

# COPAL COCOA *Info*

*A Weekly Newsletter of Cocoa Producers' Alliance*



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Cocoa Producers' Alliance



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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)
31 <sup>st</sup> May	0	0	0	0
1 <sup>st</sup> June	2216.56	3242.80	2360.00	3021.00
2 <sup>nd</sup> June	2255.12	3305.72	2415.67	3073.33
3 <sup>rd</sup> June	2260.28	3311.92	2430.33	3070.33
4 <sup>th</sup> June	2187.03	3197.13	2397.33	2919.33
Average	<b>1784.00</b>	<b>2612.00</b>	<b>1921.00</b>	<b>2417.00</b>

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

**Monday 31st May 2010**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2010						
Sep 2010						
Dec 2010						
Mar 2011						
May 2011						
Jul 2011						
Sep 2011						
Dec 2011						
Mar 2012						
May 2012						
<b>Average/Totals</b>		<b>#DIV/0!</b>				<b>0</b>

**Tuesday 1st June 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2409	2444	24	2446	2390	3,756
Sep 2010	2330	2345	4	2346	2307	1,825
Dec 2010	2272	2291	8	2293	2250	1,887
Mar 2011	2240	2257	4	2257S	2240S	130
May 2011	2226	2250	4	2252	2226S	208
Jul 2011		2252	6			0
Sep 2011	2250	2256	6	2250	2250	4
Dec 2011		2261	6			0
Mar 2012	2260	2261	6	2260	2260	4
May 2012		2274	6			0
<b>Average/Totals</b>		<b>2289</b>				<b>7,814</b>

**Wednesday 2nd June 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2441	2520	76	2523	2440	6,651
Sep 2010	2345	2393	48	2396	2342	5,666
Dec 2010	2296	2334	43	2342	2296S	1,073
Mar 2011	2260	2291	34	2300S	2260	609
May 2011	2277	2287	37	2294S	2274S	343
Jul 2011		2290	38			0
Sep 2011		2299	43			0
Dec 2011		2311	50			0
Mar 2012		2311	50			0
May 2012		2324	50			0
<b>Average/Totals</b>		<b>2336</b>				<b>14,342</b>

**Thursday 3rd June 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2,520	2550	30	2558S	2513	4,243
Sep 2010	2,390	2400	7	2416S	2383	3,662
Dec 2010	2339	2341	7	2351S	2334	846
Mar 2011	2298	2298	7	2311S	2292	377
May 2011	2303	2294	7	2303	2297S	45
Jul 2011		2297	7			0
Sep 2011		2300	1			0
Dec 2011		2312	1			0
Mar 2012		2312	1			0
May 2012		2329	5			0
<b>Average/Totals</b>		<b>2343</b>				<b>9,173</b>

**Friday 4th June 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2565	2559	9	2606S	2553	7,114
Sep 2010	2409	2347	-53	2421	2342S	6,429
Dec 2010	2349	2286	-55	2360	2277S	1,352
Mar 2011	2313	2238	-60	2322	2238	1,024
May 2011	2284	2237	-57	2284S	2280S	9
Jul 2011	2274	2239	-58	2274S	2270	9
Sep 2011		2240	-60			0
Dec 2011		2249	-63			0
Mar 2012		2249	-63			0
May 2012		2269	-60			0
<b>Average/Totals</b>		<b>2291</b>				<b>15,937</b>

<b>Average for the week</b>	<b>2291</b>				<b>9453</b>
					<b>47,266</b>

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

**Monday 31st May 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010						
Sep 2010						
Dec 2010						
Mar 2011						
May 2011						
Jul 2011						
Sep 2011						
Dec 2011						
Mar 2012						
<b>Average/Totals</b>		<b>#DIV/0!</b>				<b>0</b>

**Tuesday 1st June 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2959	2990	25	3000	2889	9,614
Sep 2010	2980	3018	25	3027	2921	4,838
Dec 2010	3002	3043	26	3050	2959	564
Mar 2011	3039	3070	25	3075	3039	187
May 2011	3050	3081	25	3085	3050	13
Jul 2011	3058	3086	25	3058	3058	26
Sep 2011	3065	3091	24	3065	3065	2
Dec 2011	0	3099	23	0	0	2
Mar 2012	0	3165	20	0	0	2
May 2012	0	3165	0	0	0	0
<b>Average/Totals</b>		<b>3081</b>				<b>15248</b>

**Wednesday 2nd June 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2985	3042	52	3050	2972	13,107
Sep 2010	3010	3069	51	3078	2999	8,094
Dec 2010	3040	3093	50	3099	3040	902
Mar 2011	3088	3120	50	3104	3088	100
May 2011	3103	3133	52	3103	3103	26
Jul 2011	0	3141	55	0	0	9
Sep 2011	0	3146	55	0	0	31
Dec 2011	0	3160	61	0	0	29
Mar 2012	3202	3220	55	3204	3202	16
May 2012	0	3220	55	0	0	0
<b>Average/Totals</b>		<b>3134</b>				<b>22314</b>

**Thursday 3rd June 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	3049	3048	6	3065	3039	10,641
Sep 2010	3070	3071	2	3092	3062	7,320
Dec 2010	3097	3094	1	3116	3088	394
Mar 2011	0	3118	-2	0	0	46
May 2011	0	3132	-1	0	0	21
Jul 2011	0	3140	-1	0	0	21
Sep 2011	0	3143	-3	0	0	0
Dec 2011	0	3155	-5	0	0	0
Mar 2012	0	3215	-5	0	0	0
May 2012	0	3215	-5	0	0	0
<b>Average/Totals</b>		<b>3133</b>				<b>18443</b>

**Friday 4th June 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	3047	2919	-129	3067	2894	17,572
Sep 2010	3070	2940	-131	3088	2915	13,437
Dec 2010	3088	2964	-130	3100	2938	1,918
Mar 2011	3121	2993	-125	3125	2969	980
May 2011	3087	3004	-128	3090	2984	57
Jul 2011	3120	3018	-122	3120	2998	43
Sep 2011	3120	3026	-117	3120	3012	46
Dec 2011	3054	3042	-113	3054	3030	183
Mar 2012	3119	3118	-97	3122	3119	299
May 2012	0	3118	-97	0	0	0
<b>Average/Totals</b>		<b>3014</b>				<b>34535</b>

<b>Average for the week</b>	<b>3014</b>				<b>6279</b>
					<b>6279</b>

## Health and Nutrition

### Chocolate may cut cholesterol but only in some people: study

Reuters

Credit: Reuters/Denis Balibouse

Jun 1, 2010



Chocolates are pictured during the opening of the Nestle Chocolate Centre of Excellence in Broc near Fribourg in this September 7, 2009 file photo..

NEW YORK (Reuters Life!) - Eating chocolate could bring down cholesterol levels -- but only in small amounts and only in some people, according to an analysis of eight studies.

Health | Lifestyle

Dr. Rutai Hui of the Chinese Academy of Medical Sciences and Peking Union Medical College in Beijing and colleagues found chocolate only helped people who already had risk factors for heart disease and only when consumed in modest amounts. Eating moderate amounts of cocoa could be "a worthwhile dietary approach" for preventing high cholesterol in certain groups of people, the researchers concluded in a report in the American Journal of Clinical Nutrition.

The analysis came after several studies suggested that chocolate may be good for your health.

One study released in March showed that among 19,300 people, those who ate the most chocolate had lower blood pressure and were less likely to suffer a stroke or heart attack over the next 10 years.

But, like the new analysis, that research came with caveats; the difference in chocolate consumption between the top and bottom chocolate-consuming groups was around 6 grams, or about one-seventh of a Hershey's milk chocolate bar.

Hui and his colleagues searched the medical literature to find studies that looked at how cocoa affected blood fats, or lipids, and found eight trials including 215 people.

When all studies were analyzed together, the researchers found eating cocoa cut levels of LDL, or "bad" cholesterol, by about 6 mg/dL and reduced total cholesterol by the same amount.

But cocoa had no effect on cholesterol in the three highest-quality studies.

Further analysis showed that only people who ate small amounts of cocoa, an amount containing 260 milligrams of polyphenols or less, experienced cholesterol lowering effects. People who consumed more showed no effect. Polyphenols are antioxidant compounds found in fruits, vegetables, chocolate and red wine. A 1.25-ounce bar of milk chocolate contains about 300 milligrams of polyphenols.

The researchers also found that healthy people didn't get any cholesterol-lowering benefits from cocoa, but people with risk factors for heart disease, such as diabetes, saw their LDL cholesterol and total cholesterol drop by around 8 mg/dL each. "Future research efforts should concentrate on higher-quality and more rigorous randomized trials with longer follow-ups to resolve the uncertainty regarding the clinical effectiveness," said Hui and his team. "Then we can really eat chocolate without feeling guilty."



## Cocoa decreases Cholesterol, increases Heart Health

### Food Product Design

Sources: American Society for Clinical Nutrition: Short-term effect of cocoa product consumption on lipid profile: a meta-analysis of randomized controlled trials

Jun 02 2010

BEIJING, China—Cocoa, when consumed in moderate amounts, can lower cholesterol levels in individuals at risk for heart disease, according to a new study published in the American Journal of Clinical Nutrition. The protective effect was not reported in healthy individuals or those eating large amounts of cocoa.

Researchers at the Chinese Academy of Medical Sciences and Peking Union Medical College in Beijing studying the effect of cocoa on total cholesterol, LDL cholesterol, and HDL cholesterol found that eating 260 milligrams of polyphenols—antioxidants found in fruits, vegetables and chocolate—can lower both total cholesterol and LDL levels by about 6 mg/dL.

They reviewed eight trials (involving 215 participants) and focused on short-term data to evaluate the effects of cocoa on plasma lipid. Cocoa consumption significantly lowered LDL cholesterol by 5.87 mg/dL (95% CI: -11.13, -0.61;  $P < 0.05$ ) and marginally lowered total cholesterol by 5.82 mg/dL (95% CI: -12.39, 0.76;  $P = 0.08$ ). However, no significant change was seen in LDL cholesterol in high-quality studies (three studies included; -4.98 mg/dL; 95% CI: -13.18, 3.21;  $P = 0.23$ ). Subgroup analyses suggested a cholesterol-lowering effect only in those subjects who consumed a low dose of cocoa and with cardiovascular disease risks. There was no evidence of a dose-effect relation, of any effect in healthy subjects, or of any change in HDL cholesterol.

### Chocolate could lower cholesterol for CVD risk group, study

ConfectioneryNews.com

By Jane Byrne ,

03-Jun-2010



Short-term cocoa consumption can significantly lower blood cholesterol, but only in modest quantities and only in those with risk factors for heart diseases, according to a meta-analysis of randomised controlled trials by Chinese researchers.

Dr Rutai Hui of the Chinese Academy of Medical Sciences and Peking Union Medical College in Beijing and colleagues, whose findings were published in the American Journal of Clinical Nutrition, concluded that there was no dose-effect relation or any effect in healthy participants. “The results suggested that short-term of cocoa consumption reduced blood cholesterol, and this

effect was more evident in studies with low dose cocoa supplementation and in subjects with cardiovascular risks,” said the team.

They maintain though that eating moderate amounts of chocolate could be a worthwhile dietary approach for preventing high cholesterol in certain people, but that more research is needed to determine the efficiency of eating moderate amounts of cocoa on lipid profile in long-term intervention and in subjects with other cardio metabolic risk factors.

Cardiovascular disease (CVD) is one of the leading causes of morbidity, mortality, and disability in many parts of the world, especially in Western countries, and accounts for one-fifth of all mortality in the US, note the Chinese team.

The Chinese team noted that a substantial number of observational trials have reported that the supplementation of cocoa products affects lipid profiles in subjects with cardiovascular-related diseases as well as healthy individuals. “Polyphenols have been shown to inhibit cholesterol absorption and biosynthesis and to promote the expression of LDL cholesterol receptors, while cocoa butter also contains approximately 33 per cent monounsaturated oleic acid, which has been shown to favour an ideal lipid profile,” said the authors

But the sample sizes of these studies are relatively small and the conclusions are inconsistent, determined the team, and as a result they decided to conduct a systemic review of the scientific literature and a meta-analysis of



all published randomized controlled trials that investigated the effects of cocoa on blood cholesterol to determine.

#### The review

The researchers searched the literature to find studies that looked at how cocoa affected blood fats and found eight trials including 215 people. Four trials investigated the effect of cocoa on healthy subjects, while the others examined the effect of chocolate consumption on patients with CVD risks such as hypertension or diabetes.

They said that in these trials, the main sources of cocoa were dark chocolate and cocoa powder, the doses of polyphenols in the studies ranged from 30 to 963 milligrams (mg) per day and the treatment duration varied from two to 18 weeks. All of the trials were randomised, prospective and placebo controlled.

The team noted that participants with risk factors CVD saw their LDL cholesterol drop by around 8 mg/dL each but found that consumption of cocoa products did not affect blood cholesterol in the healthy cohort.

They further stated that their analysis demonstrated that only people who ate small amounts of cocoa derived products, an amount containing 260mg of polyphenols or less, experienced cholesterol lowering effects.

But the researchers said that they still did not know the optimal daily consumption of cocoa for improving lipid metabolism or vascular health and call for additional studies. "Future research efforts should concentrate on higher-quality and more rigorous randomized trials with longer follow-ups to resolve the uncertainty regarding the clinical effectiveness," concluded Hui and his colleagues.

#### Recent findings

Meanwhile, a study in March, which was conducted by German researchers and published in the European Heart Journal (EHJ), found that small amounts of chocolate can lower blood pressure and reduce the risk of heart disease.

The authors of the EHJ study, which involved a cohort of they assessed 19,357 people aged between 35 and 65, said that they found that those who ate the most amount of chocolate – an average of 7.5 grams a day – had lower blood pressure and a 39 per cent lower risk of having a heart attack or stroke compared to those who ate the least amount – an average of 1.7 grams a day.

### Production & Quality

#### **Workshop to improve cocoa productivity opens in Accra**

Ghana News Agency

May 31, 2010

Accra, GNA - A workshop to address the problems of low productivity and cocoa quality in 14 cocoa growing countries across Africa, Asia and Latin-America opened in Accra on Monday. Known as the biodiversity project, it aims to ensure sustainable income for cocoa farmers while working to improve quality through research and development of high yielding and disease resistant cocoa varieties.

Addressing the opening session, Mr Anthony Fofie, Chief Executive of the Ghana Cocoa Board, said there was the urgent need to respond to global awareness of sustainable development of satisfying present needs without compromising the ability of future generations. He said the improvement in productivity and quality would improve farmers' income but current challenges of poor planting material and low nutrient states of soils were making the dreams difficult. "It is in the light of this that I embrace this project which is aimed at obtaining more sustainable production of cocoa at lower cost by making better use of cocoa germplasm," he said.

Mr Fofie said improved cocoa productivity would also serve as an incentive to attract the youth into cocoa cultivation, thereby addressing the problem of predominance of old cocoa farmers in cocoa production. He said the project had helped the Ghana Cocoa Board to introduce new cocoa varieties, trained some young scientists and carried out genetic fingerprinting of cocoa germplasm collections of Ghana and West Africa.

Mr Fofie expressed the hope that the workshop would provide the opportunity to discuss and cross fertilised ideas on how to enhance productivity and quality of cocoa production.

### **In Bundibugyo, It is Cocoa First then School**

AllAfrica.com

By Frederick Womakuyu

1 June 2010

Kampala — In class seven, about 100 mostly bare-footed pupils, some without uniform and others dressed in rags, squeeze themselves on a bench in the classroom. They crane their necks to catch a glimpse of the teacher reading an English essay from a textbook.

According to the ministry of education, each pupil is entitled to a textbook or at worst, three pupils are supposed to share a textbook during a lesson. But at Bundikahunga Primary School in Bundibugyo district, things are different. "We have one textbook for the whole class. So I read for them so that everyone gets a chance to use it," Deo Kahwa, the teacher of English language says.

Consequently, more than 90% of his pupils hardly speak English. At the 2009 Primary Leaving Examinations, the school had no first grade. Over 100 pupils were in P7 but only 40 pupils sat for the examination.

Kahwa adds that about 60 pupils dropped out. Some got married, others were eliminated because they did not pass the mock examinations and others dropped out due to lack of interest in school.

Poor performance consistent

According to the Bundibugyo district education office, the district got 66 pupils in first grade at the 2009 PLE out of over 2,000 pupils who sat for the examinations. Over 600 pupils were either ungraded or failed.

Esau Nshabirwe, the Bundibugyo district education officer says the district has not succeeded in getting even 80 students in first grade for almost a decade. An average of over 2,000 candidates sit for PLE annually and their performance continues to deteriorate.

Since the district suffered war at the hands of the Allied Democratic Front, some parents no longer value education. "The war ended 10 years ago but the scars are still felt. Parents no longer value education because many children were not studying during the war even though the Government put temporary schools there," he adds.

The education ministry carried out a survey and discovered that over 90 per cent of the parents were not interested in their children's education but instead had prioritised business, luxurious items and early marriage. During the cocoa harvesting season, three quarters of the children do not report to school because they are helping parents to harvest cocoa.

Fred Tumusiime, the headmaster of Bundikahunga Primary School says an average of 90 pupils out of 530 report to school during the cocoa harvesting season. The situation was made worse when the district administration and the communities chose the 15 and 30th of every month for cocoa harvesting. The pupils stay at home during those days and this has affected their studies.

In the past, there were only two cocoa harvesting seasons throughout the year but due to the changes in the weather, cocoa harvesting is every season. Due to the high price of cocoa, many pupils abscond from school. The dropout rate is at over 80% annually. Many girls drop out to get married. Out of 100 girls who join primary one, only seven or five will sit for PLE.

In the 2009, six girls sat for PLE out of 40 pupils. The dropout rate in the district stands at 28% and the dropout rate in primary three and five are at about 70%. "During market days, many pupils do not report to school. They instead go to the market to do business," John Kibamwenda, a parent, says.

This problem is compounded by teacher absenteeism. Charles Matte, the Inspector of schools for Bughendera County states that almost 55% of the district is on hilly terrain.

It is almost impossible to inspect schools in the mountains. Even if you have a vehicle, you have to walk for hours. "We are overstretched and yet are paid poorly. Some teachers are absent because they go to other places to look for alternative income. If we stay at the station and wait for the salary, we are likely to starve. The Government should increase our salary," a teacher who preferred anonymity says. Nshabiirwe acknowledges the problem but says: "Why did these teachers accept to teach in the first place if they knew the money is little. We have sent our inspectors on the ground and are getting the results."

While the area needs at least 1,280 teachers, they have about 1,000. Nshabiirwe says the public service ceiling requires them to recruit only 1,040 teachers. "It is almost impossible to recruit and retain teachers. We recruit teachers from outside the district because there are no qualified teachers in the district. When they come here, they find the environment harsh and after a few months, they run away," Nshabiirwe adds.

The teachers and pupils have their concerns saying lack of meals at school is hindering education. "When I am hungry, I cannot concentrate. I walk over 20 kilometres daily to and from school, yet when I arrive, there is no lunch," Paul Mate, a pupil says.

Way forward

Nshabiirwe says they are implementing the education act of 2007 that states that every child aged six years and above must be at school. "Through the local chiefs and leaders, we are mobilising all children to go to school," he explains.

They are also sensitising the parents to support their children with uniforms, food and career guidance. The teachers are supposed to be at school when needed while the Police are supposed to implement the rules.

#### **Cocoa farmers should produce quality beans- Amponsah** **BusinessGhana**

Source: GNA

2nd June 2010

Cocoa farmers have been urged to adhere to the best practices that had over the years helped the country to maintain the quality of the cash crop. Mr Samuel Amponsah, Deputy Ashanti Regional Manager of the Quality Control Division of the Ghana Cocoa Board, said the farmers should not allow the intense competition among the licensed buying companies (LBCs) to adversely affect standards.

Addressing a forum for farmers and cocoa purchasing clerks at Nkyesa in the Asante-Akim South District, he asked them to ensure that the beans were taken through proper fermentation. The beans he said should be fermented for seven days and that anything short of that could have adverse effect on the colour and aroma of the produce. Mr Amponsah also counselled against the use of children on the farms, saying they should rather be enrolled in school to assure them of a secure and more rewarding future.

The District Manager of the Division, Mr Stephen Kwame Acheampong, cautioned purchasing clerks in the district not to buy bad cocoa beans, saying offenders would be sanctioned.

The beans bought from farmers must be properly dried, he said, explaining that it is criminal for anybody to trade in wet beans. He urged the LBCs, which do not have depots in the district to refrain from transporting cocoa to adjoining districts, to facilitate the determination of the annual production levels of the crop in the area.

Nana Kwame Ofori Barimah, District Chief Farmer, urged his colleague farmers to co-operate with the cocoa spraying gangs to ensure higher yield.

#### **Indonesia's Lampung May Cocoa Exports up 48.5 pct**

Source: Reuters

02/06/2010

Indonesia, June 2 - May cocoa bean exports from Indonesia's Lampung province, Sumatra Island, rose 48.49 percent from a year ago, with the start of the main cocoa harvest in the area, government trade office data showed on Wednesday.

Below are details of the cocoa exports:

MONTHS	VOLUME (TONNES)		
	2010	2009	Pct change
May	9,132.00	6,149.73	48.49
April	2,040.00	5,603.16	-63.59
March	4,612.00	5,868.31	-21.40
February	4,271.90	3,174.20	34.58
January	5,575.00	3,020.11	84.59

NOTE:- Cocoa beans were exported from Panjang port in Lampung on Sumatra island.

### **Cameroon Cocoa Exports Fall 3.6 pct from last year**

Source: Reuters

03/06/2010

Cocoa exports from world No. 5 grower Cameroon are running 3.6 percent below last year, according to official data released on Wednesday.

Exports hit 159,773 tonnes by the end of April since the season started in August, down from 165,686 tonnes during the same period a year ago, the Cocoa and Coffee Interprofessional Board (CCIB) said.

The central African state's cocoa regulator, NCCB, said in March it hoped cocoa output would hit a record this year to exceed last season's 205,000 tonnes.

Farmers from Cameroon's main production zones said the end portion of this year's harvest is likely to be better than in the 2008/09 season as a result of favourable weather conditions. "At the beginning of the season, we had plenty of sunshine and little rainfall but as the season progressed the amount of rainfall increased steadily which is good for healthy pods development," said Emmanuel Nguile, cocoa farmer and cooperative leader in Bafia.

Cocoa exports during April were nearly 6,000 tonnes, 70 percent higher than a year ago -- cutting the year-on-year export deficit for the season from 5 percent to 3.6 percent.

Cameroon's cocoa season runs from Aug. 1 to July 31, with the main harvest between November and January and the mid-crop harvest from late April/May to July.

Below are the monthly cocoa beans exports (in tonnes):

	2009/2010	2008/2009
August:	11,376	3,240
September:	20,789	8,215
October:	23,143	27,360
November:	27,134	37,134
December:	38,531	40,057
January:	20,233	31,970
February:	9,246	9,702
March:	2,902	4,482
April	5,991	3,526

### **Cocoa farmers to get direct supply of agro-chemicals**

BusinessGhana

Source: GNA

3rd June 2010

Dr Frank Antwi, a research scientist at the Cocoa Research Institute at Akim Tafo announced plans to supply cocoa farmers with pesticides to avoid diversion of the product by some members of the spraying gang. The measure is also aimed at ensuring that the correct amount of the chemicals are used to spray the farms to control diseases like capsid, black pod and swollen shoot to increase cocoa production.

Dr Antwi made this known at a day's training workshop at Mpraeso in the Eastern Region for 50 spraying supervisors and local chief farmers drawn from the Kwahu South District. The workshop was part of the Cocoa

Disease and Pest Control Programme. He said the mass cocoa spraying exercise was introduced in the country more than 50 years ago, which increased cocoa production by 500,000 metric tons.

Dr Antwi said when the exercise was stopped the crop production sank to 300,000 metric tons. He noted that cocoa production went up to 700,000 metric tons when the mass cocoa spraying exercise was re-introduced a few years ago and urged the sprayers to put into effect the prescribed agro-chemicals. Dr Antwi advised the sprayers to ensure the safe use of the chemicals and other pesticides since they could suffer side effects if they misapply the products.

The participants were taken through how to mix the agro-chemicals, spraying methods, how to dress during spraying and the maintenance of the spraying machines.

The District Director of Agriculture, Mr John Nketia Genfie, asked the participants to put the knowledge acquired during the workshop into practice to eradicate the various diseases and pests that attack the cocoa trees and pods.

The gang supervisors appealed for the supply of protective equipment, uniforms and an increased in the allowances paid to them.

### **Cameroon: Cocoa production complexity of Added Value**

AllAfrica.com

By Lukong Pius Nyuylime

3 June 2010

The decision by the government in August, 2009, to tighten cocoa production rules to increase bean quality remains fresh in the mind. Against the backdrop of the cacophony observed in the cocoa sector, whereby impostors penetrated the market, brandishing fresh cash to poor farmers to enable them release the beans that have not been properly handled, resulting into the export of doubtful quality cocoa, the Minister of Trade, announced a series of regulations to be respected by actors.

According to the decision, all cocoa buyers are expected to each possess a professional card in order to carryout their activities in Cameroon beginning this season that is from August 01, 2009 to July 31, 2010. The professional card to be issued by the Cocoa and Coffee Inter-professional Council (CCIC), is expected to help weed out quacks from the sector, Luc Magloire Mbarga Atangana stated in the decision signed on August 14, 2009. In effect, the evolution of cocoa production in the country, wherein the set target production of 200,000 tons by 2010 has been achieved an even surpassed by 5,000,000 metric tons of marketable beans, called for further attention.

The whole gamut of actions necessary for giving added value to the product had to be put under control. These cover the whole range of the production chain from plant nursing, planting, harnessing, and pod care to harvesting, fermenting, drying and marketing. In a bid to avoid a situation where buyers flood the countryside and impose rates to poor farmers, government decided the price of the beans, the decision said, must be negotiated between the buyer and the grower based on the quality of the beans and the reference price fixed by government through its institutions.

Arrangements among buyers to impose a unique price on all farmers have been banned, the decision said, while equally forbidding the practice of mixing cocoa beans of different qualities in stores and warehouses. Door to door buying of the beans has equally been made a thing of the past. Experts in the cocoa sector are quite clear as to how good quality beans can be obtained. These include: fermentation, drying on clay soil or appropriate cemented arena, extracting foreign bodies from the beans, free from smoke and pesticide odour and having a less than 8 percent humidity rate. Cocoa authorities need to respect the market calendar by putting in place "buying committees" on time as well as deploying verification agents in cocoa production basins and appropriate training of actors among others.

That notwithstanding, there are signs government will be pulling in more cocoa processing industries and improving their conditions of work in order to step up local processing by 32 percent, according to Trade Minister in a recent exclusive interview with C.T.

Government is presently pondering on how to make the investment environment attractive to investors in the cocoa processing sector, Luc Magloire Mbarga Atangana, said. This of course could equally include stepping down taxes and customs duties on cocoa processing in-puts.

Cameroon, the world's fifth producer of Cocoa processes 13 percent of the product and intends to bring the amount up to 45 percent. Processing so far remains in the hands of one major company, SIC-CACAO which bought and processed 26,000 metric tons last year, according to Minister Mbarga Atangana and 25,175 tons according to SIC CACAO.

#### **Government will not turn against cocoa industry – Ankomah**

Ghana News Agency

By Breman Jukwa, (C/R),

June 03, 2010

GNA - The government would not turn against the maintenance and production of high quality cocoa, despite the discovery of oil in Ghana. Mr Samuel Ankomah, Central Regional Cocoa Extension Officer, made this known at separate meetings with cocoa farmers at Breman Jukwa, Twifo Hemang Lower Denkyiran, Asikuma-Odoben Brakwa Districts and Lower Bobikuma in the Agona West Municipality, as part of his tour of the Region to educate farmers about the maintenance of their cocoa. He said adequate measures had been put in place by the government to ensure sustenance of cocoa production which is the back bone of the nation's economy.

He cited the rehabilitation of infested cocoa farms, supplying of fertilizers to farmers, mass spraying exercise and payment of compensations to farmers whose farms were affected by swollen shoot virus as some of the measures. "Cocoa is Ghana and Ghana is cocoa" Mr Ankomah said, and assured farmers that government would not neglect its duty towards cocoa farmers because of the oil find. He said the revival of the Cocoa Extension Division of the Ghana Cocoa Board would boost and promote the production of cocoa.

Mr Ankomah said the government had also appointed local cocoa extension facilitators in all cocoa growing communities nationwide to offer technical advice on methods of improving production. He pointed out that the measures would assist the country to hit the expected target of 1,000 million metric tonnes of cocoa by the year 2013.

Mr Ebenezer Agyin, Jukwa District Cocoa Officer, expressed concern about the refusal of some farmers to cut down their infested cocoa trees and appealed to them to rescind the decision. He said if the farmers continued to refuse to allow the officials from Cocoa Swollen Shoot Disease Control Unit (CSSVDCU) to destroy infested farms, it would derail the aims and objectives of the government's cocoa rehabilitation programme. The District Cocoa Officer said about 1.8 million cocoa trees had been infected with the disease in the Jukwa District and asked the chiefs and opinion leaders to impress upon the farmers to co-operate with the authorities.

Mr Philip Bedgyera, Asikuma-Odoben-Brakwa District Cocoa Officer, said hybrid cocoa seedlings were ready to be supplied to the farmers at a reduced price to enable them to plant their farms. He cautioned farmers not to use the fresh cocoa pods to plant their farms without approval from the Supply Production Unit (SPU), adding that most of the pods were infested with cocoa diseases which posed a danger to their farms.

#### **The Market**

#### **Commodity prices rebound, cocoa hits 32-year high**

The News International

May 30, 2010

LONDON: Commodity prices mostly recovered this week on easing worries about the eurozone debt crisis, with cocoa striking a 32-year high level.

"Commodity prices have picked up in recent days in the wake of the rather indiscriminate selling that dragged prices lower in recent weeks," said Barclays Capital analyst Sudakshina Unnikrishnan.

"Macro-economic related fears remain but after causing the steep decline in prices, are now taking a bit of a backseat as commodity (supply and demand) fundamentals reaffirm themselves.



“Crude oil prices have gained with the continuation of supportive US oil demand data; base metals remain more mixed; precious metals have been supported by further safe haven buying and investor interest while agricultural markets, which didn’t suffer as badly as the rest of the complex, are modestly firmer.”

Many commodities had plunged the previous week as traders worried about the eurozone debt crisis, a strong dollar, the strength of Chinese demand and falling global share prices.

OIL: Oil prices rallied back above 75 dollars this week, boosted by signs of higher demand for energy, traders said, and after dropping close to 10-month lows one week earlier. “Oil prices continue to rise as the focus on fundamentals returns, with OECD oil demand and in particular US oil demand improving markedly,” said Barclays Capital analyst Amrita Sen.

Oil prices began spiking on Wednesday, with sentiment lifted by recovering stock markets and fresh data pointing to a sustained economic recovery in the key US energy market.

A report by the US Department of Energy showed an unexpected dip in US gasoline (petrol) supplies of 200,000 barrels. Distillate stocks, including diesel and heating oil, fell 300,000 barrels in the week ending May 21.

Andrey Kryuchenkov, a commodities analyst with Russian investment bank VTB Capital, said the market was “upbeat about healthy demand for fuel products in the US.”

Oil built on Wednesday’s gains by surging more than two dollars on Thursday as the euro rebounded against the dollar and global stock markets bounced higher, traders said.

A weaker US unit makes dollar-priced crude cheaper for buyers using stronger currencies, which therefore tends to stimulate oil demand and push prices higher.

Crude oil prices sunk more than one dollar on Tuesday on fears the eurozone financial crisis could turn toxic for the global economic recovery.

Fears that contagion from Greece’s sovereign debt crisis could spread to other vulnerable eurozone members were heightened by the Spanish government’s bailout of a regional savings bank, Cajasur, over the weekend.

By late Friday on the New York Mercantile Exchange, Texas light sweet crude for delivery in July surged to 74.58 dollars a barrel from 70.02 a week earlier.

On London’s Intercontinental Exchange, Brent North Sea crude for July delivery soared to 74.63 dollars compared with 71.72 dollars.

PRECIOUS METALS: Prices recovered after sharp losses a week earlier.

“The precious complex gained ground alongside rallying equities with improving risk sentiment across the board,” said VTB Capital analyst Andrey Kryuchenkov. The glamorous metal had hit an all-time pinnacle of 1,249.40 dollars an ounce in early May, dragging sister metal silver to a two-year peak.

In recent weeks, heightened concerns about the risk of contagion from Greece’s debt woes has attracted fresh inflows of cash into gold, which is widely regarded as a safe bet in times of economic uncertainty.

By late Friday on the London Bullion Market, gold prices rallied to 1,218.47 dollars an ounce from 1,179.75 dollars the previous week.

### **High Cocoa Futures Not Reflecting Fundamentals**

Source: Reuters

31/05/2010

Hamburg, May 31 - London cocoa futures have been driven up by financial investment and markets are increasingly ignoring bearish fundamental factors, the chairman of the German Cocoa Trade Association said on Friday. "There is currently great concern in the physical cocoa market about the level of futures which many regard as being distorted by excessive financial investment which is ignoring fundamental factors of low demand and good supply," Andreas Christiansen told Reuters.

London cocoa futures have risen sharply since late 2009, despite the economic slowdown, and remain around 32-year-highs reached in April.

The rise has been partly sparked by expectations of increased consumption signalled by rising cocoa grinding figures and repeated forecasts of a global cocoa supply deficit.

The high futures market was increasingly ignoring a sharp downturn in cocoa demand from the European chocolate and confectionery industry caused both by high futures and the economic outlook, Christiansen added. "The current level of cocoa futures is creating a commercial price calculation which is above production costs at the retail prices we have now," he said "This means losses for industry, so industry is really holding back cocoa purchases."

Industry is also reducing its volumes of supply cover for fear the major spending cuts planned by European governments will reduce consumer spending power. Against this uncertain outlook industry is keeping cocoa inventories low.

With supermarket price wars under way in several countries, retailers are unwilling to give chocolate and confectionery makers price rises, putting the industry in a painful cost vice.

#### DECOUPLED

Despite the bearish mood in the physical cocoa market, futures remain high. "There is increasing belief among physical cocoa traders and consumers that London prices are being driven by financial investment which is ignoring fundamental factors such as low demand and good supplies," he added. "Cocoa futures appear to have decoupled from fundamental supply and demand principles."

German cocoa traders are traditionally active throughout Europe and Christiansen said physical demand was especially weak in east Europe.

Large volumes of physical cocoa volumes is being offered for grading into the London market - basically into unsold exchange stocks - displaying low physical demand in Europe. "Instead of cocoa being sold to industry with differentials, this is going at a lower price into grading," Christiansen said. "This would not be done if demand was present."

Europe's cash cocoa market involves selling cocoa with a price surcharge or differential generally above the relevant Liffe futures contract for the delivery period.

Cocoa supplies from the largest West African producers were good despite forecasts of lower output and a global cocoa deficit in the 2009/10 season, he added.

There was a marginal delay with the Ivory Coast mid-crop but cocoa harvesting is now getting under way.

Large volumes of cocoa are on the European physical cocoa market. "This does not fit into this picture we are constantly presented of tight global supplies," Christiansen said.

#### **Cocoa Futures Rise on Signs of Tight Supplies; Coffee Declines**

**BusinessWeek**

By Yi Tian

June 02, 2010

(Bloomberg) -- Cocoa prices rose to a three-week high in New York on signs of tighter global supplies. Coffee dropped.

Cocoa-bean sales by Ghana farmers to private buyers as of May 20 were down 10 percent in the season that started on Oct. 16, from a year earlier. Ghana is the world's largest producer after Ivory Coast. Inventories held in warehouses monitored by ICE Futures U.S. have dropped for 16 straight sessions to the lowest level since March 24, exchange data show.

"There could be a longer-term supply issue," said Frank Pavilonis, a senior market analyst at broker Lind-Waldock in Chicago. "Possibilities that production may not keep up with demand are supporting prices."

Cocoa for July delivery rose \$52, or 1.7 percent, to \$3,042 a metric ton on ICE in New York, after touching \$3,050, the highest price for a most-active contract since May 11. The commodity has climbed 13 percent in the past year as production declined in Ghana and Ivory Coast.

Cocoa may reach \$3,083 in two weeks, Pavilonis said.

On London's Liffe exchange, cocoa futures for July delivery added 76 pounds, or 3.1 percent, to 2,520 pounds (\$3,689) a ton. Earlier, the most-active contract jumped to 2,523 pounds, the highest price since at least 1989.

Arabica-coffee futures for July delivery dropped 1.15 cents, or 0.8 percent, to \$1.354 a pound in New York. In London, robusta-coffee futures for July delivery fell 0.8 percent to \$1,338 a ton.

Arabica coffee is grown mainly in Latin America and brewed by specialty companies including Starbucks Corp. Robusta beans, used in instant coffee, are harvested mostly in Asia and parts of Africa. *To contact the reporter on this story: Yi Tian in New York at ytian8@bloomberg.net.*

### **SOFTS-London cocoa soars on short-covering, sugar drops**

#### **Forex Pros**

By Marcy Nicholson and Sarah McFarlane

2010-06-02

NEW YORK/LONDON, June 2 (Reuters) - Cocoa futures jumped on Wednesday, led by the London market rallying on a technical squeeze, while sugar fell more than 3 percent on liquidations.

Coffee, which was earlier supported by concerns over tight supplies of high quality arabica beans later in the year, reversed to close lower.

Cocoa futures trading on the London International Financial Futures Exchange (Liffe) dealt in backwardation, with the July contract increasingly more expensive than September futures. "There's a technical squeeze of the market where people get caught short on the front month in London and are unable to tender so they need to run for cover," said a London-based broker.

Dealers said they expected the July/September spread to widen further.

The July contract's premium over September widened to 115 pounds from Tuesday's close of 99 pounds as participants that use July futures to hedge cocoa by-products, such as cocoa butter and liquor, risk being unable to deliver against their positions.

London July cocoa surged 76 pounds or 3.1 percent to close at 2,520 pounds a tonne, after hitting a contract high at 2,523 pounds.

Benchmark September cocoa on Liffe rose 48 pounds or 2 percent at 2,393 pounds, hitting a contract peak at 2,396 pounds earlier and just shy of a 32-year high at 2,430 hit May 7.

July cocoa futures on ICE jumped \$52 or 1.7 percent to finish at \$3,042 per tonne, the highest settlement since May 10. "If you look at the market today, you can see the July Cocoa futures failing to rally above the 100-day moving average at \$3,055 and it is looking like a near term high is being posted," said Michael Maniatis, market strategist with LaSalle Futures Group in Chicago.

Sugar lost ground on long liquidation and profit-taking, ignoring the firm crude oil market but dealers said sweetener prices were likely to remain rangebound near-term. The market was seen underpinned by tight nearby supplies but faced the prospect of big crops in top producers Brazil and India.

Dealers noted reports of a pickup of physical off-take and enquiries from importers such as Pakistan, Iran and Indonesia.

Raw sugar futures fell below 14 cents for the first time since May 18, on trade and fund selling followed by investor selling, said Rodrigo Costa, vice-president Institutional Sales for Newedge USA. "We still have funds long sugar, which is bearish," Costa said.

Raw sugar futures have lost half of their value since hitting a 29-year peak of 30.4 cents a lb in February. sugar futures dropped \$15.10, or 3.2 percent, at \$456.80 per tonne.

Arabica coffee futures rose to a three-week high but then dropped nearly 3 cents. "It was more speculator-related buying. They didn't find any follow-through buying, when they came off to sell, they didn't find anyone else to buy because I think the roasters are sitting below the market," Costa said.

December/March spreading also indicated that some expect tight supplies later in the year, helping to push the market up earlier, dealers said.

ICE July arabica coffee futures dropped 1.15 cents to finish at \$1.3540 per lb, after hitting a three-week high at \$1.3810.

Dealers also said worries over whether there could be a frost this year in top grower Brazil underpinned coffee prices earlier, even though there are no frost warnings from weather forecasters for now. "In any case it's too early to tell if there could be a frost," said Gary Mead, analyst with VM Group.

### **Cocoa at 33-year high on supply fears**

Financial Times

By Jack Farchy

June 3 2010

Spot cocoa prices traded above £2,500 a tonne on Thursday for the first time in almost 33 years as fears over another poor crop drove prices higher.

Liffe July cocoa gained 0.2 per cent to £2,524 a tonne, its highest level since late 1977. The front-month contract has gained 14 per cent in the past four weeks.

Cocoa for September delivery – the second front-month contract, the traditional industry benchmark – rose 0.3 per cent to £2,400 a tonne, just short of its own three-decade peak set earlier in the year.

Prices for cocoa, the bean used to produce chocolate, have risen sharply on the back of a disappointing crop in the Ivory Coast, the world's largest producer with 40 per cent of global output. In addition, the chocolate market is showing signs of recovering in line with the global economy, adding to the tightness in the market.

Some in the industry fear that demand will outstrip supply for a fifth successive year in the 2010-11 season, something that has never previously happened.

In other commodities markets on Thursday, oil prices gained as some risk appetite returned to the markets. Nymex July West Texas Intermediate gained 41 cents to \$73.27 and ICE July Brent was up 44 cents at \$74.19.

Metals were more muted, as fears over weaker demand from China continued to damp enthusiasm. Copper for delivery in three months was 0.3 per cent lower at \$6,674 a tonne on the London Metal Exchange.

### **Cocoa Futures Climb on Shrinking Stockpiles; Coffee Prices Rise**

BusinessWeek

By Elizabeth Campbell

June 03, 2010,

Bloomberg) -- Cocoa rallied to a three-week high in New York on tight supplies and prospects for improved demand for the chocolate ingredient. Coffee also rose.

Cocoa stockpiles held in warehouses monitored by ICE Futures U.S. are the smallest since March 24, after dropping for more than three weeks, exchange data show. Service industries in the U.S. expanded for a fifth month, and factory orders rose, signaling a widening economic recovery. Cocoa prices have jumped 11 percent in the past year.

"Supplies of cocoa are lower than expected," said Dennis Cajigas, a senior market strategist at broker Lind-Waldock in Chicago. "Supply concerns and the outside markets are helping as well."

Cocoa for July delivery rose \$6, or 0.2 percent, to \$3,048 a metric ton on ICE in New York, after touching \$3,065, the highest price for a most-active contract since May 11.

On London's Liffe exchange, cocoa futures for July delivery gained 30 pounds, or 1.2 percent, to 2,550 pounds (\$3,730) a ton. Earlier, the most-active contract jumped to 2,558 pounds, the highest price since at least 1989.

Arabica-coffee futures for July delivery gained 0.2 cent to \$1.356 a pound on ICE. In London, robusta-coffee futures for July delivery rose \$8, or 0.6 percent, to \$1,346 a ton.

Arabica coffee is grown mainly in Latin America and brewed by specialty companies including Starbucks Corp. Robusta beans, used in instant coffee, are harvested mostly in Asia and parts of Africa.

### **Ivorian cocoa prices up on supply disruption fear** **Channel Africa**

03 June 2010

Cocoa farmgate prices in Ivory Coast's main growing regions were mainly up last week, as buyers feared heavy rains would disrupt supply by washing away roads and damaging bean quality, farmers and exporters said on Thursday. "There was a rise in prices at the port and in the bush. With the rains getting heavier and heavier, exporters fear they won't be able to recover the cocoa as normal because of the poor state of the roads," said the purchasing manager of a European cocoa export company. He added that quality was already being damaged by overly humid conditions.

Prices at the port of Abidjan climbed to 1,220-1,250 CFA francs (\$) per kg from 1,160-1,170 CFA francs in the previous week, he said.

In the centre-western region of Daloa, the average price settled at 1,100 per kg from about 900 the previous week, farmers said, as prices jumped at the port of Abidjan on buyer fears of smaller beans because rain clouds had blotted out the sunlight needed to swell them.

"The price rise at the port d'Abidjan has pushed up prices elsewhere," said farmer Magloire Gnankan.

"In a lot of places, the beans are small and buyers fear that's only going to get worse in the coming weeks."

In the western region of Soubre, the average price rose to 970 from about 900 the previous week following fierce competition among merchants, said farmer Roger Tano.

Below are average farmgate prices in CFA francs per kg for the week of May 24-30, as quoted by private buyers, cooperatives and shippers, and published by the BCC.

### **Crop failures push cocoa to 33-year peak** **Financial Times**

By Jack Farchy and Javier Blas in London

June 4 2010

Spot cocoa prices in London yesterday jumped above the £2,500 a tonne level for the first time in more than three decades as a disappointing crop in west Africa left cocoa buyers scrambling to cover their positions.

Liffe July cocoa rose 1.5 per cent to a peak of £2,558 a tonne yesterday, the highest front-month price since November 1977. The price of the July contract has leapt 15 per cent in the past three weeks.

The second-front month contract, usually seen as the industry benchmark, rose 0.4 per cent to £2,402 a tonne - just below the near- 33-year high of £2,430 that it set in early May.

Traders said that cocoa inventories at exchange-registered warehouses had fallen to very low levels after a poor crop in the Ivory Coast, which accounts for nearly 40 per cent of the world's supplies. The rally has being exacerbated by technical factors, traders said.

As prices rose, industrial consumers of cocoa, the bean used to make chocolate, bought protection against even higher prices by buying call options, which give the right but not the obligation to purchase the commodity at a predetermined price.

But as the price of the spot contract, which expires on July 15, continued to rise, the banks who sold those call options have been scrambling to hedge themselves by buying futures. "There is a very large open interest in July call options," a senior cocoa trader explained. "The dealers who sold the options are now rushing for cover, buying futures."

In addition, some cocoa processors have been struggling to roll their hedges from July to the September contract. The processors transform cocoa beans into cocoa butter and liquor, the intermediate materials used to produce chocolate.

But since neither butter nor liquor can be physically delivered to settle the contracts, processors are forced to roll their contracts and settle the price difference. Usually, the rolling process is an easy affair but it has been complicated by the low stocks and the high volume of options trading. Beside the technical factors, traders said that supply and demand fundamentals are robust.

Years of poor crops in West Africa have been lifting cocoa prices from a low of less than £600 a tonne in 2000. In Ivory Coast in particular, the trees are old and disease-prone and industry executives said that, without investment in new trees and fertilisers, production will continue to fall. Many believe that, as demand for chocolate picks up, cocoa demand will outstrip supply for the fifth successive year in the 2010-11 season, putting further pressure on prices.

Elsewhere in commodities, the gap between the European and US oil benchmarks reopened as the US government reported an increase in inventories at the hub of Cushing, Oklahoma, the delivery point of the Nymex West Texas Intermediate contract.

Stocks at Cushing rose by 270,000 barrels, reversing the previous week's drawdown, the US Department of Energy said. But overall, US crude and gasoline stocks fell more than expected last week.

Nymex July WTI rose \$1.75 to \$74.61 a barrel, while ICE July Brent advanced \$1.66 to \$75.41.

### **Cocoa Advances to 21-Year High on signs demand is strengthening** **BusinessWeek**

By M. Shankar

June 04, 2010

(Bloomberg) -- Cocoa rose for a fourth day in London to the highest price in at least 21 years on signs that demand is climbing amid a supply shortfall.

Cocoa for July delivery climbed as high as 2,588 pounds (\$3,794) a metric ton, the highest price since at least 1989, on the Liffe exchange. The contract was up 36 pounds, or 1.4 percent, at 2,586 pounds at 11:04 a.m. local time. Cocoa for July delivery gained \$12, or 0.4 percent, to \$3,060 a ton on ICE Futures U.S. in New York.

Stockpiles of the chocolate ingredient held in warehouses monitored by ICE Futures U.S. are the smallest since March 22, heading for a fourth weekly decline, exchange data show. Production will lag behind usage by 69,000 tons in the year through September, the International Cocoa Organization said last month, more than the 18,000 tons it estimated in March. "Falling inventories suggest demand is picking up," Carsten Fritsch, an analyst with Commerzbank AG in Frankfurt, said by phone today.

The government of Ivory Coast, the world's biggest cocoa producer, must make fighting the spread of viral disease swollen shoot "a priority," the main industry union said this week.

White sugar for August delivery fell 0.1 percent to \$458.60 a ton on Liffe. Robusta coffee for July delivery slipped 0.2 percent to \$1,344 a ton.



### Shortage says price of cocoa soaring

Source: Scotsman

04 June 2010

A WORLD shortage of cocoa beans is leading to bullish trading – with cocoa trading at £2,524 a tonne, its highest level since 1977.

The International Cocoa Organisation is forecasting a world deficit of 69,000 tonnes in 2009-10.

Prices have risen after a disappointing harvest in the Ivory Coast, which produces 40 per cent of the world's cocoa.

"Cocoa stocks are relatively low and the fundamental situation is relatively bullish," said Jonathan Parkman, head of agri-commodities at Fortis Bank Nederland.

### Processing & Manufacturing

#### African Chocolate: "Like Sucking on a Cocoa Seed . . ."

Phoenix New Times (blog)

By Michele Laudig,

Jun. 3 2010



<Tags: chocolate, ghana, kingsbite chocolate>

For the past few weeks, I've been deprived of seeing one of my dear friends, who packed up and headed to London and Ghana for three whole weeks. (Lucky, lucky lucky!) Although London intrigues me -- and I'm dying to see my friend's photos of the city - I'm particularly anxious to hear about his journey to Africa. Going there solo sounds like a big deal.

Also impressive was the fact that he managed to bring back a Kingsbite chocolate bar from the other side of the planet, just for me. It was perfectly brand-new and intact, as if it had just come off the store shelf.



As he handed it to me, my friend warned that the chocolate wasn't like American milk chocolate -- and that some of his friends didn't care for it.

"I like it," he said, "but it's like sucking on a cocoa seed, which I did when I was over there. It's not as sweet."

Indeed, it wasn't as sweet, but it was just sweet enough, and had a more earthy cocoa flavor than what I've grown up on. The texture wasn't as smooth, either, but I enjoyed it just the same. For me, just to eat something that's interesting, if not flat-out scrumptious, is a pleasure.

Now I can't wait until the day I can suck on a cocoa seed.

#### Not such a guilty pleasure: Indulge with a chocolate body wrap

Daily Mail

By Sara Nelson

3rd June 2010



Chocoholics will no doubt be swooning at the prospect of being smothered in the stuff, but you won't need a sweet tooth to enjoy this treatment.

The Montcalm Spa will wrap you in chocolate from head to toe – and there's not a single calorie involved.

The treatment uses the hydrating properties of cocoa with the exfoliating qualities of natural sugars, while the body wrap warms and conditions your skin.

Choose chocolate: The Montcalm Spa serves up a sweet treat

On my arrival at the spa, I'm shown into a candle-lit room, and although it may be just my own sense of hungry anticipation, I can already smell the chocolate.

My beauty therapist offers me a choice of two salts for exfoliation – both so pure you could cook with them. She then gives me a full body scrub on both sides, including the soles of my feet, combining the salt with natural oils.

Once I've been thoroughly polished and buffed, it's time to bring out the big guns – the chocolate.

Mixed with paraffin wax, the resultant paste is unfortunately (or fortunately, depending on how you look at it) inedible, although it is certainly tantalising to be wrapped from head to toe in the stuff.

After application, the mixture begins to harden and I am cocooned in fluffy white towels.

As I lie in my wrap, the therapist gives me such a sublime Indian head massage, I'm in danger of drifting off to sleep. When I am eventually unwrapped, I am shown to a shower cubicle and asked to wash off all the chocolate ...which seems a shame really.

Once I've reluctantly shed the last of my cocoa coating, I hop back onto the bed for a full body massage using a chocolate and orange moisturiser – sweet stuff indeed. Hours after leaving I can still smell the aroma of chocolate – so much so that I am forced to give in and buy a bar of it.

The Montcalm Spa's sweet treatment lets you indulge your chocolate cravings without letting even a piece pass your lips. But whether you can carry on that good behaviour afterwards is entirely up to you....

## Business & Economy

## Labour Issues

### Cocoa trade must do more about child labour

Financial Times

By Magdalena Kettis and Anna Pot

May 30 2010

The use of child labour in companies' operations and supply chains is of increasing concern to investors. By preventing children from getting an education, child labour holds back sustainable development and threatens investments in many parts of the world.

We at Norges Bank Investment Management (NBIM) and APG Asset Management have identified child labour as a risk to our long-term investments. We initiated talks in 2008 with some of the world's largest cocoa suppliers and chocolate producers to find out how they monitor the risk of child labour in West Africa, source of about 70 per cent of the world's cocoa.

We asked the companies to develop and disclose action plans to monitor and combat child labour in their operations and supply chains. The response so far has been varied. Some companies have increased their efforts, but more needs to be done.

A 2002 survey, supervised by the International Labour Office and the International Programme on the Elimination of Child Labour, found that 284,000 children worked in hazardous, unprotected and sometimes unfree conditions on cocoa farms in West Africa. A recent report by BBC Panorama and a campaign by Oxfam suggest child slave labour continues to exist in the region.

It is critical that the cocoa industry begins to show real progress in combating the worst forms of child labour. While industry leaders repeated their commitment to sustainable cocoa production at the 17th World Cocoa Foundation Partnership Meeting in Utrecht, the Netherlands, this month, few proposed concrete measures to prevent child labour in the cocoa supply chain.

Earlier efforts to eliminate child labour in the cocoa industry had limited success. In the Cocoa Protocol of 2001, the industry committed to developing and implementing certification standards for cocoa produced without the worst forms of child labour by July 2005. Due to limited progress, this deadline was extended to certify only half of cocoa farms “child-labour free” by July 2008. In a statement in 2008, leading cocoa producers and suppliers expressed concern over the lack of progress.

Two years later, some progress has been made. There has been a notable shift in what companies focus on in discussions with investors. At the start of our dialogue, companies focused on the difficulty of tracing the origins of cocoa within the industry’s complicated supply chain of numerous middlemen, traders and commodity exchanges. This made direct child labour monitoring more or less impossible. Now companies focus on ensuring a stable future supply of good quality cocoa and sustainable production.

Companies also show more willingness to take direct responsibility for solving the problem of child labour, in part by buying more cocoa directly from farmers, working to improve social conditions and taking more measures to monitor risk. Corporate transparency is also slowly improving. At the same time, a growing number of consumers are concerned about the quality and origins of chocolate. This is increasing demand for chocolate that is produced and sold through fair-trade agreements, particularly in Europe. Demand in the UK alone increased by about 15 per cent in 2009.

Although it seems unlikely that stronger regulation on banning products made with child labour will materialise in the near future, companies are under increasing pressure from regulatory bodies. Governments, too, face demands to introduce regulation on labour conditions and transparency on the origin of products. The European Commission is preparing policy options on how products made by children could be banned from the European market. The governments of Ghana and Côte d’Ivoire have assessed the scope of child labour and initiated measures to combat illegal trafficking of minors forced to work in the agricultural sector.

From an investor perspective these developments are positive. But companies are not there yet. The recent business gathering in Utrecht failed to meet our expectations that companies should agree on a common systematic action plan with clear targets for eliminating child labour in the cocoa supply chain. It has been nearly 10 years since the industry vowed to eliminate child labour. It needs to make good on that promise.

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**Environmental Issue**

**Research & Development**

## Promotion & Consumption

### Barry Callebaut sees huge growth in Brazil as plant opens

By Jane Byrne ,  
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A new Barry Callebaut chocolate factory in Brazil, which commenced operation last week, is building on the predicted growth for consumption of chocolate products in Latin America, according to the pod-to-pallet chocolate maker.

At a time when chocolate consumption in the US and Europe dips as consumers tighten their purse strings, hopes to shore up sales could come from emerging economies, such as Mexico, China and Brazil, that today account for about half of global growth.

In a statement, Juergen Steinemann, Barry Callebaut CEO, said that Brazil "has returned much faster to its earlier growth dynamic than most other economies after the recent economic turmoil."

Indeed, the Brazilian government there and the International Monetary Fund (IMF) now expect a GDP growth of up to six per cent for 2010. "Against this background and based on growth forecasts for the Latin American chocolate market of more than three per cent in volume terms annually over the next three years, we see a tremendous market potential – not only in Brazil but in the entire region," added Steinemann.

Barry Callebaut said by establishing the plant in Extrema, near Sao Paulo, it can now offer its Brazilian customers the full product portfolio of traceable cocoa, semi-finished products and chocolate products.

The new facility in Brazil follows the setting up of the Swiss firm's €30m industrial chocolate facility in Mexico in January of last year in the north-eastern state of Nuevo Leon.

Raphael Wermuth, communications spokesperson for Barry Callebaut told ConfectioneryNews.com that the new factory, which is the supplier's first chocolate production plant in South America, will source the majority of its beans from the company's cocoa-processing plant in the north-eastern state of Bahia. He said the initial target for first year of production will be 50 per cent of overall facility capacity – 10,000 tonnes – with the objective being to reach 16,000 tonnes by the third year of operation.

The supplier said that the plant will produce dark, milk and white chocolate as well as compound for artisanal and industrial customers, and while the majority of the output is targeting the growing foodservice sector in Brazil, leading chocolate makers in the region are also the focus, said Wermuth.

Last year, Barry Callebaut signed a distribution deal with agro-giant Bunge Alimentos to unlock the potential for food service sales for its B2B gourmet products in Brazil, aiming to tap into Bunge's extensive business-to-business distribution network there, which serves about 25,000 points of sale each day.

ECD Consulting pitches the Brazilian food service segment, which includes bakeries, hotels and chocolatiers, at about 60,000 tonnes a year for chocolate and compound products.

Barry Callebaut and Bunge said last year that they to capture about a sixth of this volume, within two to three years. Zurich-based Barry Callebaut currently has about 41 facilities - including cocoa processing and chocolate facilities - worldwide.

## Others