, these farmers will supply it. Rossetto dismisses the idea that Tcho is giving aid. "Aid programs are disastrous for recipients. What we're doing is the best way to do business in the 21st century."

Tcho is available in Starbucks stores around the country, and is offering a Valentine's "Love Collection" luxury tasting box designed by Dutch artist Max Kisman. As Tcho expands Rossetto's challenge is in retaining the chocolate's integrity. He believes that with the right combination of sourcing, "incenting" farmers and processing, he can. "It's all in the bean. Handled the right way, you can do remarkable things with it. You can blow people's minds about what is possible to taste."

Save cocoa industry, COPAN cries to FG

Nigerian Compass

By Toluwabori Ojo

12 February 2010



Cocoa Processors Association of Nigeria (COPAN) has called on the Federal Government to save the cocoa industry from collapse. The association, during a press conference in Lagos, noted that in response to the Federal Government's call to develop the non-oil sector of the export market, millions of dollars had been invested by its members to revitalise the once moribund sub sector of the economy and this had in turn brought many benefits to both the national and local economies of the nation.

It, however, warned that going by the numerous serious challenges the sector was facing, the industry which is in its infancy may go into extinction if concerted efforts are not urgently taken to rescue it.

Chairman of the association, Mr. Akin Olusuyi, condemned the free market policy in which all-comers, especially foreigners, were allowed to go as far as the farm-gates to source for cocoa beans. He argued that there was no nation that leaves its agriculture 100 per cent to a free market policy. He, therefore, urged that agriculture should be given the high esteem it deserved in the country, adding that once the agriculture sector of a nation is destroyed, the citizens would be subjected to slavery. "A nation that cannot feed itself is not independent," he said.

The COPAN chief said that it was expedient that the cocoa industry be protected, saying that "we don't want to go the way of the textile industry and this is the reason we are crying to the government now.

"Cocoa has been playing vital roles in this nation. In the old Western Region, every developmental project that was embarked upon of which we are still living on today was built from the revenue from this agricultural commodity.

"In 2008, cocoa contributed 27 per cent of the total income of the non-oil commodity to the economy; and so, if a single commodity can add such to the economy of the nation, it is reasonable that the government should give proper attention to the product and do everything to protect it.

"The scenario we are facing as cocoa processors is that on every tonne of cocoa that we process, we are losing at least N100, 000 by the time we add our overhead cost. A tonne of cocoa now sells for between N520,000 to N530, 000 and after processing, the maximum amount we can make is N480, 000, which means that without adding overhead cost, we are losing about N40, 000 on every tonne of processed cocoa. The reason why this is so is because there is an international conspiracy to kill our cocoa industry. There are European cabals everywhere in the country, buying raw beans through their buying agents. By so doing, they are assured of raw beans to run their factories in Europe as the export of raw cocoa beans is duty free to Europe while processed cocoa is heavily taxed, making it impossible for our products to compete. And this is so because there are no policies to protect the cocoa market.

"I will keep saying this, every cocoa bean exported out of this country is exporting the employment of our youths. Why should we encourage raw cocoa beans to leave the shores of our country when the local industries that add value to it are starved of the beans; they cannot even compete with their counterparts abroad.

“So, in the interest of our economy and the employment of our youths, we are calling on the government to provide a legal and policy framework by which the cocoa sub sector of the economy can operate. Cocoa is a strategic product of this country. It is our major non-oil income earner. We need to protect it.”

While commending the Federal Government for the recent release of the Export Expansion Grant (EEG) for 2007, the association appealed for immediate payment of EEG for 2008 and prompt submission and payment of 2009 EEG.

COPAN also called for the prevention of foreign cocoa buyers from operating outside the main cocoa export centres of Lagos and Calabar. The association further asked for the enforcement of the duty free status of imports of spare parts and machinery by cocoa processing plants and removal of EEG on the export of cocoa beans. processors is that on every tonne of cocoa that we process, we are losing at least N100, 000 by the time we add our overhead cost. A tonne of cocoa now sells for between N520,000 to N530, 000 and after processing, the maximum amount we can make is N480, 000, which means that without adding overhead cost, we are losing about N40, 000 on every tonne of processed cocoa. The reason why this is so is because there is an international conspiracy to kill our cocoa industry. There are European cabals everywhere in the country, buying raw beans through their buying agents. By so doing, they are assured of raw beans to run their factories in Europe as the export of raw cocoa beans is duty free to Europe while processed cocoa is heavily taxed, making it impossible for our products to compete. And this is so because there are no policies to protect the cocoa market.

Business and Economy

UPDATE:NYSE Liffe Under Pressure to Trade Cocoa In Euro-Traders

Wall Street Journal

By Sarah McFarlane, Dow Jones Newswires; +44 (0) 20 7842 9327; sarah.mcfarlane@dowjones.com

LONDON (Dow Jones)--NYSE Liffe faces increasing pressure from Europe-based cocoa processors to price its cocoa futures and options contracts in euros instead of sterling, European traders told Dow Jones Newswires Tuesday.

Processors say the current approach for the London-based contracts is outdated, as most physical market activity is priced in euros or U.S. dollars.

Ivory Coast, the world's largest cocoa producer, prices its cocoa in a local currency tied to the euro, while Ghana, the world's second-largest producer, sells contracts priced in U.S. dollars, so the change would "make sense," said a Europe-based spokesman for a major commodity trade house.

In addition to the origin pricing factor, more than half of the world's cocoa processing--to make butter, powder and liquor from cocoa beans--occurs in countries that are euro-based or whose currencies are linked to the euro. "We have for some time been discussing with our cocoa customers the subject of potential change to Euro contract denomination... there is not at this time a clear consensus in favor of making such a change," said Ian Dudden, director of commodity derivatives at NYSE Liffe. "Nonetheless, we are preparing as far as possible for a transition as and when we believe the circumstances are right," added Dudden.

NYSE Liffe's London cocoa contract is the world's largest cocoa futures market alongside the New York-based, dollar-priced, ICE Futures U.S. cocoa contract.

According to European traders, the lack of consensus on the potential change is due to concerns that market participants resisting a euro-priced contract could cause London trading volumes to fall. "The intellectual argument for pricing the Liffe contract in euros is very strong but recent history tells us that changing contract denominations can cause the loss of liquidity," said Jonathan Parkman, head of Fortis Bank Nederland's agricultural commodity brokerage.

NYSE Liffe's white sugar and robusta coffee contracts converted to U.S. dollars from sterling in past decades. Anthony Ward, chief executive of commodities group Armajaro, said the Exchange should handle such a decision "with enormous care, as it's a high risk strategy and what's the matter with sterling?"

As there are very few commodity contracts still priced in sterling, some cocoa market participants also argue that the London market is attractive as a sterling versus dollar currency play with the ICE Futures U.S. cocoa market. However, a euro-priced contract would also provide a currency play with the New York market.

Swiss Chocolat Frey Reports Turnover Drop Due to Foreign Currency Losses

Source: FLEXNEWS

11/02/2010

Swiss confectionery company Chocolat Frey has reported an annual turnover drop of 3.4% at CHF 368 million mainly due to foreign currency losses in international sales. Its turnover in the Swiss market, however, remained at CHF 265 million in 2009. The company was pleased with the success of its brands in markets such as Spain, France, the Middle East, South Africa, and Austria, where "Frey" was recently launched. Established in 1887, Chocolat Frey is part of the Swiss retailer Migros.

Kraft acquisition seen driving cocoa consolidation

Reuters

Nigel Hunt and Marcy Nicholson - Analysis

Feb 11, 2010

LONDON/NEW YORK (Reuters) - Kraft Foods' purchase of Cadbury is likely to have repercussions throughout the cocoa supply chain as a newly created chocolate giant seeks to drive down costs.

Deals

The new company will be the top player in the chocolate and confectionery industry by revenue, overtaking Mars-Wrigley, and traders and analysts expect it to use its increased clout to achieve promised cost savings. "The rationale for the merger is cost savings. The result is there is going to be consolidation in the supply sectors as well," said Chris Brockman, market research manager at UK consultants Leatherhead Food Research. Kraft announced last week its acceptances of more than 75 percent of Cadbury's stock to seal its 11.7 billion pound (\$18.4 billion) acquisition after a near five-month takeover battle.

U.S.-based Kraft Foods already owns Toblerone and Milka chocolate bars and is set to add UK-based Cadbury's brands which include Dairy Milk bars and Roses chocolates.

For a factbox on the vital statistics of the Kraft/Cadbury combination click on

The U.S. food group has targeted annual cost savings of at least \$675 million a year. "I think it could spur some additional consolidation in the industry," said analyst Judy Ganes-Chase of J. Ganes Consulting in New York.

RISING COSTS

Brockman noted costs for chocolate producers have been rising sharply as cocoa prices climbed.

Cocoa futures on ICE rose to a near 31-year high of \$3,510 a tonne in mid-December 2009 as key producers in West Africa struggled to ramp up supply in response to long-term demand growth, resulting in a prolonged drawdown in global stocks.

The cocoa market has fallen back slightly in the last few weeks, currently trading around \$3,000 per tonne, but is still around double prices paid for several years in the mid-2000s. "It will be a challenge to suppliers. What it means is we need to be more efficient," said Piter Jasman, chairman of the Indonesian Cocoa Industry Association

One Singapore-based cocoa trader said driving down costs will imply more central buying and thinner margins of suppliers. He noted margins for suppliers were already very poor. "On balance I would rather see more players than the consolidation of another giant," he added.

Marcelo Dorea, partner at hedge fund Round Earth Capital, said along the supply chain the weaker and under capitalized links will disappear as they have no real economic function and do not have the balance sheets to survive market volatility. "The chocolate industry's commodity procurement process will evolve into long-term supply agreements 'priced as you go' with the processing industry and main dealers which are present at the key origins and thus, far more cost efficient and much better at managing forward performance risk," Dorea said.

Brockman said the merger would also provide the opportunity to strengthen global brands.

Cocoa consumption had been growing much faster in Asia and eastern Europe than in more developed markets such as the United States and western Europe before the global economic downturn early last year which stalled the expansion. Analysts said demand in markets such as China was likely to drive long-term growth in cocoa and chocolate demand.

Jasman said there would be new opportunities to launch global brands in emerging markets, especially China, providing a source of increased cocoa consumption over the next few years. "With the presence of major global brands, it will bring new ideas and influence the local confectioners and food regulatory bodies to set new standards to provide, most importantly, a food product that is safe for mass consumption," he said.

Cadbury chocolate Fairtrade certified

TVNZ

Source: NZPA

February 12, 2010



Cadbury's dairy milk chocolate will now sport a "Fairtrade" logo on its redesigned packaging, while retaining the smaller block size it switched to last year. The confectionary maker would also increase the amount of cocoa solids in its product, from 21% to 26%.

All of the ingredients in the company's nine Cadbury Dairy Milk products that could be certified "Fairtrade" would be, New Zealand managing director Matthew Oldham said.

The move follows widespread criticism of a decision in August last year to switch to using palm oil in its chocolate. The firm started using palm oil as part of a cost-cutting exercise, which also saw the 150g and 250g bars shed about 20% of their weight.

Palm oil production was responsible for the rapid destruction of rainforest habitats and remained the single greatest threat to the existence of orangutans, and many other South East Asian wildlife species.

Though Cadbury only bought and used certified sustainable palm oil for the brief time it used it in its chocolate, the public had spoken - and wanted the palm oil out, Oldham said.

Cadbury responded to public outcry and changing back to the original recipe the new-look, logo-emblazoned chocolates would be on shelves in time for Easter, he said. The smaller product size would remain. The company's use of Fairtrade product would help improve life for more than 40,000 Ghanaian cocoa farmers, who grew the beans the company used in its chocolate, Mr Oldham said.

Research & Development

Cocoa shells approved for use as fuel

Seacoastonline.com

By Deborah Mcdermott

February 12, 2010

PORTSMOUTH — No, it's not a box of chocolates, but Lindt USA in Stratham and Public Service of New Hampshire still have a sweet Valentine's gift. Beginning next week, Lindt will send truckloads of cocoa bean shells from its newly expanded production facility at its factory in Stratham to PSNH's Schiller Station power plant in Portsmouth.

Coal and cocoa shells will be mixed at a ratio of 30:1, the shells making up a tiny but nonetheless nonpolluting part of power generation in one of two coal boilers at Schiller, said PSNH spokesman Martin Murray. "It's a step, albeit a small one, in the right direction in terms of less of a requirement for coal," he said. "We don't have to buy as much, we don't have to burn as much."

The company and the utility joined forces in March 2009, to pilot the use of cocoa bean shells in fuel after Lindt had determined it was going to expand its local facility to incorporate the chocolate production process, which had previously taken place in Europe.

The New Hampshire Department of Environmental Protection conducted the pilot to determine if the coal and cocoa bean shells could work together. Last month, DES gave the green line, around the same time that Lindt was wrapping up construction on its addition.

Director of Engineering Peter Breed said he couldn't comment on the quantity of shells that will be shipped to the power plant, but said each truckload contains 15 tons. Murray said he anticipates a truckload or so of shells a month, "so it's really a fairly small amount."

However, said Breed, it's shells that would otherwise have to go to a landfill or would be sent to a broker who would in turn sell them to landscaping companies.

When the process is viewed holistically, he said, the carbon footprint of the entire manufacturing process will get a lot smaller when the new facility goes on line. For one, beans used to be shipped from equatorial countries, to Lindt headquarters in Switzerland for processing and then on to Stratham for manufacturing. The middle step has been cut out, he said. Further, he said, the shells are only traveling down the road to Portsmouth.

As for PSNH, because Schiller Station is believed to be the first in the country using cocoa bean shells for fuel, their use hasn't been recognized by the state as a mandated means of reducing reliance on nonrenewable energy. "But I suspect that will come," he said.

Promotion & Consumption

CPC launches new Chocolate Product

Ghana Broadcasting Corporation

Source: GBC NEWS

12, February, 2010

As Ghana prepares to celebrate the Chocolate Day on Sunday, the Cocoa Processing Company in collaboration and with the Department of Nutrition and Science at the University of Ghana has introduced on the Ghanaian market a new sugar-free, low calorie chocolate called Aspire. The chocolate which is ideal for people who love chocolate but are conscious of their sugar consumption and those who aspire to better health was produced with a sweeter which serves as a sugar substitute.

Ghana Tourists Board to organise Chocolate Dinner for couples

Peace fm Online

Source: GNA

February 09, 2010

The Ghana Tourists Board (GTB) will collaborate with Adom FM, a radio station in Tema, to organize a special chocolate dinner for selected couples in Accra on February 14 which is St Valentine's Day. The day is celebrated in Ghana as National Chocolate Day to make popular the eating of chocolate. GTB will also organize a beach jam at Kokrobite from 0600 hours 1800 hours on the day to climax the celebration of the day.

Mr Ben Ohene-Ayeh, Public Relations Manager at the Ghana Tourists Board, told the GNA that the Board, with support from the Ministry of Tourism, was reviving the celebration of National Chocolate Day to promote the consumption of locally made chocolate and encourage the use of chocolate as the main gift for lovers on St. Valentines Day. "We want to make the National Chocolate Day event part of the tourism calendar in Ghana," he said.

He said to inculcate the habit of eating chocolate in children the GTB will this year involve school children in the celebration of National Chocolate Day. "This year we have selected two deprived schools in Anyaa and Adentan in Accra to visit places like the Cocoa Processing Factory at Tema, The Tetteh Quarhsie's cocoa farm at Mampong-Akwapim and the Bunso Cocoa Research Institute at Tafo all in the Eastern Region," he said.

Mr Ohene-Ayeh said selected night clubs and drinking bars throughout the country would also organize musical jams where cocoa-based products would be given to patrons as prizes. Commenting on the need to promote the consumption of chocolate, he said chocolate contained anti-bacterial agents that fight tooth decay as well as helps in lowering cholesterol, preventing blood clot and reduces stress. Mr Ohene-Ayeh appealed to the public to patronize the events to ensure that chocolate becomes part of a healthy Ghanaian diet.

Others

Ethical Chocolate Sweetens the Deal

Huffington Post (blog)

February 9, 2010

Chocolate just became an even more socially conscious food choice, now that Green & Black's -- a UK-based company whose entire range of premium bars is already 100 percent organic -- has committed to going 100 percent Fair Trade this year. It's a natural step. The "Green" in the company's name is meant to signify sustainability. Green & Black's Maya Gold bar was the UK's first-ever Fair Trade Certified product. After establishing that landmark fifteen years ago, the company has steadily increased its international profile as a food-justice trendsetter.

"Most people buying chocolate don't honestly give a lot of thought to where it came from and what's in it," Green & Black's senior brand manager Katie Butler told me this week. Nonetheless, her company does give it a lot of thought.

"Altogether, we expect that the farmers in the Dominican Republic from whom we buy our cocoa are going to receive over \$6 million in Fair Trade premiums over the next ten years," Butler said. "I can't even tell you how good this feels." Announced on January 27, the Fair Trade commitment signifies an investment of more than \$485,000 each year over the next ten years.

When farmer groups join the Fair Trade network and become Fair Trade certified, they receive economic stability in the form of a guaranteed minimum floor price for their goods, plus an extra premium for growing organic produce on which harmful agrochemicals and GMOs are strictly prohibited. Taught sustainable farming techniques and eligible for interest-free loans and pre-harvest credit, each farmers' coop decides democratically how to allocate its additional income.

The Dominican Republic is the Caribbean's second-poorest country, next only to destitute Haiti, with whom it shares the large island of Hispaniola. Forty-two percent of its population lives below the poverty line, and 16 percent lives in extreme poverty. Tens of thousands of rural farmers there grow cocoa, but cocoa growers' income is notoriously unstable, as it is linked to the volatile price of cocoa on the New York and London stock markets. In 2000, the New York price fell to a 27-year low of \$714 a ton. It then soared to a 28-year high of \$3,275 in the summer of 2008, then plunged below \$2,000 that fall, thanks to the global financial crisis, according to Stacy Geagan Wagner of TransFair USA, a nonprofit that is the United States' only third-party certifier of Fair Trade products.

Green & Black's is buying cocoa from the 9,500-member National Confederation of Dominican Cocoa Producers, aka CONACADO -- which chooses to use most of its Fair Trade premium dollars on education, Wagner said. "They've used some of it to do repairs on five existing schools and they've built a whole new school. Low-income students receive scholarships and free schoolbooks."

CONACADO's executive director, Isidoro de la Rosa, offered the following statement when Green & Black's made its announcement: "With Fair Trade income we were able to implement a fermentation program to improve the quality of our cocoa and to convert our production to certified organic. This improved our position in the export market. The Fair Trade market is a very important market for the survival of our associates."

CONACADO is also using some of the money to establish a clinic in a remote area whose residents previously had no immediate access to healthcare, Wagner said. And now, with Green & Black's entire line going Fair Trade -- packaging is expected to begin appearing with the FAIR TRADE mark by late 2010, once all current labels have been exhausted to avoid waste -- buying candy is a multilayered process. Granted, Green & Black's dozen-plus different bars are lushly flavorful, employing sophisticated tweaks on classic combinations: The cherries in its cherry bar are a tart-sour Eastern European variety; the nuts in its new peanut-milk-chocolate bar are caramelized and spangled with sea salt; the crystallized ginger in its ginger bar lends a sly, wry bite to gorgeously mellow dark chocolate.

"These days, if two chocolate bars are in front of you, you can ask, 'How was this one produced and how was that one produced?'" TransFair USA's Wagner says. "And if you find out that one of them was produced more sustainably and ethically, then you can say, 'Yes, I choose this one because I don't care just about how my chocolate tastes, I also care about people in other countries and I care that my dollar can go further to help them.' It's a 'we-volution,' and our mission is to improve the lives of farmers, so the more products we can sell, the more money goes into the hands of marginalized producers around the world."

TIT BITS

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

US MIDDAY: sugar and coffee lower; cocoa up

NEW YORK (February 11, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Wednesday. March arabica coffee contract down 0.65 cent to \$1.2975 per lb at 11:02 am EST (1602 GMT). Session range from \$1.2940 to \$1.3075. Arabica coffee fell in heavy volume as market participants rolled positions out of the March contract into May ahead of the spot contract's first notice day next week, said brokers.

Liffe sugar and coffee down; cocoa up

LONDON (February 11, 2010): March white sugar ended \$5.10 lower at \$744.50 a tonne on Wednesday. Business dominated by rolling forward of positions ahead of Friday's expiry. Firm dollar weighed on the market. May cocoa on Liffe ended 12 pounds higher at 2,222 pounds a tonne. Market seen oversold after recent setback while weakness of sterling against the dollar provided support.

US MIDDAY: sugar and cocoa up; coffee down

NEW YORK (February 12, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. May arabica coffee contract down 0.50 cent to \$1.3330 per lb at 11:03 am EST (1603 GMT). Session range from \$1.3310 to \$1.3545. Arabica coffee reversed lower as the US dollar gained strength, said brokers.

Liffe coffee, cocoa and sugar rise

LONDON (February 12, 2010): May robusta coffee finished \$6 higher at \$1,331 per tonne on Thursday. Market boosted by broad-based advance in commodity markets as a deal by European leaders to give aid to debt-laden Greece helped to boost the risk appetite among investors. May cocoa on Liffe ended 34 pounds higher at 2,256 pounds a tonne. Advance seen as largely technically driven, with system funds among key buyers, with the market oversold after a prolonged slide in prices.

Brazilian cocoa arrivals up

SAO PAULO (February 12, 2010): cocoa arrivals in Brazil's 2009/10 (May/April) crop year, including imports, reached 3.17 million 60-kg bags by February 7, rising just 0.3 percent from the same period last year, Bahia Commercial Association said. Deliveries from Bahia, the South American country's main cocoa state, rose to 15,663 bags in the week ended February 7, compared with 12,524 delivered in that week a year ago.

Coffee, sugar and cocoa ease

NEW YORK (February 13, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. May arabica coffee down 0.40 cent at \$1.3325 per lb at 11:02 am EST (1602 GMT). Session range from \$1.3145 to \$1.3355. Lower on continued March/May spreading and pressure from the dollar and commodity complex, said brokers. March raw sugar fell 0.49 cent to 27.04 cents per lb at 11:02 am.

London cocoa, sugar and coffee ease

LONDON (February 13, 2010): cocoa, raw sugar and arabica coffee futures on ICE all eased on Friday, weighed by the strength of the dollar as the euro weakened on concern about the financial outlook in Greece. "Currency markets are driving the price of commodities at the moment," one London cocoa dealer said.

Commodity prices rebound on improved demand forecasts

LONDON (February 14, 2010): Metals and oil prices recovered this week on expectations of higher demand but gains were capped by concerns over Greece's debt problems. "Greece still dominated headlines after EU officials confirmed that they had an alleged deal reached over assistance to debt-burdened Greece," said commodities analyst Andrey Kryuchenkov at Russian investment bank VTB Capital.

New York cocoa weakens

NEW YORK (February 14, 2010): US cocoa futures sputtered to a lower close Friday, pressured by the weak macroeconomic picture after China's surprise monetary tightening and as the dollar firmed, traders said. The market will be closed Monday for the US Presidents' Day holiday and will reopen for regular trade Tuesday.

Ivory Coast gold output jumps

ABIDJAN (February 14, 2010): Ivory Coast produced 6.94 tonnes of gold in 2009, a 142 percent leap on the 2.87 tonnes that came out of its mines in 2008, state media reported on Saturday. The state-owned Fraternite Matin daily added that the output would rise in 2010 as a Randgold Resources mine northern Ivory Coast comes on tap.