

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 375

15th – 19th February 2010

Cocoa Producers' Alliance



UP-COMING EVENTS

- Workshop on Soil Management of Cocoa Shade and Agroforestry Applied to Cocoa Cultivation in West and Central Africa, Kumasi, Ghana, 16th – 18th March 2010
- Cocoa Conference and Exhibition, Lagos, Nigeria, 1st – 3rd April 2010

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

In the News (from Newspapers worldwide)

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ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
15 th February	2170.91	3336.82	2257.33	3142.50
16 th February	2190.96	3369.50	2263.67	3182.33
17 th February	2153.43	3317.12	2236.33	3127.00
18 th February	2157.25	3303.44	2241.00	3119.33
19 th February	2171.02	3310.02	2261.67	3133.00
Average	2169.00	3327.00	2252.00	3141.00

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

Monday 15th February 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2010	2294	2298	12	2322	2294	3,122
May 2010	2274	2278	17	2302	2271	3,610
Jul 2010	2260	2256	15	2280	2253	206
Sep 2010	2241	2238	18	2253S	2241	28
Dec 2010	2216	2215	17	2230	2216	75
Mar 2011	2219	2202	16	2219S	2209S	4
May 2011		2200	18			0
Jul 2011		2200	18			0
Sep 2011		2200	18			0
Dec 2011		2200	18			0
Average/Totals		2229				7,045

Tuesday 16th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2304	2299	1	2312	2292	4,823
May 2010	2287	2286	8	2294	2277	5,288
Jul 2010	2265	2262	6	2273S	2259	665
Sep 2010	2249	2243	5	2254	2244S	112
Dec 2010	2231	2218	3	2231	2218	179
Mar 2011		2203	1			0
May 2011		2201	1			0
Jul 2011		2201	1			0
Sep 2011		2201	1			0
Dec 2011		2201	1			0
Average/Totals		2232				11,067

Wednesday 17th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2280	2257	-42	2301	2228	6,932
May 2010	2270	2256	-30	2294	2228	9,066
Jul 2010	2244	2236	-26	2269S	2223S	1,118
Sep 2010	2230	2217	-26	2245S	2207S	139
Dec 2010	2218	2200	-18	2230	2174	163
Mar 2011		2185	-18			0
May 2011		2183	-18			0
Jul 2011		2183	-18			0
Sep 2011		2183	-18			0
Dec 2011		2183	-18			0
Average/Totals		2203				17,418

Thursday 18th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2257	2250	-7	2277	2246S	4,675
May 2010	2255	2263	7	2278	2250	6,837
Jul 2010	2237	2243	7	2255	2227	783
Sep 2010	2222	2217	0	2232S	2208	931
Dec 2010	2202	2202	2	2215	2195	171
Mar 2011		2184	-1			0
May 2011		2182	-1			0
Jul 2011		2182	-1			0
Sep 2011		2182	-1			0
Dec 2011		2182	-1			0
Average/Totals		2209				13,397

Friday 19th February 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2255	2263	13	2265	2248	3,951
May 2010	2266	2281	18	2283	2263	5,813
Jul 2010	2245	2265	22	2265S	2245	530
Sep 2010	2227	2239	22	2238	2223	409
Dec 2010	2210	2222	20	2225	2206	1,195
Mar 2011	2200	2199	15	2213	2196	952
May 2011	2190	2197	15	2198	2189	151
Jul 2011	2198	2196	14	2198S	2195	555
Sep 2011	2196	2195	13	2196	2194	64
Dec 2011	2196	2195	13	2196	2196	64
Average/Totals		2225				13,684

Average for the week	2225				12522
					62,611

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

Monday 15th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010						
May 2010						
Jul 2010						
Sep 2010						
Dec 2010						
Mar 2011						
May 2011						
Jul 2011						
Sep 2011						
Dec 2011						
Average/Totals		#DIV/0!				0

Tuesday 16th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3115	3153	60	3165	3115	169
May 2010	3134	3163	60	3169	3127	6,070
Jul 2010	3173	3187	59	3190	3153	635
Sep 2010	3193	3205	57	3205	3174	341
Dec 2010	3219	3232	55	3238	3205	390
Mar 2011	3236	3256	55	3262	3233	438
May 2011	3230	3256	55	3260	3230	268
Jul 2011	3245	3263	52	3265	3240	86
Sep 2011	3255	3262	41	3260	3253	18
Dec 2011	3285	3277	39	3285	3260	12
Average/Totals		3225				8427

Wednesday 17th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3120	3079	-74	3150	3060	172
May 2010	3143	3094	-69	3175	3062	7,894
Jul 2010	3191	3120	-67	3196	3097	2,469
Sep 2010	3163	3143	-62	3215	3143	247
Dec 2010	3233	3171	-61	3233	3155	427
Mar 2011	3257	3193	-63	3268	3180	316
May 2011	3223	3184	-72	3265	3184	224
Jul 2011	3238	3192	-71	3245	3180	155
Sep 2011	3248	3194	-68	3255	3185	150
Dec 2011	3240	3199	-78	3250	3195	41
Average/Totals		3157				12095

Thursday 18th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3075	3071	-8	3096	3066	57
May 2010	3096	3091	-3	3135	3072	5,396
Jul 2010	3122	3118	-2	3153	3099	1,236
Sep 2010	3130	3140	-3	3160	3130	87
Dec 2010	3166	3170	-1	3201	3157	151
Mar 2011	3192	3192	-1	3215	3181	115
May 2011	3184	3188	4	3207	3175	73
Jul 2011	3173	3195	3	3207	3173	14
Sep 2011	3175	3198	4	3209	3175	40
Dec 2011	3180	3200	1	3210	3180	30
Average/Totals		3156				7199

Friday 19th February 2010

Month	Open	Price	Change	High	Low	Volume
Mar 2010	3084	3098	27	3114	3054	41
May 2010	3072	3109	18	3125	3062	5,158
Jul 2010	3100	3133	15	3143	3091	1,095
Sep 2010	3133	3155	15	3166	3130	378
Dec 2010	3150	3182	12	3192	3146	323
Mar 2011	3176	3202	10	3201	3175	520
May 2011	3196	3203	15	3201	3196	168
Jul 2011	0	3215	20	0	0	0
Sep 2011	0	3222	24	0	0	0
Dec 2011	0	3232	32	0	0	0
Average/Totals		3175				7683

Average for the week	3175					1397
						1397

News

Health and Nutrition

Chocolate is Good For You - Here's Why

KKTV 11 News

By Stacia Naquin

Feb 14, 2010

When you think of Valentine's Day, what comes to mind? Dinner, flowers and chocolate? Chocolate may be the perfect gift, because it's not only tasty but good for you as well. Julie Pech is the author of "The Chocolate Therapist." She educates people on eating chocolate for health.

Her first tip is to find the right kind of chocolate. "All the health benefits are in the cocoa powder," she said. "So, the darker the chocolate, the more cocoa powder you have."

But not just any dark chocolate will do. You have to look at the label. A lot of times a bar will say dark chocolate, but the #1 ingredient is sugar. Julie says look for the first ingredient to be cocoa.

Then look for others like cocoa butter, vanilla and soy. But after you find that healthier chocolate... you have to be careful not to eat too much. "About an ounce a day, which is about half of a regular-sized chocolate bar," said Julie. "keep it under control because if it's just a binge every day, obviously it's not going to do you much good." That will help keep your Valentine happier and healthier.

Indulging in a Little Chocolate Can Reduce Your Risk of Stroke

HealthNews

By Drucilla Dyess

16 February 2010



Don't throw out those Valentine's Day chocolates just yet! You may want to simply ration them to gain a newly discovered health benefit associated with chocolate consumption. New research suggests that eating chocolate may reduce your risk of stroke.

A recent analysis of three prior studies of chocolate and stroke was conducted by researchers from McMaster University in Hamilton, Ontario, Canada. Findings of the research indicate that eating about one bar of chocolate per week can help decrease the risk of stroke, as well as reduce the risk of death after a stroke. The review will be presented at the 62nd annual meeting of the American Academy of Neurology in Toronto

in April of 2010.

Chocolate

In one of the studies reviewed, findings showed that among 44,489 people, those who ate one serving of chocolate per week had a 22 percent less likelihood of suffering a stroke than those who did not eat chocolate. Another study in the analysis found that 1,169 people who consumed 50 grams of chocolate once weekly were 46 percent less likely to die following a stroke, when compared to people who ate no chocolate. The third study reviewed found no difference in stroke risk between people who ate chocolate and those who did not. However, the researchers cautioned that more research is necessary to confirm the link, as other factors could be contributing to the decreased stroke risk.

The results of this latest analysis only add to a growing number of potential benefits linked to the consumption of chocolate. Previous studies have revealed health benefits associated with consuming small amounts of chocolate, including a decreased risk of cardiovascular disease. In 2008, one study found that people who ate about 6.7 grams of dark chocolate daily reduced their levels of a protein associated with inflammation in the

blood. Other studies have shown that blood platelets in people who eat chocolate clump together at a slower rate, preventing the formation of blood clots that can lead to a heart attack.

Research has also shown that chocolate consumption may lower blood pressure, and improve blood flow by helping prevent formation of artery plaques.

In a 2009 study, eating chocolate was even credited with improving math abilities. People who were asked to count backwards in groups of three were more successful after having consumed a flavonoid-rich hot cocoa drink. Flavonoids, a compound found in cocoa, may increase blood flow to the brain, and have been linked to both anti-inflammatory and anti-cancer properties. Flavonoids are antioxidants thought to offer protective properties against cell damage caused by products of vital bodily processes, or environmental toxins. It is believed that flavonoids may also help reduce the cell damage that can promote cancer tumor growth.

Although the consumption of flavonoids has been linked to heart-healthy benefits, many of these compounds are removed during commercial chocolate processing because they have a bitter taste. Consumers need to be informed about the different types of chocolate available and the level of health benefits to be gained by each.

Natural, unsweetened cocoa powder has the greatest health benefits since no processing is performed on these products. Darker chocolates are less processed, meaning that they will most likely contain a higher level of flavonoids. Bittersweet and semisweet chocolate having a high percentage of cocoa content would be the second best choice for healthy consumption. Milk chocolate offers the least health benefits, as it contains the lowest levels of flavonoids.

In addition to being selective about the chocolate you choose to eat, a good rule of thumb would be to consume no more than one ounce per day. In addition, other foods and beverages, including citrus fruits, onions, green tea and red wine, can also provide flavonoids.

Although it provokes food for thought, simply eating a chocolate is not likely to make much difference to your stroke risk if you do not have a healthy lifestyle. Other ways to ensure a low risk for stroke is to keep your blood pressure at a healthy level by refraining from smoking, following a diet low in salt, and exercising regularly to maintain a healthy weight. A good place to start in changing your lifestyle is to start eating healthy. Visit the Health News diet pages for ideas that meet your needs.

Candymakers' deal means healthier chocolate may be on its way

Peterborough Examiner

Feb. 16/02/2010

Global chocolate leaders foresee more consistent standards when it comes to cocoa flavanols after Mars, Incorporated and Barry Callebaut AG signed a cross-licensing agreement Monday. Cocoa flavanols are the natural compounds found in the cocoa fruit linked to important circulatory and other health benefits. The two companies are now working together to create a common standard for using flavanols in foods.

Mary Wagner, general manager at Mars Botanical, a scientific unit of Mars, Incorporated, said it's important to have a standard because right now, it's not regulated. While there's been much talk about dark chocolate being good for you, she says the amount of flavanols need to be measured throughout the manufacturing process. "While flavanols are naturally abundant in cocoa, unless you are specifically measuring and carefully handling a product throughout the manufacturing process, there is just no guarantee the product contains meaningful levels of the flavanols," Wagner said in a release.

Hans P. Vriens, chief innovation officer at Barry Callebaut, a Zurich-based cocoa and chocolate manufacturer, said the new guidelines will help companies and consumers. "Based on years of our own clinical studies, we know cocoa flavanols offer a potentially substantial health benefit, and we know consumers are increasingly seeking healthier products that offer added value," Vriens said. "We can all gain through a consistent method to assure consumers that we're delivering these important compounds in our products, and through an aligned way in which we communicate these levels."

A long love affair with chocolate

Southtown Star

February 18, 2010

Sandra Mason, unit educator of horticulture and environment with the University of Illinois Extension's Champaign County Unit, provides the following history of chocolate.

Food of the gods and a drink for nobility are lofty designations that few chocoholics would argue.



One plant product lives up to these names - chocolate. Although chocolate is easily acquired, it was once reserved for emperors, kings and queens.

Chocolate is a product of the cacao tree *Theobroma cacao*. It is a tropical evergreen tree native to Central and South America.

As far as 1,000 years ago, ancient cultures in Central and South America were using the seeds of the cacao and cultivating the trees.



Around 450 to 500 A.D., specially decorated chocolate drinking goblets show up among the grave items of Mayan nobility.

Mayans made a frothy drink from the cacao seed that often was laced with red pepper chilies and other spices.

The special drink was used in ceremonies and by the nobility as a status symbol. The Mayan's drink would have been bitter and spicy with little resemblance to the current idea of hot chocolate.

For proper tree growth, heat and humidity are a must so cacao trees are grown in plantations along the equatorial waistband of the world.

Cacao trees produce large leathery fruits containing large seeds enveloped by a sweet-sour, cream-colored pulp.

Fruits sometimes called pods can get to be the size of footballs and may contain as many as 50 seeds. Chocolate is made from the large seeds. It takes 400 seeds to make 1 pound of chocolate.

From seed to chocolate bar is a long and labor intensive process.

The pods are hand-harvested. At a processing plant the pods are split to remove the seeds, often called beans. The seeds are fermented for a week or so to remove the pulp and heighten the flavors. Then the seeds must be dried before shipment to chocolate manufacturers.

Once the seeds arrive at the manufacturer, the beans are roasted. A winnowing machine removes the outer hulls of the seeds to leave the inner cacao bean meat called nibs.

The hulls may be bagged and sold as garden mulch. The nibs are milled to produce cocoa liquor.

The cocoa liquor is pressed to remove varying percents of cocoa butter to leave a solid cocoa press cake. The press cake is processed and pulverized to make cocoa powder.

Cacao butter is a smooth, solid fat used in food and in cosmetics. Cocoa liquor morphs into many products depending on additions of sugar, dry milk solids, condensed milk, cocoa butter and other ingredients.

Chocolate manufacturers use different types of cacao trees, specific handling processes and their own closely guarded recipes to get their characteristic products.

However, all is not sweet in chocolate production. Cacao plantations have come under scrutiny for poor working conditions and destruction of rain forests.

So look for fair-trade designations when purchasing chocolate.

Even though the health benefits of chocolate point to dark chocolate with a high percentage of cocoa, most Americans still prefer milk chocolate.

But keep in mind that Europeans eat 15 pounds to 22 pounds of chocolate a year while Americans eat a paltry 12 pounds a year. Americans obviously need to try harder, so one should do his or her part to make the United States No. 1 in chocolate consumption.

Local University of Illinois Extension offices include the Cook County Unit at 5527 Miller Circle Drive, Matteson, (708) 720-7500, and the Will County Unit at 100 Manhattan Road, Joliet, (815) 727-9296.

Production & Quality

Ivorian cocoa arrivals 827,000 T by Feb 14

Reuters South Africa

Feb 15, 2010



ABIDJAN (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast reached around 827,000 tonnes by February 14 since the start of the season in October, exporters estimated on Monday, compared with 784,618 tonnes in the same period of the previous season.

Exporters estimated around 11,000 tonnes of beans were delivered to the West African state's two ports between February 8 and February 14, down from 46,736 tonnes in the same week a year ago.

Why cocoa production dropped last December

Solomon Star

By MOFFAT MAMU

16 February 2010

COCOA production for December 2009 dropped by 35% due to the festive season and less shipment from the provinces. Central Bank of Solomon Islands (CBSI) in its monthly economic bulletin revealed this. "Provisional cocoa production sourced from Commodities Export Marketing Authority (CEMA) showed a significant 35% fall in December to 317 tonne following a significant spike in November, which recorded 488 tonne," the bank report said.

It said yearly trend shows that the month of December is usually a slow period due to the festive season exacerbated by shipping companies focusing on passenger travel rather than commodity trips. "In addition, cocoa is a seasonal crop therefore the low periods start around December and into the first quarter," the report said.

In terms of prices, contracted export price for cocoa fell by 4% to SBD\$18,700 per tonne from SBD\$19,423.00 per tonne; domestic price decreased by 6% to \$16.55 per kilo. Averaged international price for cocoa increased by 4% after 6 consecutive increases, to US\$3,514 (SBD\$27,700) per tonne, the highest for 2009.

Cameroon Aug-Dec cocoa purchases fall 40 pct

Reuters South Africa

Feb 16, 2010

YAOUNDE (Reuters) - Cameroon's sole cocoa grinder SIC-CACAO bought 13,216 tonnes of beans between August and December, down 40 percent on the same period in the 2008/09 season, National Cocoa and Coffee Board (NCCB) data showed on Tuesday.

SIC-CACAO, a subsidiary of Swiss firm Barry Callebaut, the world's largest chocolate maker, bought 6,575 tonnes of beans in December, up 30 percent on November and 42 percent on December 2008.

The firm bought 5,220 tonnes of beans in November, up from 1,347 tonnes in October, but still 24 percent below the amount bought in November 2008. By the end of December 2008, it had bought 22,025 tonnes of cocoa beans.

The Cameroonian firm processes cocoa beans into powder, cake and butter for sale mainly in the six-nation Economic and Monetary Community of Central African States (CEMAC) zone, including Cameroon, Central African Republic, Chad, Congo Republic, Equatorial Guinea and Gabon.

The Douala-based company processed 25,117 tonnes in the 2008/09 season, but has upgraded its factory to operate at full 30,000 tonne capacity this season. Cameroon, where the 2009/10 season began on August 1, is the world's fifth-largest cocoa producer.

Indonesia Should Get Serious About Fight Against Cocoa Diseases, Group Says

Jakarta Globe

By [Arti Ekawati](#)



The government has been criticized for its lack of successful action in tackling diseases that have ravaged cocoa crops for years. Siswono Yudo Husodo, chairman of the Association of Indonesian Farmers (HKTI), the country's leading farmers group, said on Tuesday the government had failed to take comprehensive action to eradicate diseases such as cocoa pod borer and vascular streak dieback. "The government has never taken serious action to eradicate plantation diseases," he said. "They never eradicate them completely, but only partially."

Siswono said the diseases should have been controlled when they first appeared but they had not been and now were widespread. For example, cocoa pod borer had first appeared in Central Sulawesi in 1987, he said. "But there was no action to prevent it spreading and it had now become widespread," he said.

Cocoa output has dropped in recent years, mainly due to diseases and aging trees. In 2007, Indonesia produced about 520,000 tons of cocoa beans. This fell to 500,000 tons in 2008 and is expected to have fallen further to 480,000 tons in 2009, the Indonesian Cocoa Association (Askindo) said. "Eradicating cocoa diseases needs to be done comprehensively at the same time," Siswono said, adding that it was now being done in stages. "If we do it stage by stage, the infected plants will spread the disease to other healthy plants."

Last year, the government launched a three-year program to revitalize cocoa plantations, including curbing disease and cutting down aging trees. The Agriculture Ministry allocated Rp 1 trillion (\$107 million) for the program in 2009 and has allocated the same amount this year.

Achmad Mangga Barani, the ministry's director general of plantations, has said the revitalization program was being implemented in stages because of its limited budget. Average cocoa production is now only 0.5 tons a hectare. Under ideal conditions, it should be between 1.2 tons and 1.5 tons per hectare. Indonesia is the world's third-biggest cocoa producer, after Ivory Coast and Ghana, and has about 967,000 hectares of cocoa plantations.

The Market

London cocoa rises on instability in Ivory Coast

Reuters South Africa

By David Brough and Nigel Hunt

Feb 15, 2010



LONDON (Reuters) - London cocoa futures rose on Monday, buoyed by political instability in top producer Ivory Coast, while sugar and robusta coffee eased in thin volumes. U.S. markets were shut for President's Day.

Police used tear gas to disperse hundreds of anti-government protesters in eastern Ivory Coast on Monday, paralyzing the city of Abengourou and forcing several cocoa warehouses to close in the world's largest supplier.

The unrest in Ivory Coast was of concern to the cocoa futures market mainly because of worries it could force workers to quit cocoa farms, eroding mid-crop output, said Eric Sivry, director and head of cocoa brokerage at Fortis Bank Nederland. "If the level of political instability increases, people will be pulled away from the farms," he said.

Ivory Coast's main opposition groups said they no longer recognised Laurent Gbagbo as president of the country on Saturday after he dissolved the government and electoral commission.

Cocoa arrivals at export ports in Ivory Coast are running more than 10 percent ahead of last year, but exporters worry political turmoil could slow the pace of arrivals in the coming weeks.

Dealers said the latest developments suggested elections were unlikely to take place soon.

Cocoa flows to ports are tailing off as the Ivorian main crop wraps up, so while political instability could delay cocoa flows, it was unlikely to halt them, dealers said.

London (Liffe) May cocoa futures ended 17 pounds or 0.8 percent higher at 2,278 pounds a tonne.

SUGAR

London white sugar futures were marginally lower in slim volumes in the absence of the New York market.

"We're just marking time," said Nick Hungate, a soft commodities trader with Rabobank.

A total of 2,342 lots (117,100 tonnes) of white sugar were tendered against the March contract which expired on Friday, NYSE Liffe said on Monday.

Dealers were divided over the sugar market outlook, as futures prices consolidated below recent 29-year highs in raws driven by tight global supplies and robust demand. Some dealers said the market was waiting to challenge fresh peaks soon because of the low availability of supply, while others suggested that a large supply response by growers would put prices under pressure later in the year.

"The bulls will point to the recent set of generally higher lows and resurgence since the collapse on February 5," broker Sucden said in a daily report. "The bears will be highlighting the failure to break through 28 cents, a key level that has provided support and now resistance."

Dealers noted that Friday's report from the U.S. Commodity Futures Trading Commission (CFTC) showed a significant decline in the non-commercial (speculative) position during the sharp setback in raw sugar prices earlier this month.

"In sugar, the 7.7 percent decline in prices seen between February 4 and February 9 coincided with a decline of nearly 40,000 contracts in the net non-commercial position," Rabobank said in a report issued on Monday.

Liffe May white sugar ended \$0.20 lower at \$735.80 per tonne.

Robusta coffee futures edged lower, although liquidity was drained by the U.S. holiday.

Dealers talked of ample nearby supplies, and said the market was likely to remain in its current trading range for now. "Coffee is very much macro-driven - often shifting in correlation with the dollar," one London dealer said.

London (Liffe) May robustas settled \$11 lower at \$1,318 per tonne with the market hovering just above a contract low of \$1,310 set earlier this month.

Cocoa prices near record high on lack of arrivals

Reuters South Africa

By C.J. Punathara

Feb. 16, 2010

If there is no moisture stress this year, the pod size is likely to increase, resulting in bigger beans and higher cocoa butter output. Indian cocoa prices continued to surge in February but global prices retreated marginally from their 30-year highs recorded in December. Indian cocoa prices, currently quoting around Rs 162-165 a kg, are also close to their all-time highs. Sources in the market said that there were hardly any arrivals in the

domestic markets as the production season has got over and the next arrivals are expected in May/June when the harvest commences.

The current Indian crop is expected to be good, especially with the coverage increasing. The area under cocoa is rising by close to 8,000-10,000 hectares every year which is expected to add to the production. However, much will depend on summer rain before the crop comes up for harvest, sources in the trade said.

Production, yield

The extent of flowering, seeding and beans growth will depend almost directly on the rain expected in the next couple of months. If the summer rain fails, it could have major repercussions on the coming crop. Failed summer rain this year and last year could pull the country's total cocoa production down considerably.

If there is no moisture stress this year, the pod size is likely to increase, resulting in bigger beans and higher output of cocoa butter — adding to the domestic cocoa production. With more irrigated areas of Coimbatore district in Tamil Nadu and fertile areas of Eluru belt in the West Godavari district of Andhra Pradesh coming under the crop, both production and productivity are expected to surge in the coming years.

Meanwhile, prices in the global markets have slipped from the December highs. They quoted at \$3.31 a kg on the New York market and £2.25 a kg on the London market.

Bullish factor

Despite being relatively high from their last year levels, they are a tad lower from the December peaks. In December, cocoa prices rose to \$3.49 a kg in New York and £2.31 a kg in London.

The major factor that propelled global prices was the expectation that the weekly cocoa arrivals from the Ivory Coast would decline earlier than usual, and the 2009-10 season would witness another supply deficit. Foreseeing a four-year consecutive supply deficit, global prices firmed rose up to new highs.

Lack of transactions

But reports indicate that arrivals from the Ivory Coast did not drop as much as expected and the global prices eased marginally from the record levels.

Meanwhile, domestic prices are an indicator of lack of transactions rather than one on effective demand-supply, a trade source said. The prices will begin to ease the minute the summer rain sets in, promising a good harvest.

Cocoa Imports Increases Despite Higher Global Prices

Blog of India (blog)

By FourthDimension

February 17th, 2010

Cocoa imports to the country have increased considerably due to rising consumption and shortfall in cocoa production. Though the cost to import cocoa is much higher, chocolate companies are not deterred as the demand for chocolates are increasing and the quality of imported cocoa beans are better. The annual cocoa import to the country was 7026 tons in 2008-09, but this year it is expected to up to 10,000 to 15,000 tons.

The global cocoa price is around \$3321 per ton. The domestic price of cocoa dry beans is around Rs.160 per kg since January. Last year the prices were around Rs.110 to Rs.120 per kg.

Cadbury India ED Finance and Commercial, Mr Rajesh Garg said, “the company buys about 8000 to 10,000 tons locally and similar quantity via imports annually. The figure is growing at a rate of over 20 percent”. The demand for cocoa beans and its high prices have motivated more people to cultivate cocoa. Kerela, Karnataka and Andhra Pradesh are some of the producers of the cocoa. Tamil Nadu has also allocated around another 8000 hectares to the existing area of 34,049 hectares for cocoa cultivation.

Tags: Andhra Pradesh, Cadbury India, Chocolate Companies, Cocoa Beans, Cocoa Price, Cocoa Production, Consumption, Dry Beans, Finance, Garg, Global Prices, Hectares, Karnataka, Kg, People, Producers, Rajesh, Rs 120, Shortfall, Tamil Nadu

Cocoa price jump helps AAK to record quarter

Agrimoney.com

February 18, 2010

The jump in world cocoa prices to their highest since 1977 has helped AAK to a record quarter, increasing the attractions to confectioners of the vegetables oils group's substitutes for cocoa butter. The plant fats group, which supplies manufacturers in markets from cosmetics to animal feed, reported a 36% jump to an all-time high of SEK289m in operating profits for the last three months of 2009. The rise reflected better performance in all three of the group's divisions, with the food ingredients unit raising profits by 59% to SEK143m.

However, the contribution from the chocolate and confectionery fats division stayed ahead, at SEK147m, despite downturns in European and US chocolate markets as its cocoa butter alternatives attracted chocolate makers attempting to keep a lid on costs.

Cocoa concerns

"The global recession has created a strong incentive to reduce costs, and therefore drives the substitution of expensive cocoa butter by cocoa butter equivalents," the Swedish group said.

And it said it said the market for its alternatives, which are based on shea butter, had further "growth potential", given the weak prospects for expansion in cocoa production in West Africa, the world's biggest supplier of the commodity. "There is a general concern in the chocolate industry about the long-term supply of cocoa beans - and therefore also a concern about the supply of cocoa butter - because of problems in plantations, mainly in the Ivory Coast," AAK said.

The group had improved its logistics for importing shea, which is also grown in West Africa, to ensure that it had a "considerably better supply than previously".

The comments follow a rally in cocoa earlier this week, amid concerns of instability in Ivory Coast, which put prices back within 2% of last month's 32-year highs in London.

Takeover ambitions

AAK added that it saw "growth opportunities" in all its business areas, both through continuing to expand its existing operations and through acquisitions. "The strengthened balance sheet provides the foundation for continued development," Jerker Hartwall, the AAK chief executive, said.

Group earnings for the fourth quarter of SEK 186, compared with an after-tax loss of SEK65m a year before. AAK shares stood SEK 1.00 higher at SEK172.50 in lunchtime trade in Stockholm.

Ivorian cocoa farmgate prices fall on poor quality

Channel Africa

Reuters-

18 February 2010

Cocoa farmgate prices in Ivory Coast's growing regions extended losses last week as the main crop tailed off and several deliveries contained poor quality beans, farmers and buyers said on Thursday.

Prices at most exporters' warehouses at the port of Abidjan ranged from 1,130 CFA francs per kg to 1,150 francs compared with 1,140-1,160 francs in the previous week, a purchasing manager with an international cocoa exporter said, adding amounts delivered from the bush had sharply fallen. "Prices have fallen as a result of bean quality. There have been deliveries in which the beans are small, and have not contained much that can be made into chocolate," he said. "For these deliveries, we're not going to pay a lot of money."

An accurate average price for centre-western region Daloa was unavailable, but farmers said prices fell to 950-1,000 francs per kg from around 1,155 francs. In western region Soubre, the average price shed 85 Cfa francs to 1,015 francs, also as a result of low bean quality, farmers said. Below are average farmgate prices in CFA francs per kg for the week of February 8-14, as quoted by private buyers, cooperatives and shippers, and published by the Coffee and Cocoa Bourse

Processing & Manufacturing

Mars and Barry Callebaut Sign Cooperation Agreement to Increase Availability and Uniformity of Cocoa Flavanol-Rich Chocolate Worldwide

Source: Barry Callebaut AG

15/02/2010

The unique and good-for-you cocoa flavanols - the natural compounds found in the cocoa fruit linked to important circulatory and other health benefits - will soon be easier to identify and obtain when making nutrition choices. Mars, Incorporated and Barry Callebaut AG recently signed a cross-licensing and cooperation agreement that is expected to increase the availability and uniformity of cocoa flavanol-rich chocolate products worldwide. The agreement between these global chocolate leaders is seen as the beginning of a path leading to consistent standards for beneficial cocoa flavanol products.

Decades of research suggest cocoa flavanols can have a positive impact on circulatory health and related conditions, but manufacturers have struggled with consistency, reliable measurement methods and communication of the flavanol benefits and content of foods. Mars, the world's largest retail chocolate manufacturer, selling seven of the world's 20 best selling chocolate snacks, with its pioneering scientific know-how in flavanol analytics, preservation and health benefits, is partnering with Barry Callebaut AG, the world's leading manufacturer of high-quality cocoa and chocolate products for the entire food industry, to progress towards creating a commonly used standard for measuring useful flavanols in foods, broadening acceptance and availability of flavanol-containing products with guaranteed flavanol content. Cocoa flavanol containing products can be a part of a healthy diet. But simply having a higher percent cacao, being a "darker" chocolate, or claiming antioxidants as the main benefit of cocoa, misses the point and demonstrates the need for a means to measure and indicate adequate levels of flavanols consistent with recent scientific studies.

"While flavanols are naturally abundant in cocoa, unless you are specifically measuring and carefully handling a product throughout the manufacturing process, there is just no guarantee the product contains meaningful levels of the flavanols," said Mary Wagner, General Manager at Mars Botanical, a scientific unit of Mars, Incorporated dedicated to flavanol research and product development, and which recently launched CirkHealth(TM) in the United States, a cocoa extract based dietary supplement. "For nearly two decades, we've been studying the process of measuring and maximizing the retention of cocoa flavanols and uncovering their related health benefits, resulting in over 100 scientific publications and a broad patent portfolio. Over the last five years we have also sold products like CocoaVia®, and continue to sell Dove® Rich Dark Chocolate, both high in flavanol content. This agreement with Barry Callebaut will now guarantee reliable flavanol levels in more chocolate products around the globe."

Beginning February 2010, Barry Callebaut AG began licensing Mars patents and will display the Mars Cocoapro® "bean in hand" logo on its Acticoa® products in the US and other markets with an assured consistently high level of cocoa flavanol content. "Acticoa® chocolate has been on the European market for nearly five years and this new cooperation will allow us to even better serve our customers worldwide, in particular also in the US. This agreement is an important step in making chocolate alternatives with clear flavanol levels available to a much broader audience, around the world. We're excited to embark on this journey with Mars, Incorporated" said Hans P. Vriens, Chief Innovation Officer at Barry Callebaut. "Based on years of our own clinical studies, we know cocoa flavanols offer a potentially substantial health benefit, and we know consumers are increasingly seeking healthier products that offer added value. We can all gain through a consistent method to assure consumers that we're delivering these important compounds in our products, and through an aligned way in which we communicate these levels. "

Both companies have agreed to cooperate in promoting flavanol rich chocolate products with a guaranteed level of flavanols inside. Over the next few months, both companies will be updating their science and marketing communications as well as their websites to reflect the implications of this new cooperation.

Business and Economy

Cocoa Industry in Danger

Peace fm Online

15-Feb-2010

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) has said. "There may be a deficit because just as we did the forecast, people are telling us that we might be close to 800,000 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," the regulator of the country's cocoa industry has stated.

COCOBOD's Chief Executive Tony Fofie said in an interview last week 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 an 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 incentive 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 benefit 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

Chocolate cos go for more cocoa import

Economic Times

By P K Krishnakumar, ET Bureau

16 Feb 2010

KOCHI: Cocoa imports to the country have shot up this year thanks to spiraling consumption and a shortfall in cocoa production. Chocolate companies have gone for more import of cocoa beans to meet their rising requirement despite high international prices.

The annual cocoa import to the country was 7026 tonnes in 2008-09. But this year it could be in the range of 10,000 to 15,000 tonnes given the rising demand. "The demand is going up steadily with more processing companies springing up in the country," Mr Venkatesh N Hubballi, director of Directorate of Cashewnut and Cocoa Development told ET.

The global cocoa prices have now cooled down a bit after shooting up to a level of over \$ 3600 per tonne, highest in the recent times. The international prices hovered around \$ 3321 per tonne last week. However, flare-up in global prices has not deterred the chocolate companies to go for more imports.

Cadbury India ED Finance and Commercial, Mr Rajesh Garg said the company buys about 8000 to 10,000 tonnes locally and similar quantity via imports annually. The figure is growing at a rate of over 20 %, he said. "If more was available locally we would import less," he said. Despite the prices remaining high, the company has not passed it on to the consumers.

The domestic prices of cocoa dry beans have been hovering around Rs 160 per kg since January, the highest in the last 25 years or so. Last year, the prices were in the range of Rs 110 to 120 per kg. Since the peak harvest

season is over, the buyers are finding it difficult to get good quality beans. Trade sources say that the superior quality of foreign beans could be one factor prompting the buyers to go for more imports.

The high cocoa prices seem to be encouraging more people to take up cocoa cultivation. `` We have been receiving several enquiries'' Mr Venkatesh Hubballi said. Kerala accounted for the highest share of 6100 tonnes out of the total production of 11,820 tonnes last year followed by Karnataka and Andhra Pradesh. It is mainly grown as intercrop in coconut and arecanut plantations

Tamil Nadu is fast becoming major player in cocoa cultivation. The Directorate of Cashewnut and Cocoa Development is expecting to add another 8000 hectares to the existing area of 34,049 hectares under cocoa cultivation in the country. Most of this addition will be in Tamil Nadu.

Hershey Wants to Help Stores Sell More Chocolate

Source: Reuters

17/02/2010

Florida, Feb 16 - Hershey Co has started to share its consumer marketing data with U.S. retailers to help drive sales of chocolate, Chief Executive David West said on Tuesday. The push comes as Hershey gets ready to battle a Cadbury owned by Kraft Foods Inc, as Kraft's acquisition of the British confectioner is set to close in the coming weeks.

Hershey, which trimmed promotional spending and increased spending on advertising last year, still plans to highlight its products in U.S. stores every month this year. Plans include a Reese's peanut butter cups promotion tied to the NCAA collegiate basketball tournament in March, West told an audience of hundreds at the Consumer Analyst Group of New York conference in Boca Raton, Florida.

Tweaking displays by segmenting different types of candy and adding signs can boost sales in the candy aisle, where the average consumer trip lasts less than a minute and 25 percent of shoppers walk away without buying, West said. Pilot programs with certain stores have already started and Hershey plans to expand the roll-out next year, he added.

Hershey also said it still expects 2010 sales growth of 3 to 5 percent and adjusted earnings per share growth of 6 to 8 percent. On Feb. 2, the company posted a bigger-than-expected quarterly profit, raised its dividend and defended its decision to back away from trying to buy rival Cadbury. Hershey shares gained 78 cents or 2.1 percent to close at \$38.38 on the New York Stock Exchange on Tuesday.

Promotion & Consumption

Chocolate: from sin to superfood

Australian Food

By Nicole Eckersley

February 16, 2010



Chocolate manufacturing giants Mars Incorporated and Barry Callebaut AG yesterday announced a cross-industry partnership to promote the health benefits of cocoa flavanols.

Cocoa Polyflavanols are a type of flavonoid - chemicals with antioxidant properties, found in green tea, berries, fruits, vegetables and red wine. Cocoa flavanols have been shown to improve blood circulation, protect skin from the effects of UV and potentially improve brain function. The flavonoid group as a whole is also believed to be an anti-angiogenetic - a property that

aids weight loss and may limit the dangerousness of early-stage cancerous growths.

Using Mars' patented Cocompro process, flavanols (usually destroyed by the manufacturing process) can be preserved in chocolate and other cocoa products. This cocoa is currently available as CirkuHealth low-calorie dietary supplement, and in Dove Rich Dark Chocolate in the US. Beginning this month, Barry Callebaut will begin licensing Mars patents for its Acticoa products, and labelling them with the Mars Cocompro Bean In Hand logo, to certify flavanol levels.

Flavanols are significantly reduced during chocolate manufacturing, particularly by the process known as ‘Dutching’, which alkalises cocoa and removes the bitter taste of the flavanols. Dutching dates back to 1828, when it was invented by Coenraad Van Houten: the smoother, richer Dutched cocoa quickly became the gold standard for fine European cocoa. Darker chocolate products are often made from cocoa which is not Dutched, likely contributing to the popularly-attributed health benefits of dark chocolate; research indicates that the addition of milk does not significantly affect flavanols.

However, Mars maintains that choosing chocolate for health by cocoa percentage or ‘darkness’ is misleading, and that better measurements and labelling are the answer. “While flavanols are naturally abundant in cocoa, unless you are specifically measuring and carefully handling a product throughout the manufacturing process, there is just no guarantee the product contains meaningful levels of the flavanols,” said Mary Wagner, General Manager at Mars Botanical. “This agreement with Barry Callebaut will now guarantee reliable flavanol levels in more cocoa and chocolate products around the globe.”

Critics warn that while the health benefits of flavanols are clear, the health-conscious should be careful when adding extra calories alongside. “An ounce of dark chocolate delivers about 150 calories. Eat that much every day without cutting back elsewhere and the girth you gain would far outweigh any benefit from chocolate.” says Dr. Thomas Lee, editor in chief, Harvard Heart Letter.

Crazy for cocoa class: Students eat up info in chocolate course OSU

By Kathy Cubert
February 17, 2010



For those who love chocolate, there is a two-credit class offered at Ohio State that teaches everything from the history of chocolate to how it is manufactured and marketed.

Chocolate Science 101, held at the Parker Food Science Building, has weekly chocolate tastings as part of the class instruction, and students are taught to use all their senses to evaluate what they are eating.

Students form groups to produce both an idea and a marketing strategy for a chocolate product, and they design packaging or labeling for their idea.

In addition, Anthony-Thomas Candy Co. donates 10-pound chocolate bars for a molding activity every quarter, and the class takes a tour of an Anthony-Thomas production facility.

Tasting the bacon chocolate is one of his favorite parts of the class, said Alex Suter, a second-year graduate student and teaching assistant.

Mary Kay Folk, a lecturer for Food Science and Technology, purchases a variety of chocolate with different amounts of cocoa and with all types of ingredients for the tastings. A lot of the chocolate for the tastings comes from World Market, Folk said. She has been teaching the course since Autumn Quarter of 2008.

She said teaching the course has been a lot of fun. “I really enjoy the history part of it,” Folk said. One of the course objectives is to understand how complex the process is from start to finish. “The production, how you process it, really is an involved process,” Folk said. “You don’t think about that when you pick up a Hershey bar — you don’t think about what goes into that.”

There are typically 70 students enrolled in the class whenever it is offered, with a waiting list every quarter. Students taking the class are from a variety of majors. As of Wednesday there were 21 students waiting to get into the class. Folk encouraged interested students to attend class the first day, even if it’s full. “If there’s an empty desk, we’ll fit you in,” she said.

Others

Cameroon to Stage International

Coastweek

19/02/2010

YAOUNDE (Xinhua) -- Cameroon is to host the first meeting in Africa for the executive council of the International Cocoa Organization (OIC) in March, the London-based institution disclosed here on Tuesday.

The central African country is one of the founding members of OIC, which was created 1973. "The main objective of my visit is the preparation of the Council's session which will take place in March in Yaounde," the Dutchman Jan Vingerhoets declared after a meeting with Cameroonian Minister of Commerce Luc Magloire Mbarga Atangana.

The director general of the National Office for Cocoa and Coffee (ONCC), Michael Ndoping, was also president at the meeting with the visiting European official.

An executive director since 2002, Vingerhoets already visited Cameroon in 2006 where he discussed with officials on how to help farmers to use new production techniques. The know-how is necessary because the growing of cocoa in Cameroon is largely characterized by the aging orchards.

The fifth producer in the world after Cote d'Ivoire, Ghana, Indonesia and Nigeria, Cameroon managed to raise its production to 200,000 tons in 2009.

"Last year, we announced a symbolic figure of 200,000 tons. In fact, we had 205,000 tons.

"That was good performance since it was the first time," the ONCC director general noted.

"Cameroon was among the founder members of the International Cocoa Organization when it was being created. And in addition, we have participated in all sessions.

"We are among the few rare countries that have played a role by submitting our contributions and in return we are also among the countries that have benefitted much from the projects that have been initiated by OIC through donor funding especially Common Fund for basic products," he said.

According to Ndoping, the choice of Cameroon to host the first session of the executive council of this organization in Africa is a testimony to the good relations that Cameroon has with OIC. On his part, the executive director of OIC declared that "this was very important for Cameroon since it was placing her higher on the map of cocoa producers in the world."

TIT BITS

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

US MIDDAY: sugar and coffee lower

NEW YORK (February 20, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Friday. May arabica coffee contract fell 0.30 cent to \$1.3610 per lb at 11:09 am EST (1609 GMT). Session range from \$1.3475 to \$1.3690. Arabica coffee inched lower in quiet dealings the day after first notice day for the March contract, said brokers.

Liffe sugar, coffee down; cocoa rises

LONDON (February 20, 2010): May white sugar ended \$0.60 lower at \$706.30 a tonne on Friday. Prices rangebound with a lack of offtake from key importers and a stronger dollar keeping a lid on the market. May cocoa on Liffe ended 18 pounds higher at 2,281 pounds a tonne. Market supported by the weakness of sterling and growing political tension in Ivory Coast although a favourable mid-crop outlook in the world's top producing country is helping to keep prices in check.

Indonesia to ship 5,000 tonnes of cocoa beans to US

JAKARTA (February 20, 2010): Indonesia, the world's number three cocoa grower, is planning to ship 5,000 tonnes of cocoa beans from the main cocoa-producing island of Sulawesi to the United States, traders and a port official said on Friday. Indonesian exports have been quite steady over the past year but traders said the 5,000 tonne shipment of beans is most likely destined ICE warehouses for retender because of poor demand from grinders