

# COPAL COCOA *Info*

*A Weekly Newsletter of Cocoa Producers' Alliance*



Issue No. 378

8<sup>th</sup> – 12<sup>th</sup> March 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, 16<sup>th</sup> – 18<sup>th</sup> March 2010
- Cocoa Conference and Exhibition (Chocolate Village), Lagos, Nigeria, 1<sup>st</sup> – 3<sup>rd</sup> April 2010



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

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## ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
8 <sup>th</sup> March	1989.97	3047.76	2149.00	2862.67
9 <sup>th</sup> March	1975.68	3018.78	2138.67	2832.33
10 <sup>th</sup> March	2007.48	3068.76	2188.33	2863.67
11 <sup>th</sup> March	2006.19	3070.34	2173.67	2873.00
12 <sup>th</sup> March	2048.57	3149.22	2209.33	2945.33
<b>Average</b>	<b>2006.00</b>	<b>3071.00</b>	<b>2172.00</b>	<b>2875.00</b>

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

**Monday 8th March 2010**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2010	2151	2144	-12	2155	2139S	430
May 2010	2174	2163	-13	2179	2157	2,876
Jul 2010	2166	2156	-11	2166	2153	800
Sep 2010	2136	2128	-9	2136S	2126S	147
Dec 2010	2121	2113	-11	2121S	2109S	152
Mar 2011	2090	2087	-11	2090	2087	59
May 2011	2084	2084	-10	2085S	2084S	2
Jul 2011		2084	-11			0
Sep 2011		2084	-11			0
Dec 2011		2084	-11			0
<b>Average/Totals</b>		<b>2113</b>				<b>4,466</b>

**Tuesday 9th March 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2140	2127	-17	2144	2114S	2,696
May 2010	2160	2151	-12	2169	2135	8,313
Jul 2010	2153	2147	-9	2160	2130	3,956
Sep 2010	2126	2118	-10	2126	2107S	379
Dec 2010	2111	2098	-15	2111	2086S	3,714
Mar 2011	2096	2069	-18	2096	2060	2,884
May 2011	2083	2065	-19	2083S	2071	7
Jul 2011	2067	2063	-21	2067	2067	9
Sep 2011		2061	-23			0
Dec 2011	2060	2061	-23	2062	2060	44
<b>Average/Totals</b>		<b>2096</b>				<b>22,002</b>

**Wednesday 10th March 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2122	2178	51	2185	2108	9,160
May 2010	2147	2206	55	2209	2130	11,743
Jul 2010	2141	2198	51	2203	2131	6,637
Sep 2010	2111	2161	43	2164	2100	2,765
Dec 2010	2096	2132	34	2135S	2085	582
Mar 2011	2067	2102	33	2115S	2054	831
May 2011	2065	2101	36	2115S	2058S	278
Jul 2011	2072	2098	35	2072	2072	10
Sep 2011	2069	2101	40	2069	2062S	8
Dec 2011	2060	2111	50	2111	2058S	591
<b>Average/Totals</b>		<b>2134</b>				<b>32,605</b>

**Thursday 11th March 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2179	2171	-7	2187	2165S	10,216
May 2010	2206	2191	-15	2214	2187	8,098
Jul 2010	2197	2183	-15	2206S	2181	4,502
Sep 2010	2161	2147	-14	2169	2148	1,591
Dec 2010	2132	2115	-17	2141	2117	184
Mar 2011	2103	2088	-14	2103S	2088S	68
May 2011	2095	2094	-7	2095	2095	10
Jul 2011		2092	-6			0
Sep 2011		2095	-6			0
Dec 2011		2104	-7			0
<b>Average/Totals</b>		<b>2128</b>				<b>24,669</b>

**Friday 12th March 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2010	2199	2175	-28	2210	2172	9,813
May 2010	2226	2201	-29	2227	2189	10,406
Jul 2010	2222	2193	-33	2223S	2184S	1,212
Sep 2010	2170	2140	-32	2170	2137S	428
Dec 2010	2142	2124	-20	2142	2110	166
Mar 2011	2086	2101	-21	2103	2086	181
May 2011	2100	2100	-21	2100	2100	1
Jul 2011		2101	-21			0
Sep 2011		2101	-21			0
Dec 2011		2110	-21			0
<b>Average/Totals</b>		<b>2135</b>				<b>22,207</b>

<b>Average for the week</b>	<b>2135</b>				<b>21190</b>
					<b>105,949</b>

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

**Monday 8th March 2010**

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2868	2827	-28	2868	2820	18
May 2010	2870	2834	-31	2882	2818	4,499
Jul 2010	2870	2861	-29	2889	2850	752
Sep 2010	2906	2885	-25	2906	2875	250
Dec 2010	0	2915	-25	0	0	32
Mar 2011	0	2939	-23	0	0	9
May 2011	0	2942	-22	0	0	0
Jul 2011	0	2954	-19	0	0	0
Sep 2011	0	2967	-14	0	0	0
Dec 2011	0	2982	-8	0	0	0
<b>Average/Totals</b>		<b>2911</b>				<b>5560</b>

**Tuesday 9th March 2010**

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2810	2787	-40	2810	2761	35
May 2010	2828	2802	-32	2829	2766	9,783
Jul 2010	2857	2829	-32	2857	2797	3,086
Sep 2010	2867	2849	-36	2874	2821	1,772
Dec 2010	2891	2887	-28	2895	2856	1,108
Mar 2011	2890	2908	-31	2920	2879	632
May 2011	0	2913	-29	0	0	2
Jul 2011	2896	2924	-30	2896	2894	39
Sep 2011	0	2932	-35	0	0	0
Dec 2011	2898	2951	-31	2908	2898	44
<b>Average/Totals</b>		<b>2878</b>				<b>16501</b>

**Wednesday 10th March 2010**

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2791	2838	51	2840	2791	4
May 2010	2802	2844	42	2860	2754	9,666
Jul 2010	2835	2869	40	2884	2780	2,648
Sep 2010	2838	2893	44	2905	2800	1,254
Dec 2010	2890	2923	36	2928	2839	897
Mar 2011	2897	2943	35	2947	2856	507
May 2011	2889	2947	34	2889	2863	306
Jul 2011	2880	2956	32	2883	2877	27
Sep 2011	2885	2963	31	2885	2881	8
Dec 2011	2911	2973	22	2973	2890	553
<b>Average/Totals</b>		<b>2915</b>				<b>15870</b>

**Thursday 11th March 2010**

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2855	2844	6	2855	2855	5
May 2010	2854	2854	10	2865	2834	5,608
Jul 2010	2872	2878	9	2885	2861	2,895
Sep 2010	2893	2902	9	2901	2892	607
Dec 2010	2919	2935	12	2930	2919	157
Mar 2011	2955	2956	13	2955	2945	141
May 2011	2951	2962	15	2954	2951	4
Jul 2011	2955	2973	17	2955	2955	7
Sep 2011	2963	2980	17	2963	2963	6
Dec 2011	2974	2995	22	2974	2974	9
<b>Average/Totals</b>		<b>2928</b>				<b>9439</b>

**Friday 12th March 2010**

Month	Open	Price	Change	High	Low	Volume
Mar 2010	2844	2910	66	2844	2820	5
May 2010	2852	2920	66	2929	2818	8,961
Jul 2010	2867	2946	68	2955	2849	2,762
Sep 2010	2889	2969	67	2973	2876	929
Dec 2010	2932	2998	63	3000	2906	141
Mar 2011	2925	3015	59	3016	2924	30
May 2011	2936	3019	57	3020	2929	9
Jul 2011	3028	3026	53	3028	3028	52
Sep 2011	0	3029	49	0	0	50
Dec 2011	0	3048	53	0	0	0
<b>Average/Totals</b>		<b>2988</b>				<b>12939</b>

<b>Average for the week</b>	<b>2988</b>				<b>2353</b>
					<b>2353</b>



# News

## Health and Nutrition

### **That chocolate bar may hedge you against heart disease**

BusinessDay - Francis Jakpor - Mar 11, 2010

...COPAL targets April for conference on cocoa health benefits

James Etegene, a father of two, is in the habit of indulging his children, both of whom are under the age of seven. That explains why toys, dolls and a host of edibles are never in short supply at his home. But the rather overindulgent dad draws the line at chocolates and candies however much his kids may crave them. He feels the consumption of such cocoa products comes with negative health implications, among which are tooth decay, heart disease and obesity.

Etegene is not alone, because research reveals that such beliefs are shared by many individuals and families across Africa; hence the low consumption of cocoa on the continent. For instance, Africa is said to account for 70 percent of global cocoa output; while it consumes a paltry 3 percent of the commodity. But recent findings reveal there is a lot more to processed cocoa than just fat and sugar. This is because it is rich in flavonoids, a group of chemical compounds with antioxidant properties found in a variety of plants which have been shown to build the cardiovascular system, inhibit aggregation of blood platelets (which produces stroke and heart attack) and decrease the body's inflammatory immune responses that result in arteriosclerosis.

"In the past 10-15 years, there have been solid scientific studies by chocolate manufacturers, research facilities and major universities showing that there are nutritional benefits from the consumption of cocoa," disclosed Sona Ebai, secretary general, Cocoa Producers' Alliance (COPAL), an intergovernmental organisation comprising 10 cocoa-producing countries, at a recent media briefing in Lagos. "An ongoing study at Georgetown University, USA reveals that a tiny quantity of Pentameric acid which is found in the cocoa bean...can identify (breast cancer) cells and stop their replication."

Thankfully, the cocoa benefits do not exclude the tropics (a region which includes Nigeria) where the incidence of malaria is particularly high, like Ebai explained: "There's an ongoing study at the University of Ghana Medical School which has shown with good scientific evidence that the regular consumption of cocoa serves as a malaria prophylaxis. Liquid from the cocoa bean kills the malaria parasite. There was literature even before the study which showed that this could be a possibility. This is news that people need to know, and it is what we feel will boost the consumption of cocoa..."

Besides flavanol, cocoa is also said to contain over 300 chemically identifiable compounds, among them magnesium, theobromine and cocoa butter, catechin, fibre, B vitamins and carbohydrates. Cocoa butter eliminates stretch marks (thus promoting longevity) and fights tooth decay; while magnesium is crucial to the health of sickle cell patients.

The benefits of cocoa consumption may be numerous, but not many people are adequately informed in that regard, which is why COPAL has scheduled a Chocolate Village Fair from April 1 to 3, 2010 at the Expo Centre, Eko Hotel and Suites, Lagos. According to the organisers, the fair, which would be held annually henceforth, will feature nutritional feedback about cocoa from researchers across the world, including lectures and exhibitions by cocoa-producing countries and manufacturers.

"There'll be an exhibition of companies that produce or manufacture products derived from cocoa. Anything from cocoa butter to chocolates, beverages and more," said Frances Eza of Connect Marketing, the firm which is charged with publicising the event. "We want to create an atmosphere that will welcome families and individuals from all walks of life. Let them come and learn different attributes of cocoa that they probably never knew before."

A sweet tooth may not always be the best trait to imbibe, especially when it is left unchecked. But if the habit comes with several health benefits as well, like researchers insist, maybe parents in the mould of Etegene would be forced to make a U-turn and hand down a chocolaty but healthy legacy to their children in the long run.

### **Chocolate may make some strokes less likely**

Tehran Times - Mar 9, 2010

In news that's sure to delight chocolate lovers, a Harvard study finds that a couple of squares of dark chocolate a day might reduce the risk of a hemorrhagic stroke, by 52 percent. Unfortunately for chocolate fans, though, the same research also found that chocolate does not appear to have a protective benefit for the most common type of stroke.

People who have a stroke have either an ischemic or a hemorrhagic stroke. An ischemic stroke occurs when a blood vessel that supplies blood to the brain becomes blocked, either partially or completely. This type of stroke accounts for about 80 percent of all strokes, according to the U.S. National Institute of Neurological Disorders and Stroke. Hemorrhagic strokes, which occur when a blood vessel in the brain bursts and bleeds into the brain, make up about 20 percent of all strokes. "There are several possible mechanisms, but the effect of rich cocoa on cardiovascular health seems to be through its effect on blood pressure, and the capacity to improve the flexibility of the blood vessels," said study author Dr. Martin Lajous, a doctoral candidate at the Harvard School of Public Health in Boston. "In the context of an appropriate intake, eating small amounts of cocoa could be beneficial," Lajous said.

But Lajous added that "it's difficult to understand why it appears to just benefit hemorrhagic stroke."

The findings were to be presented Wednesday at the American Heart Association's conference on cardiovascular disease epidemiology and prevention in San Francisco. The benefit attributed to cocoa stems from substances it contains known as flavonoids, which are believed to help protect against certain cardiovascular disease risk factors, such as blood pressure and blood clotting.

In the study, the researchers reviewed data from 4,369 middle-age French women, none of whom had any evidence of heart disease at the start of the study in 1993. The women's average body-mass index was 23, a number that's considered normal weight. When the study began, the women provided a detailed account of the foods they'd eaten over a 24-hour period. The researchers calculated the cocoa intake by looking for seven foods in particular: plain chocolate bars, candy bars, chocolate drinks, chocolate mousse, chocolate-filled croissant, cookies with chocolate and cakes containing chocolate.

In the next 12 years, 493 of the women were diagnosed with some type of cardiovascular disease: 200 had heart attacks and 293 had a stroke. Of the strokes, 189 were ischemic and 91 were hemorrhagic. After adjusting the data to account for known cardiovascular disease risk factors -- such as smoking, physical activity, weight, blood pressure and cholesterol levels and diabetes -- the researchers found no statistically significant association in the risk for cardiovascular disease between the highest levels of cocoa consumption and the lowest.

However, when they broke down the data by type of stroke, they found a statistically significant reduction for women who'd had hemorrhagic strokes and had consumed the most chocolate. In women who ate more than 9 grams of chocolate daily, the risk for hemorrhagic stroke was 52 percent lower than it was for those who consumed less than 0.1 grams of chocolate a day.

Lajous said that 9 grams is about two or three squares of chocolate, and he noted that the French women in the study usually consumed dark chocolate, containing about 35 percent cocoa. "Our results are intriguing, but need to be confirmed in other studies," he said.

And not everyone is on board with the concept. "It would be great if chocolate really worked to prevent heart disease and stroke, but I think it's wishful thinking," said Dr. Keith Siller, medical director of the Comprehensive Stroke Care Center at the New York University Langone Medical Center in New York City. "Although the idea that flavonols -- the bitter part of the chocolate -- can help your cardiovascular health may have some merit, there's no strong scientific proof."

Also, he's puzzled by the study's finding that cocoa might protect against one type of stroke but not the other. "It's hard to understand why there's no benefit for heart disease and ischemic stroke," Siller said. "Anything that helps stroke should help both types."

People who add such things as chocolate to their diet with the hope of helping to prevent heart disease, he said, also need to be aware that they're taking in additional calories. "If you start adding weight, you may give yourself additional risk factors for stroke and heart disease," Siller said. (Source: *HealthDay News*)



## **Researcher advocates daily consumption of cocoa drink without milk and sugar**

8th March 2010

BusinessGhana

A researcher at the Cocoa Research Institute of Ghana has advocated daily consumption of natural cocoa powder without additives including sugar and milk saying the diet reduces the risk of heart disease and stroke.

Mr. Kwame Agyente-Badu, Acting Head of the New Products Development Unit of CRIG, discouraged the use of the additives saying they interfered with the flow of antioxidants, substances that prevented damage of the body's cells.

Speaking on Saturday at a forum organized by CRIG to sensitize the public on the importance of consuming natural cocoa products in Accra, he said regular daily intake of natural cocoa drink helps to reduce persistent cough, asthmatic attacks and overcome erectile dysfunction and other forms of sexual weakness.

Mr. Agyente-Badu said cocoa was the natural source of dietary magnesium which research had shown to be effective in treating diabetes, epilepsy, sleeplessness, menstrual pains, migraine and arthritis."For external usage, non-edible cocoa benefits include treating lip sore, nipple sores on breastfeeding women, burns and rashes, skin irritations, haemorrhoids and skin irritations.

Mr. Francis Osei Owusu, Acting Director of Research, Monitoring and Evaluation at the Ghana Cocoa Board, said the company had targeted to hit 1 million tones of cocoa production by 2012.He said management was committed towards making cocoa production the highest foreign exchange earner and to serve as the spine of the economy in spite of the discovery of oil in commercial quantities.

## ***Production & Quality***

### **COPAL Tasks FG on Cocoa Production**

By Steve Dada,

THISDAY

Mar 9, 2010

Lagos

An appeal has gone to the Federal Government and other tiers of government in Nigeria to revamp the production of cocoa at a commercial quantity as it was before the discovery of petroleum by giving the necessary support to the cocoa farmers so that the country can benefit from the over \$600, 000 billion yearly turn-over from the produce.

Secretary General of the Cocoa Producers' Alliance (COPAL), Ambassador Hope Sona Ebai, who made the appeal Monday at a pre-event media briefing on the forthcoming International Cocoa Conference and Exhibition, tagged 'Chocolate Village' coming up in Lagos between April 1 and 3, 2010, noted that Nigeria particularly is lagging behind other cocoa producing countries of the world.

Ebai said cocoa farming has turned out to be a high revenue yielding venture from which other African countries such as Cote d'Ivoire and Ghana are recording high income, but wondered why the Nigerian government had abandoned cocoa production for petroleum industry.

The COPAL Secretary General, who said the aim of the forthcoming conference is to enlighten the Nigerian populace about the importance of cocoa, noted that apart from generating more employment for the people, recent scientific information indicates that cocoa is loaded with several elements that have immense health and nutritional benefits. He explained that cocoa is loaded with more than 300 chemically identifiable compounds, with the four major nutrient components being theobromine, flavonol antioxidants, magnesium and cocoa butter.

## **Nigeria: Cocoa Producing States Decry FG's Attitude**

James Sowole

THISDAY

10 March 2010

Akure — Cocoa producing states ,yesterday in Akure, Ondo State capital decried the Federal Government's attitude to the economy of the crop which accounted for larger percentage of the country's earning before the discovery of oil.

Various stakeholders who spoke at the opening of the maiden National Cocoa Convention, attended by deputy governors from some producing states, decried the Federal Government's neglect of the cocoa aspect of agricultural programme.

The ball was set rolling by Ondo State Deputy Governor, Alhaji Alli Olanusi, who condemned non-inclusion of cocoa in the list of benefiting crops in the N200 billion loan approved in 2009, by the Central Bank of Nigeria, for agricultural development.

Olanusi said despite the protests by cocoa farmers and allied associations in the producing states, the request for the reversal of the situation was contemptuously ignored. He also alleged failure of the Federal Government to reimburse cocoa producing states with money spent on the raising of seedlings for farm rehabilitation in Year 2005/2006, adding that the National Cocoa Development Committee (NCDC) has also not supplied any agricultural inputs to the states since 2008, despite the release of N400million for the purpose. He said producing states are in the dark on research findings and revenue from cocoa exports, as well as its relative contributions to the Gross Domestic Product (GDP).

## **Cocoa producing states blame FG for fall in production**

The Punch

By Sunday Aborisade, Akure,

10 Mar 2010

The governments of the 14 cocoa producing states in Nigeria have accused the Federal Government of failing to take measures aimed at improving production in the last three years. They said the development had led to a drastic fall in the annual output of the commodity from 330,000 metric tonnes in 2007 to 212,000 in 2009. They stated this in Akure, the Ondo State capital on Tuesday, at the opening of a two-day convention to address the problems of abysmal decline in cocoa production in the country. Deputy governors of the cocoa producing states and their commissioners for agriculture attended the convention.

Ondo State governor, Dr. Olusegun Mimiko, noted that measures aimed at improving the output of cocoa production in the country were abandoned immediately after the exit of former President Olusegun Obasanjo's administration in 2007. According to the governor, Obasanjo established the National Cocoa Development Committee in 2000 with a view to promoting cocoa production by designing and implementing programmes that would encourage the replacement of old cocoa farmlands with new ones. He said, "Based on the intervention of the NCDC between 2000 and 2006, Nigeria's cocoa output rose to a production capacity of 330, 000 metric tonnes in 2006/2007, but the production level again fell to 212, 000 metric tonnes in the 2008/2009 season. "This unfortunate situation was a direct consequence of the relative inactivity of the NCDC, which did not provide the necessary impetus for the growth and development of cocoa."

Mimiko explained that need for the cocoa producing states to take their destiny in their hands and save cocoa production from going to extinction informed the convocation of the forum to address all problems affecting production.

The Ondo State Deputy Governor, Alhaji Ali Olanusi, said the Minister of Agriculture and Water Resources, Dr. Abba Ruma, who is the Chairman of the NCDC, had not called a meeting for over a year.

## **Cocoa production should favour farmers**

Ghana News Agency

March 10, 2010

Accra, March 10, GNA - The Africa Cocoa Coalition, a group of Non- Governmental Organizations promoting quality cocoa production in Africa, on Wednesday urged governments and stakeholders in the cocoa business to ensure cocoa farmers benefited from their labour. "The Farmers of producing countries, particularly Ghana and

Cote d' Ivoire, appear to be the most vulnerable to the inequity in the distribution of the returns along the cocoa value chain," Mr David Kpelle, National Coordinator of Africa Cocoa Coalition said.

At a Roundtable on the theme: "Sustainable Cocoa Economy in Ghana," Mr Kpelle said cocoa farmers were ageing as well as their cocoa farms and noted that incentives to encourage the youth to take over from the ageing farmers were not enough.

The Roundtable, the first of its kind in Ghana, brought together key stakeholders in the cocoa sector with the aim of creating awareness about the developments and processes involved in attaining a sustainable cocoa economy at the global level. The forum would also afford participants the opportunity to reach an agreement on the way forward on the internalization of key priority areas in achieving a sustainable cocoa economy.

Mr Kpelle said defining a sustainable cocoa economy as one in which each person investing time or money into the cocoa supply chain would earn a decent income for them and their families, could not be true for the almost 800,000 cocoa farmers in Ghana. While commending the government of Ghana for actions taken to improve income for cocoa farmers in recent times, he said the global demand for cocoa was projected to reach about 4.3 million tonnes per year by 2012 and asked how Ghana was positioning herself to take advantage to meet the global demand.

Dr Kwabena Duffuor, Minister of Finance and Economic Planning, in a speech read on his behalf, suggested fair trade and fair price as one solution to help cocoa farmers benefit from their labour. "Market developments which negatively affect the interests of farmers tend to move people, especially the youth to urban centres in search of non-existent jobs," he said and added that such negative developments had the tendency to disrupt production processes.

Dr Duffuor pledged government's commitment to ensure a sustainable cocoa economy and said government was prepared to cooperate with development partners and other groups committed to sustainability.

Mr Francis Otu Acquah, a cocoa farmer from Akwadum in the Eastern Region, in an interview said cocoa farmers had been involved in the process to create a sustainable cocoa economy. He said even though government was doing well in terms of income to cocoa farmers, more could be done and said the farmers would continue to create awareness about the problems they face on the farms.

### **Cocoa production improves**

Solomon Star

By MOFFAT MAMU

11 March 2010

COCOA production continues to make impressive records with an increase production for January this year.

The Central Bank, in its monthly economic bulletin, said preliminary cocoa production data for January showed an increase of 13% to 369 tonnes, 48% up against 12 months ago. "This outcome reflected better prices offered in the international market which trickled down to local farmers, thereby encouraging them to produce more," the bank said.

As a result, average contracted export price for cocoa rebounded 21% to GBP£1,820 per tonne after a 4% fall in the previous month.

Similarly, averaged domestic price received by farmers improved 20% to \$19.75 per kilo. Also, the average international price of cocoa rose 0.3% to US \$3,523 (SBD\$28, 000) per tonne to continue the increase that began in June 2009. Compared to a year ago, this year was 34% higher than January 2009.

### **Roundtable on Ghana's Cocoa Industry held**

Ghana Broadcasting Corporation

Source: GBC NEWS

12, March, 2010

Government says a critical issue that needs to be considered in the cocoa supply chain is sustainable improvement in farmer incentive structure. This farmer incentive structure hinges on farmer income, cocoa quality, market price, productivity among others.



In a speech read on his behalf at a national roundtable on sustainable cocoa economy, the Minister of Finance and Economic Planning, Dr. Kwabena Duffour, said it is necessary that the meeting identifies and assesses policies of stakeholders in the cocoa chain in order to attain the appropriate sustainable structures for the Ghanaian cocoa economy. He said government welcomes the new public private partnership for extension delivery and is prepared to provide appropriate support to ensure that cocoa production is moved to a higher pedestal.

The Acting Deputy Chief Executive of the Ghana Cocoa Board, Dr. Yaw Adu-Ampomah, commended the Africa Cocoa Coalition and Tropical Commodity Coalition for initiating Ghana's version of the round table. This emphasizes the country's leading role in cocoa production in terms of quantity and quality. Dr. Adu-Ampomah believes the discussions will result in securing better livelihood for cocoa farmers through modernized cocoa farming methods by way of productivity improvement schemes and working conditions.

### **Malaita cocoa farmers aim to increase production**

Solomon Star

By CHARLES KADAMANA

12 March 2010



COCOA farmers in Malaita Province are aiming to increase their production from 4,000 tonnes per year to 10,000 by 2014. If they could do that, they would certainly increase the current import earnings from cocoa from \$71 million to \$200 million by 2014. That's if they put into good use the new skills and knowledge they gained working under the Cocoa Livelihood Improvement Project (CLIP).

CLIP is a four year project funded by the Australian government. It aims to provide cocoa farmers news skills to rehabilitate and manage their cocoa plantations.

Under this project the government of Australia, through the Ministry of Agriculture and Live Stock poured in \$14 million to assist farmers here.

Already 2000 cocoa farmers in Malaita have attended trainings held under the project. And this is paying off with cocoa plants now producing good pods as witnessed by a visiting delegation to Central Kwara'ae in Malaita yesterday.

One of the farmers Harry Maefelo from Arabala, who started planting cocoa in 1980, said he applied the new skills learned resulted in a healthy cocoa plantation. He said through the trainings he attended last year, his cocoa plants are growing like new plants.

Another farmer Nelson from Fiu village said his cocoa plantation was planted by his parents in 1984 and had grown old and no longer useful.

However, he said after he attended the training under the CLIP project, he went back and started applying the skills he learned and it has proven positive for his plantation. He said his cocoa plants are now beginning to grow green and start bearing good pods again.

A field visit to his farm has proven that CLIP is useful and is a right methodology to help revive cocoa production in the country.

Australia High Commission Counsellor Development Cooperation Kamal Azmi, who visited the plantations yesterday, congratulated farmers for embracing the training and skills the Ministry extension officers shared with them through CLIP. He said the government of Australia is committed to supporting the Ministry of Agriculture and Live Stock through CLIP to provide advice and training for tfarmers. He said CLIP aims to increase the number of people growing cocoa across the country. The aim is to increase production to 10,000 tonnes a year by 2014.

To show case the programe, the Ministry of Agriculture and Live Stock organised a field day at Gwaibaleo village at Fiu yesterday. Up to 500 cocoa farmers from the sourounding villages turned up for the field day.

Activities include demonstration of how to prune new young cocoa trees, pruning tall trees and massive pruning. A slide show, questions and answers, and distribution of pamphlets also took place.

### **Ivorian Ports Received 9,058 Tons of Cocoa Last Week (Update1)**

By Monica Mark

March 11 (Bloomberg) -- Cocoa deliveries to Ivory Coast's ports of Abidjan and San Pedro from farms in the interior totaled 9,058 metric tons in the week to March 7, down 16 percent from a year earlier, according to an industry official with access to the data.

In addition to deliveries of 5,646 tons, the figure includes an additional 3,412 tons of beans that wasn't reported by the Bourse du Café et du Cacao in the preceding week, said the official, who declined to be named because the data are confidential. The official based the figures on data provided by the state-run bourse.

Ivory Coast is the world's largest cocoa producer.

The following is a table of the amount of cocoa beans, in metric tons, as registered by exporters and exporting cooperatives from March 1 to March 7.

## **The Market**

### **SOFTS-Sugar careens to 7-month low, cocoa rebounds**

Forexyard

By Marcy Nicholson and David Brough

March 10, 2010

*\* U.S. cocoa bounces up from 7-month low (Adds U.S. comment, changes byline/dateline, updates with ICE and late London prices, rewrites throughout)*

NEW YORK/LONDON, March 10 (Reuters) - Raw sugar futures on ICE pared losses after tumbling more than 7 percent to a seven-month low on Wednesday as washouts on cash deals drove the market to its eighth loss in 10 sessions.

Robusta coffee fell, under pressure from origin selling, but cocoa rebounding from recent weakness.

Raw sugar futures have fallen more than 35 percent since touching a 29-year peak of 30.40 cents a lb on Feb. 1. What we're seeing this week is an acceleration of long liquidation," said Jonathan Kingsman, managing director of Swiss-based consultancy Kingsman SA.

ICE May raw sugar futures closed down 0.63 cent at 19.69 cents a lb, having earlier touched a seven-month low by declining 7.4 percent to 18.82 cents. Indian sugar mills have backed out of import deals to the tune of 100,000 tonnes, and traders have diverted cargoes, as tumbling prices make overseas purchases unviable, sources with sugar firms and traders said on Wednesday. "The market goes down as the risk of defaults increases. This (Indian news) has to be a factor," said James Kirkup, director and head of sugar brokerage at Fortis Bank Nederland in London. The market bounced off its lows and short-covering entered the market as the stock market moved higher, Sterling Smith, market analyst for Country Hedging in Minnesota, said.

Bank shares rose on both sides of the Atlantic, helping drive European equities to a seven-week closing high, but gains on Wall Street were curbed as energy shares declined along with a fallback in crude oil prices. "What I think we have here is we finally have put enough into the short side of the market where the boat has tipped too far to that side and we're beginning to see shorts come off," Smith said.

London May white sugar was down \$18.30 or 3.3 percent at \$537.10 per tonne.

U.S. cocoa futures rebounded to finish strong after hitting a seven-month low earlier on chart-based buying, dealers said. May cocoa on ICE climbed \$42 to settle at \$2,844 a tonne after falling to \$2,754, the lowest for the second-position contract since Aug. 19, 2009. On Liffe, cocoa futures were boosted by rolling forward of positions out of the March contract which expires next week. May cocoa on Liffe closed up 55 pounds at 2,206 pounds a tonne.

Robusta coffee futures finished lower, weighed down by a pickup in origin selling after Tuesday's rally of nearly 1.9 percent. May robustas eased \$12 to close at \$1,233 a tonne. ICE May arabicas finished flat at \$1.3275 per lb, in consolidative and choppy dealings as the market lacked follow-through buying from Tuesday's rally.

### **Coffee Climbs in New York as Stockpiles Decline; Cocoa Advances** **BusinessWeek**

By Elizabeth Campbell

March 11, 2010

Bloomberg) -- Coffee futures rose in New York, heading for the first weekly gain since last month, as inventories slid to lowest amount in seven years. Cocoa prices increased. Coffee stockpiles fell 1.2 percent to 2.7 million bags on March 9 in warehouses monitored by ICE Futures U.S., the biggest drop since Feb. 2. Futures traded in New York have jumped 25 percent in the past year as global supplies tightened.

Coffee prices "should see a pop higher," said Byron Barrios, an East Coast Options Services trader in New York. The "low" level of warehouse stockpiles is "basically providing support" to futures prices, he said. Arabica-coffee futures for May delivery rose 1 cent, or 0.8 percent, to \$1.3375 a pound on ICE in New York. Earlier, the price climbed as much as 0.9 percent.

The coffee market was also "a bit oversold technically," Barrios said. Prices have fallen 11 percent from a 15-month high of \$1.495 on Dec. 16. "Just from a technical standpoint, we're kind of consolidating sideways here," said John Caruso, a senior market strategist at Lind-Waldock in Chicago. The market will likely "chop sideways to possibly higher here in the next few trading sessions," he said.

Also on ICE, cocoa futures for May delivery climbed \$10, or 0.4 percent, to \$2,854 a metric ton. Cocoa has gained 22 percent in the past 12 months.

### **Cocoa Drops on Supply Surplus, Weaker U.K. Pound; Coffee Gains**

By Elizabeth Campbell

March 9 (Bloomberg) -- Cocoa slid to a six-month low in New York on a forecast for a production surplus next season and a decline in the U.K. pound, used to trade the commodity in London. Coffee climbed the most in more than two weeks.

Cocoa output will exceed demand by about 80,000 metric tons in the year that begins on Oct. 1, the International Cocoa Organization said today. The pound slid to a one-week low against the dollar, curbing the appeal of cocoa traded in New York. The dollar climbed as equity markets rallied, a year after the Standard & Poor's 500 Index closed at a bear-market low.

Prices for cocoa are down today partly on signs of "supply exceeding demand," said Dennis Cajigas, a senior market strategist at Lind-Waldock in Chicago. "Outside-market pressure isn't helping, with the pound being lower and the dollar being higher. All those combined continue to push it lower." Cocoa futures for May delivery fell \$32, or 1.1 percent, to \$2,802 a metric ton on ICE Futures U.S. in New York. Earlier, the most-active contract touched \$2,766, the lowest price since August. The chocolate ingredient has climbed 24 percent in the past 12 months, while the S&P 500 is up 69 percent from a 12-year closing low of 676.53.

Also on ICE, arabica-coffee futures for May delivery rose 1.65 cents, or 1.3 percent, to \$1.3275 a pound, the biggest gain for a most-active contract since Feb. 18. Coffee gained 25 percent in the past year on the outlook for a global production deficit.

Frost may threaten major coffee-growing regions in Brazil, the world's biggest producer, for the first time in a decade, according to forecaster Somar Meteorologia in Sao Paulo.

### **Cocoa Prices Drop to Six-Month Low in New York, Extending Slump**

By Ted Bunker

March 10 (Bloomberg) -- Cocoa futures fell to the lowest price since August in New York, extending a slump to a third straight day. Cocoa futures for May delivery dropped \$47, or 1.7 percent, to \$2,755 a metric ton at 8:49 a.m. on ICE Futures U.S., after touching \$2,754, the lowest price since Aug. 19. The most-active contract slid 2.2 percent in the previous two sessions.



## Processing & Manufacturing

### Cocoa grinders run at 36% capacity-

Joy Online

9 March 2010



Cocoa processing plants are running at only one-third of their production capacity as a result of inadequate supply of light crop beans to feed the plants, says an industry report seen by Reuters on last week.

The report, written after the cocoa conference in Accra last week, said local cocoa processing companies were working at an average of 36 per cent capacity because demand for beans from the light crop far exceeds production, while main crop beans are too expensive for some factories to buy.

As part of President John Atta Mills' government policy to boost domestic revenue by encouraging more value-added processing, national marketing body Cocobod discounts beans from the minor light crop season, which runs from May to September in the world's second-biggest grower, to local processors.

That crop output has dwindled while processing capacity has increased, leaving grinders either to pay more for main crop beans, or leave capacity idle.

Ghana's light crop average 50,000 tonnes, compared with installed local processing capacity of 360,000 tonnes. "It is a major concern producing at only a third of your capacity while your machinery lies idle," a local processing company manager said. "As an industry this is not good news and we can't continue like this." Percival Yaw Kuranchie, chairman of Cocobod's board of directors told Reuters the marketing board would review its relationship with local grinders. "It's a challenge because we've seen a reduction in the light crop over the years and we believe the time has come to take another look at this policy," he said.

Some participants in the meeting said processing companies had proposed that a portion of beans from the larger main cocoa season, which is mainly exported, should be discounted to them for grinding.

Seven firms grind cocoa in Ghana, including U.S.-based Cargill agribusiness giant Archer Daniels Midland and chocolate manufacturer Barry Callebaut.

Ghana has set an ambitious target to raise production to 1 million tonnes by 2012 using increased fertilisation and stronger incentives for farmers. Production at the end of last season totalled 710,000 tonnes.

### Cocoa Grinders Bet on Africa Despite Challenges

Source: Reuters

10/03/2010

March 10 - Industry moves to process more cocoa beans in Africa are being held back by local obstacles and weak global demand, but grinders are pursuing the strategy in the belief it will yield rich dividends once markets recover.

Processing beans close to the field has a compelling logic for producers keen to cut costs, and for African countries who want to derive more revenues from their sectors.

Top producers including U.S.-based Cargill and agribusiness giant Archer Daniels Midland added capacity in West Africa in recent years, in some cases just before the 2008/09 economic slowdown hit global demand for cocoa.

Cocoa butter is one of the major and most versatile cocoa products, used in everything from chocolate to face cream and other toiletries.

Total capacity in Ivory Coast, Ghana, Nigeria and Cameroon currently stands at around one million tonnes, giving scope for a strong increase in future grindings on the 630,000 tonnes processed on the continent in 2008/09. "It was bad timing. There has been a huge increase in capacity at a time when demand was going down. But that will reverse in the medium-term," said Laurent Pipitone, senior statistician at the International Cocoa Organisation (ICCO).

Top grower Ivory Coast and world number 2 producer Ghana both have targets to process half of their output locally, a goal which in Ivory Coast's case could mean it overtaking the Netherlands as the world's top grinder. For an analysis on grinding volumes in Europe and North America click on. But while Ivorian authorities are helping firms there with tax breaks, processors elsewhere in Africa are feeling the pain as they sit tight and wait for demand to pick up.

"They (the plants) only produce when they have orders from Europe," said Felix Oladunjoye, secretary-general of the Cocoa Processors Association of Nigeria (COPAN), estimating that just 40 percent of local capacity of 150,000 tonnes is in use.

"Everyone is trying to export raw beans rather than processed products because the margin on processed cocoa is very low," he added of cocoa prices just below three-decade highs partly due to longstanding concerns over the Ivorian crop.

#### HIGH LOCAL COSTS

The European cocoa butter ratio -- the ratio between the price of cocoa butter and the price of beans -- stands at just under 1.7, a figure which traders say shows that there is a clear surplus of cocoa butter already lying in warehouses.

Squeezed margins have been a factor holding back grinding across the world, including in Europe where the grind showed a modest 0.6 percent increase in the last quarter of 2009 and in North America, which saw a 1.54 percent fall in the same period.

But in Africa that has been exacerbated by local factors.

In Ghana, plants are running at only 36 percent of capacity because of a shortage of the light-crop beans made available at a reduced price to them by local regulator Cocobod, according to an industry study seen by Reuters. "It is a major concern producing at only a third of your capacity while your machinery lies idle," a local processing company manager said. "As an industry this is not a good news and we can't continue like this," he added of Ghana's total installed capacity of 360,000 tonnes.

The problem stems from a gradual waning of the light crop, the smaller of Ghana's two crops which runs from May-September. Some processors are lobbying for Cocobod to allot them a portion of beans from the larger main crop at discounted prices.

In Ivory Coast as in Nigeria, producers complain that any advantage derived from processing beans close to origin -- which in theory should reduce shipping costs to the consumer -- is outweighed by higher local production costs. "It's true that the raw material is here but the high energy and transportation costs are a handicap," said the head of one Abidjan-based export company, estimating that average production costs in Ivory Coast were slightly higher than those in Europe.

#### DEMAND SEEN RETURNING

Ivorian support for the sector such as lower import taxes on machinery and a lower export tax on semi-finished products than on beans have helped offset those costs, meaning that grinders have managed to keep capacity utilisation around 80 percent.

Current grinding capacity in Ivory Coast should hit 507,000 tonnes this year, rising to 570,000 in 2011 when local firm SAF CACAO's new Choco-Ivoire plant in San Pedro increases its output potential to 100,000.

But with evidence that global demand is taking off again -- the ICCO on Tuesday forecast that the first quarter 2010 global grind would rise three percent year-on-year -- even others have grounds to hope that their expansion plans will pay off.

Multi-Trex, Nigeria's leading cocoa processor, inaugurated a new 50,000-tonne plant near the commercial centre Lagos in December, and a Cocobod source said there were industry plans this year for the construction of two extra plants in Ghana, which is looking to raise capacity to around 500,000 tonnes.

As a pick-up in the global economy leads to more expensive oil, the fact that cocoa product is less bulky than beans and so is cheaper to ship will once again bolster the argument for more grinding in Africa, where the beans are sourced. "I'm more optimistic than ever about the grinding market. That's why we are also trying to do it," SAF CACOA director Ali Lakiss told Reuters by telephone.

### **Cocoa cost bites as chocolate prices rise**

Stock and Land - Alicia Wood - Mar 8, 2010

EASTER eggs are not just wrapped in gold, their value is heading that way, too. Chocolate manufacturers said a steep rise in the price of cocoa and sugar was forcing them to consider increasing the price of their products.

Cadbury has increased the price of its Easter range by 5 per cent. Spokesman Daniel Ellis said the price of cocoa had risen 150 per cent in three years and the price of sugar had gone up 120 per cent. "[Raising prices] is our last resort," Mr Ellis said.

Cadbury restructured its three factories so that each now produces only one type of product. If you buy a block of chocolate, it is from Tasmania. If you're eating a chocolate bar, egg or Christmas tree, it's from Victoria. And if you are giving away a box of chocolates, they have come from Dunedin, New Zealand. "Now, because costs of cocoa have skyrocketed, we are having to increase the wholesale price [of Easter products] ... cocoa and sugar are now at the highest point we've seen in the history of Cadbury here," Mr Ellis said. He cites this as a by-product of increased investment in raw commodities during the global financial crisis.

Max Brenner general manager Yael Kaminski Weiler said the company had not increased prices since 2007 but she did not rule out a future increase.

Lindt spokeswoman Sylvia Kalin said that in 2009, cocoa reached its highest price in 33 years and she expected the "challenging" prices to continue.

The cocoa price hike has also been blamed on weak crops and population growth in India and China.

Professor Helen Hughes, of the Centre for Independent Studies, said chocolate consumption in these countries has never been so high.

## ***Business and Economy***

### **German producers condemn cocoa speculators**

Commodity Online

March 10, 2010

BERLIN (Commodity Online) : Association of the German Confectionery Industry (BDSI) has expressed concern over the fluctuation in the price of its key raw ingredient, cocoa, as a result of speculation.

In a statement issued here, BDSI condemns the speculative investment by banks and funds in agricultural commodities that the food industry needs for its production.

London cocoa futures hit 32-year-highs at the start of the year but have since dropped by approximately 20 per cent. "The reason for the cocoa price rise is largely speculation by institutional investors, which have discovered food commodities as a lucrative investment object in the period of financial crisis." It said.

In recent years, high prices for commodities, like cocoa and wheat, have attracted considerable interest from speculators.

Tempted by potential gains to be had through the price volatility of the commodity market, investors from outside of the food industry have recently brought "vast amounts of money" to agricommodity markets, says the UN.

And not only cash, but also upward price pressure for commodities used by actual food business players reliant on the physical stocks for their manufacturing needs.

In a far-reaching report on global commodity staples last year, the UN's Food and Agricultural Organisation (FAO) drew particular, critical, attention to the role speculators may have played in the recent rise in global food prices. "A key concern now is the participation of new agents that are perceived to be motivated by risk-diversification to the exclusion of serious assessment of price levels," states the FAO's annual Outlook report.

The BDSI said it believed cocoa prices were likely to continue their fall as the global cocoa crop remains constant while chocolate consumption is falling: "All fundamental data indicate that the cocoa commodity bubble will soon burst," it said. The association views 2010 as a year 'full of uncertainty for the German confectionery industry' with possible rising unemployment impacting negatively the German mood for confectionery indulgency.

#### **Indonesia cocoa output, Malaysia grinds to rise - business**

The Malaysian Insider

March 12, 2010

SINGAPORE,— Indonesia's cocoa output is forecast to rise 2 per cent to 500,000 tonnes in the crop year to September 2010 due to limited impact of the El Nino weather phenomenon, the International Cocoa Organisation said today.

The estimates were within market expectations as dealers discounted El Nino, which results in an abnormal warming of waters in equatorial Pacific and wreaks havoc in global weather patterns. Strong exports data also indicated a steady output. "In Indonesia, the El Nino weather related conditions which had developed in June 2009 have had, so far, a limited impact on cocoa output," the ICCO said in its latest report. "In total, cocoa output in Indonesia is expected to rise to 500,000 tonnes in the current season," said the group, which pegged Indonesia's 2008/09 production at 490,000 tonnes.

A nation-wide replanting programme launched last year led to the withdrawal of about 20,000 hectares in the main growing island of Sulawesi from actual production, but the rise in output from other islands such as Sumatra was likely to continue this year, it said.

The three-year programme, with an estimated cost of US\$350 million (RM1.16 billion), includes replanting of 70,000 hectares and rejuvenation over an area of 235,000 hectares.

Indonesia is the world's third-largest cocoa producer after Ivory Coast and Ghana. It mainly exports beans to Malaysia, the United States and Brazil. "Indeed, exports of cocoa beans from Sulawesi, the main cocoa growing region, through the port of Makassar, rose by 23 per cent to 106,000 tonnes in the first four months of the current mid crop compared to the same period a year earlier," the ICCO said.

For grindings, the ICCO put Malaysia's grindings at 290,000 tonnes in the current year, up from 270,000 tonnes in the year to September 2009. Malaysia, which is Asia's largest grinder, mainly buys cocoa beans from Indonesia. "In Malaysia, after local processing suffered significantly in the previous season from the lower demand attributed to the global economic downturn, processing is expected to rebound to 290,000 tonnes in the 2009/2010 cocoa year," it said.

Many grinders in Asia and Europe had cut capacity last year on weaker demand for chocolates during the global economic meltdown, helping to reduce unsold stocks of cocoa butter and powder.

Dealers said chocolate makers have begun replenishing their stocks again, which helped push up butter ratios to 1.65 times London futures from 1.35 times in January. "Some of the manufacturers have begun to buy again because the price is quite low, but I would say it's a cautious buying," a dealer in Singapore said.

Butter is a key ingredient for making chocolates and also used to make spreads, soaps and cosmetics. Cocoa powder is used in chocolate making, beverages and ice cream.

Chocolates fly off the shelves in the main consuming regions of Europe and North America during Valentine's Day in February, Easter in the spring, Christmas at year-end and other holidays. — Reuters

## **Analysis: African cocoa grinders counting on global upturn**

March 11, 2010

Reuters

By Mark John Dakar

Industry moves to process more cocoa beans in Africa are being held back by local obstacles and weak global demand, but grinders are pursuing the strategy in the belief it will yield rich dividends once markets recover.

Processing beans close to the field has a compelling logic for producers keen to cut costs, and for African countries that want to derive more revenues from their sectors.

Top producers, including US-based Cargill and agribusiness giant Archer Daniels Midland, have added capacity in west Africa in recent years, in some cases just before the economic slowdown hit global demand for cocoa.

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Top grower Ivory Coast and second-largest producer Ghana have targets to process half of their output locally, a goal that in Ivory Coast's case could mean it overtakes the Netherlands as the world's top grinder. But while Ivorian authorities are helping firms there with tax breaks, processors elsewhere in Africa are feeling the pain as they sit tight and wait for demand to pick up. "They (the planters) only produce when they have orders from Europe," said Felix Oladunjoye, the secretary-general of the Cocoa Processors Association of Nigeria, estimating that just 40 percent of local capacity of 150 000 tons was in use. "Everyone is trying to export raw beans rather than processed products because the margin on processed cocoa is very low," he said of cocoa prices just below three-decade highs, partly owing to long-standing concerns about the Ivorian crop.

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In Ivory Coast, as in Nigeria, producers complain that any advantage derived from processing beans close to origin - which in theory should reduce shipping costs to the consumer - is outweighed by higher local production costs. -

### ***Labour Issues***

#### **Programme to eliminate child labour to cover more districts**

Ghana Business News

Source: GNA

12 March, 2010

The National Programme for the Elimination of Child Labour in Cocoa (NPECLC) is to be expanded to cover 21 additional cocoa districts, this year. The programme, which comes under the Employment and Social

Welfare Ministry, is currently operating in 48 districts. It has also targeted 11,600 children for support by way of the supply of school uniforms, foot wear, school bags and exercise books.

Mr Antwi Bosiako-Sekyere, Deputy Minister of Employment and Social Welfare, said this at a day's forum organized by NPECLC to validate "facilitator's manual on best practices and mediation" in Kumasi on Wednesday. It was attended by 65 participants including social welfare officers, coordinating directors and representatives of civil society organizations.

Mr Boasiako-Sekyere said they would intensify the implementation of community-based child labour monitoring system to improve data collection on children involved in worst forms of child labour. This, he said, would help ensure that such children fully benefit from the NPECLC interventions.

The Deputy Minister said the reviewed facilitator's manual would enhance coordination of the various initiatives to end child labour in cocoa growing areas. He urged the stakeholders to use it to guide their activities to promote the welfare of children in these communities.

Mr Vincent Frimpong Manu, Programme Mediation Officer of NPECLC said since 2006 they have undertaken series of educational programmes to sensitize people on the need to stop child labour.

## ***Research & Development***

### **Chocolate for Better Health**

Food Product Design - Mar 12, 2010

VERS-CHEZ-LES-BLANC, Switzerland—For people with high levels of anxiety, dark chocolate might be the ticket to a less-stressed life. According to research from the Nestlé Research Center, a daily serving of 40 grams of dark chocolate might help people with anxiety improve their metabolism and improve gut microflora while reducing stress. The results of this study were published in the Journal of Proteome Research.

The results of the study showed that metabolic improvements largely came from a reduction in stress. Subjects consumed 40 grams of chocolate daily for two weeks. Subsequently, they showed "decreased levels of stress hormones and metabolites from pathogenic bacteria," noted Serge Rezzi, Ph.D., head of the Metabonomics and Biomarkers Group, Nestlé Research Center.

This led the researchers to suggest that dietary changes can help alter people's metabolic status and improve health over the long term.

*Sources: Confectionery News: Nestlé: Chocolate may benefit gut health and metabolism*

## ***Promotion & Consumption***

### **That chocolate bar may hedge you against heart disease**

BusinessDay

Francis Jakpor

12 March 2010

...COPAL targets April for conference on cocoa health benefits

James Etegene, a father of two, is in the habit of indulging his children, both of whom are under the age of seven. That explains why toys, dolls and a host of edibles are never in short supply at his home. But the rather overindulgent dad draws the line at chocolates and candies however much his kids may crave them. He feels the consumption of such cocoa products comes with negative health implications, among which are tooth decay, heart disease and obesity.

Etegene is not alone, because research reveals that such beliefs are shared by many individuals and families across Africa; hence the low consumption of cocoa on the continent. For instance, Africa is said to account for 70 percent of global cocoa output; while it consumes a paltry 3 percent of the commodity. But recent findings reveal there is a lot more to processed cocoa than just fat and sugar. This is because it is rich in flavonoids, a group of chemical compounds with antioxidant properties found in a variety of plants which have been shown to



build the cardiovascular system, inhibit aggregation of blood platelets (which produces stroke and heart attack) and decrease the body's inflammatory immune responses that result in arteriosclerosis.

"In the past 10-15 years, there have been solid scientific studies by chocolate manufacturers, research facilities and major universities showing that there are nutritional benefits from the consumption of cocoa," disclosed Sona Ebai, secretary general, Cocoa Producers' Alliance (COPAL), an intergovernmental organisation comprising 10 cocoa-producing countries, at a recent media briefing in Lagos. "An ongoing study at Georgetown University, USA reveals that a tiny quantity of Pentameric acid which is found in the cocoa bean...can identify (breast cancer) cells and stop their replication."

Thankfully, the cocoa benefits do not exclude the tropics (a region which includes Nigeria) where the incidence of malaria is particularly high, like Ebai explained: "There's an ongoing study at the University of Ghana Medical School which has shown with good scientific evidence that the regular consumption of cocoa serves as a malaria prophylaxis. Liquid from the cocoa bean kills the malaria parasite. There was literature even before the study which showed that this could be a possibility. This is news that people need to know, and it is what we feel will boost the consumption of cocoa..."

Besides flavonol, cocoa is also said to contain over 300 chemically identifiable compounds, among them magnesium, theobromine and cocoa butter, catechin, fibre, B vitamins and carbohydrates. Cocoa butter eliminates stretch marks (thus promoting longevity) and fights tooth decay; while magnesium is crucial to the health of sickle cell patients.

The benefits of cocoa consumption may be numerous, but not many people are adequately informed in that regard, which is why COPAL has scheduled a Chocolate Village Fair from April 1 to 3, 2010 at the Expo Centre, Eko Hotel and Suites, Lagos. According to the organisers, the fair, which would be held annually henceforth, will feature nutritional feedback about cocoa from researchers across the world, including lectures and exhibitions by cocoa-producing countries and manufacturers. "There'll be an exhibition of companies that produce or manufacture products derived from cocoa. Anything from cocoa butter to chocolates, beverages and more," said Frances Eza of Connect Marketing, the firm which is charged with publicising the event. "We want to create an atmosphere that will welcome families and individuals from all walks of life. Let them come and learn different attributes of cocoa that they probably never knew before."

A sweet tooth may not always be the best trait to imbibe, especially when it is left unchecked. But if the habit comes with several health benefits as well, like researchers insist, maybe parents in the mould of Etegene would be forced to make a U-turn and hand down a chocolaty but healthy legacy to their children in the long run.

#### **Nigeria: Exploiting Numerous Health Values of Cocoa**

AllAfrica.com

Tunbosun Ogundare

12 March 2010

Lagos — Cocoa intake has been described as potent medicine for stroke, breast cancer and cardiovascular disease. The commodity has also been scientifically proved to enhance blood circulation in the body and promote healthy teeth and skin.

Secretary General, Cocoa Producers' Alliance (COPAL), Amb. Hope Sona Ebai, disclosed this on Monday in Lagos at a pre-event media conference on the forthcoming Chocolate Village fiesta slated for between April 1 and 3 in Lagos.

COPAL with headquarters in Nigeria, is an intergovernmental organisation of 10-member country, known as major producers of cocoa in the world including the world No 4 Nigeria.

According to Amb. Ebai, higher cocoa consumption is associated with low blood pressure, death reduction from cardiovascular disease and other death causes. He said numerous evidences have shown that cocoa is rich in antioxidants including flavonoids which help ward off some factors associated with heart attacks and stroke and also blood flow in menopausal women with high cholesterol among others.

Similarly, a particular product from cocoa also kills malaria parasite, Amb. Ebai said, while adding that personally, he has been applying cocoa butter when shaving his beard for the past 15 years without giving him rashes. The totality of cocoa consumption, he said, is that it improves peoples' health in a variety of ways. "But

many people in Africa including Nigeria are living in the dark about the medicinal and nutritional benefits they can derive from consuming cocoa related products," he noted. He said it is very unfortunate that Africa produces 70 per cent of the annual world cocoa output but consume only about three (3) per cent of the commodity.

Aside this, he stressed, also from the estimated US\$600 billion the industry contributes annually to the world economy, producers' countries get between six and 10 per cent of the money. These situations, he said, have continued to affect adversely not only the wellbeing of the people of the region but also its economy and particularly that of the farmers while boosting that of Europe and Americas that consume over 80 per cent of the annual world output of the commodity. "They all know for exporting the commodity raw to Europe and America in exchange for small money that could hardly take them anywhere," he added.

He noted that of the four major cocoa producing countries in West Africa, namely Cote d'Ivoire, Nigeria, Ghana and Cameroon, Nigeria's policy on cocoa industry is the most inconsistent. He said the administration of Olusegun Obasanjo was even a bit better than all others in recent time including the present Musa Yar'Adua's.

Corroborating him, Mr. Michael Owusu-Manu, Head, Economic Department, COPAL, said, Nigerian policy on cocoa production does not encourage accelerated growth of the industry.

In Ghana and Indonesia for instance, he pointed out, there is a national campaign revealing the health and nutritional values of chocolate intake and this becomes a booster for the industry. "So virtually every home there has made chocolate part of its daily menu," he said. "This is because people are being enlightened continuously on the importance of the cocoa related products to the body and the nation's economy." He noted that the cocoa industry of the two countries today is a potent force driving the respective economy forward.

On the belief by many people in the country that chocolate is harmful to the body, Owusu-Manu said this could only be when oily and some sweet things such as sugar are added up out of proportion when processing. And manufacturers of those products, Manu-Owusu said, only do so for many reasons, chief among which is that many people would not want to buy products that are tasted bitter. "Cocoa in its original form, is bitter," he noted. "But then, there are still varieties of finished undiluted cocoa products in the country."

On his part, Mr. Felix Oladunjoye, National Secretary, Cocoa Processors Association of Nigeria, COPAN, said, the lack of political will of successive administrations on cocoa production in the country is seriously slowing down the progress of the industry. He said COPAN adds value to the cocoa beans by processing them before putting them for sale either locally or internationally.

Like Ebai and Manu-Owusu, Oladunjoye also lamented the unfortunate position Nigeria is in by producing what is not consuming. "And it is neither we don't need the commodity nor that we produce it in excess but just because something is wrong with us as a nation," he said. He argued that if the trend is not reversed, Europe and America will also continue to dictate at what price they buy from us. "And the implication of this is that they buy at ridiculous price," he said.

Oladunjoye further argued that if Nigerian government should take cocoa industry seriously by providing enabling environment for investors including farmers, the industry will drive the country's economy forward. According to him, it would be to our advantage if the policy makers stop playing politics with the industry.

Government should not condition the development of cocoa industry, which is peculiar to the South West, on similar development of any other industry in the north or east. "Such has been the problem all along with Nigeria," he noted. And as of today, some companies producing cocoa related products in the country have relocated to Ghana where there is comparative favourable investment climate.

The development is helping Ghana's economy particularly by reducing drastically its unemployment statistic, while worsening that of Nigeria. "But something can still be done," Oladunjoye sounded as an optimist. He said part of the ways to get to the next level is the forthcoming international conference on Chocolate Village in Lagos, which he said his association would play an active role.

However, at the three days event, and which is the first of its kind in Nigeria according to Amb. Ebai, all stakeholders in the cocoa industry will showcase their worth. Five secondary schools in Lagos, he added, will also be competing for a prize at the cocoa quiz competition slated for the last day of the event.

## Others

### **World Cocoa Foundation Launches Cocoa Livelihoods Program in Nigeria**

*Five-Year Program to Reach Nearly 30,000 Smallholder Farmers in Nigeria*

LAGOS, Nigeria, March 8 /PRNewswire/ -- At a ceremony held in Osogbo, Osun State, the World Cocoa Foundation today launched the Cocoa Livelihoods Program (CLP) in Nigeria. The program initially announced in February 2009, funded by the Bill & Melinda Gates Foundation and 14 chocolate industry companies, is expected to significantly improve the livelihoods of nearly 30,000 cocoa farmers in Nigeria by 2014.

The work in Nigeria is part of a larger five-country program targeting 200,000 cocoa-growing households across Nigeria, Cameroon, Cote d'Ivoire, Ghana, and Liberia. The program will be active in five states: Abia, Cross River, Edo, Ondo, and Osun.

Preparations are underway for the start of the activities later in March. Representatives from state extension agencies and representatives of the respective cocoa-farming communities are learning how to facilitate farmer training sessions, work with farmer organizations, and manage these activities. This month will mark the beginning of farmer field schools, a key activity for the program. Through this interactive training approach, farmers will learn techniques to increase yields, reduce crop losses, and improve cocoa quality. "Since the Nigeria Sustainable Cocoa Development Committee adopted the farmer field school approach a few years ago, we have been working to improve the state extensions agencies' ability to reach farmers through this approach," said Dr. Sayyadi Ruma, Nigeria's Minister of Agriculture and Water Resources, "Experience has shown us that this is a very effective way for reaching cocoa farmers and we are excited about this opportunity to expand these efforts further."

"Helping farmers grow more crops has little impact if you don't also give them access to markets where they can sell them," said Richard Rogers, program officer at the Bill & Melinda Gates Foundation. "This program provides cocoa farmers with critical training and support, so they can increase their incomes and improve their lives."

"Farmer field schools are just one of the many activities that the Cocoa Livelihoods Program will undertake in Nigeria," said Mbalo Ndiaye, the World Cocoa Foundation's Cocoa Livelihoods Program Director, "We will also be working to improve farmers' business skills, professionalize farmer organizations, improve access to inputs and services, and promote the diversification of income. We are grateful for the engagement of the Nigerian government at all levels as well as the cocoa-farming communities in the implementation of these activities."

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

### **Nigeria: Poor Distribution of Pesticide Worries Cocoa Farmers**

AllAfrica.com

9 March 2010

Lagos — Poor distribution of pesticides has threatened cocoa farmers in Ivory Coast and may reduce production output, just as they have coordinated programmes to treat cocoa trees against diseases. Experts in the sector said coverage was limited to just 30 per cent of their requirements around Daloa in centre-west due to lack of funds.

Fungicides and pesticides such as black pod and swollen shoot are meant to be distributed by the Fund for the Development and Promotion of Coffee-Cocoa Activity (FDPCC), which helps farmers in the world's top cocoa

production. "We can't achieve good production with that, even though we all chip in", a farmer, Denis Djedje said recently at his farm, which is about 20 km from Daloa.

The FDPCC is a union funded through a 25 CFA franc (\$0.056) levy on each kilogram of cocoa sold and aims to improve production as well as working conditions in the cocoa industry. During a visit to farms around Daloa, farmers told a Reuter's reporter that the distribution of pesticides covered just 30 per cent of their needs. Bunches of green pods were visible on trees along with flowers and buds. But, from the trees shown to Reuters by farmers, volumes appeared to be roughly half the amounts that were seen in the record seasons of 2003-2004 and 2004-2005. "This year's production might be good, but if we had treated our fields when we should have done in June and July, we might be having a greater production," said Julien Dali, a grower at Ouragahio, about 25 km (16 miles) from the town of Gagnoa farmers in the Sinfra area about swollen shoot while elsewhere black pod has been a problem.

"It may be true that we have slightly lower volumes at the beginning of the 2008/09 season, at least over the first three or four weeks, but I think things will sort themselves out," said the exporter, who is based in Daloa. But he did share the farmers' concerns about the emergence of diseases that were not previously seen in the area. "In the long-term, we need to find a solution to the lack of pesticides, especially with the increasing strength of the diseases cocoa is facing, otherwise, if nothing is done, we risk having some difficult seasons if nothing is done," he said.

## TIT BITS

(Source: Business Recorder – [www.brecorder.com](http://www.brecorder.com))

### **US MIDDAY: sugar pares losses**

NEW YORK (March 11, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Wednesday. May arabica coffee contract up 0.55 cent at \$1.3330 per lb at 11:03 am EST (1603 GMT). Ranging from \$1.3140 to \$1.3375. Arabica coffee futures reversed higher on support from the weak dollar, as the market consolidated after Tuesday's rally, said brokers.

### **US MIDDAY: sugar lower**

NEW YORK (March 12, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets early on Thursday. May arabica coffee contract rose 0.75 cent at \$1.3350 per lb at 11:07 am EST (1607 GMT). Ranging from \$1.3245 to \$1.3355. Arabica coffee futures inched higher in an inside day as the weak dollar provided some support although dealings were quiet and looking for direction, said brokers.

### **Liffe sugar and cocoa lower; coffee up**

LONDON (March 12, 2010): May white sugar ended \$5.40 lower at \$531.70 per tonne on Thursday. **Market** needs a pick-up in physical demand from key end users such as Pakistan and Egypt to restore confidence after sharp setback in prices during the last month. May cocoa on Liffe ended 15 pounds lower at 2,191 pounds a tonne. Market weighed by strength of sterling which more than offset modest uptick in ICE cocoa.

### **US MIDDAY: sugar and coffee move higher**

NEW YORK (March 13, 2010): Summaries of the ICE Futures US cocoa, coffee and sugar markets

early on Friday. May arabica coffee contract gained 1.10 cents at \$1.3485 per lb at 11:05 am EST (1605 GMT). Ranging from \$1.3385 to \$1.3490. Arabica coffee futures moved up on chart-based support while the tight spot market also added to the upward momentum, said brokers.

### **Liffe sugar, cocoa higher; coffee down**

LONDON (March 13, 2010): May white sugar ended \$9.2 higher at \$540.90 per tonne on Friday. White sugar futures rebounded, buoyed by signs that demand was beginning to revive after the sharp slide in prices during the last few weeks. May cocoa on Liffe ended 39 pounds higher at 2,230 pounds a tonne. cocoa futures on Liffe rose in heavy volume with the market's focus on next week's expiry of the March contract.

### **Ivory Coast cocoa arrivals up**

ABIDJAN (March 13, 2010): cocoa arrivals at ports in top grower Ivory Coast rose to 863,850 tonnes by March 7, data from the Bourse du Cafe et Cacao (BCC) showed on Friday, as the margin on last year's poor harvest continued to narrow. Exporters said they were increasingly doubting whether this season would beat last year's.

### **Commodity prices mixed amid unclear demand outlook**

LONDON (March 14, 2010): Commodity prices diverged this week as traders reacted to a mixed demand outlook for raw materials. World oil prices rose this week as traders eyed demand concerns, the US dollar and hopes of global economic recovery.