

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 391

7th - 11th June 2010

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)
7 th June	2204.14	3205.26	2385.00	2951.67
8 th June	2234.74	3245.45	2431.33	2983.33
9 th June	2242.12	3262.28	2416.67	2999.00
10 th June	2201.73	3213.18	2371.00	2946.33
11 th June	2185.56	3195.95	2360.00	2958.33
Average	2214.00	3224.00	2393.00	2968.00

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

Monday 7th June 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2010	2555	2534	-25	2598	2528S	4,227
Sep 2010	2340	2344	-3	2379	2337	3,924
Dec 2010	2281	2277	-9	2319	2276	3,772
Mar 2011	2240	2235	-3	2277	2235	1,923
May 2011	2248	2235	-2	2262	2248	159
Jul 2011	2252	2236	-3	2252	2252	5
Sep 2011		2237	-3			0
Dec 2011		2243	-6			0
Mar 2012		2240	-9			0
May 2012		2266	-3			0
Average/Totals		2285				14,010

Tuesday 8th June 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2531	2594	60	2597	2524S	3,096
Sep 2010	2338	2380	36	2385S	2338	3,521
Dec 2010	2285	2320	43	2326S	2280S	3,706
Mar 2011	2245	2280	45	2282	2244	1,301
May 2011	2275	2273	38	2275	2272	41
Jul 2011	2277	2274	38	2277S	2277S	9
Sep 2011	2277	2275	38	2277S	2277S	9
Dec 2011		2279	36			0
Mar 2012		2279	39			0
May 2012		2307	41			0
Average/Totals		2326				11,683

Wednesday 9th June 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2585	2560	-34	2608S	2540	3,832
Sep 2010	2370	2372	-8	2391S	2364	3,423
Dec 2010	2312	2318	-2	2331S	2307	1,269
Mar 2011	2272	2279	-1	2293	2267	961
May 2011	2285	2274	1	2288	2277	15
Jul 2011	2274	2276	2	2274	2274	2
Sep 2011		2279	4			0
Dec 2011		2279	0			0
Mar 2012		2272	-7			0
May 2012		2300	-7			0
Average/Totals		2321				9,502

Thursday 10th June 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2,554	2496	-64	2584	2493	5,968
Sep 2010	2,368	2341	-31	2395	2338	5,466
Dec 2010	2314	2276	-42	2330	2272	2,578
Mar 2011	2291	2239	-40	2291S	2235S	1,095
May 2011	2274	2235	-39	2277	2227S	25
Jul 2011	2264	2238	-38	2264	2264	3
Sep 2011		2241	-38			0
Dec 2011		2240	-39			0
Mar 2012		2234	-38			0
May 2012		2262	-38			0
Average/Totals		2280				15,135

Friday 11th June 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2491	2458	-38	2517	2452S	4,921
Sep 2010	2339	2344	3	2372	2327S	4,886
Dec 2010	2272	2278	2	2301	2267S	3,412
Mar 2011	2235	2244	5	2266	2231S	1,931
May 2011	2259	2241	6	2262S	2243S	86
Jul 2011	2235	2240	2	2254S	2235	122
Sep 2011		2243	2			0
Dec 2011		2242	2			0
Mar 2012		2236	2			0
May 2012		2264	2			0
Average/Totals		2279				15,358

Average for the week	2279				13138
					65,688

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

Monday 7th May 2010

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2911	2927	8	2956	2903	12,351
Sep 2010	2922	2944	4	2973	2922	9,019
Dec 2010	2949	2968	4	2990	2948	764
Mar 2011	2992	2997	4	3014	2992	538
May 2011	3003	3006	2	3022	3003	104
Jul 2011	3027	3015	-3	3027	3013	27
Sep 2011	0	3025	-1	0	0	0
Dec 2011	0	3041	-1	0	0	0
Mar 2012	0	3111	-7	0	0	0
May 2012	0	3111	-7	0	0	0
Average/Totals		3015				22803

Tuesday 8th June 2010

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2939	2962	35	2969	2932	10,867
Sep 2010	2956	2981	37	2984	2949	9,404
Dec 2010	2970	3007	39	3010	2970	2,302
Mar 2011	3009	3034	37	3033	3009	257
May 2011	0	3042	36	0	0	12
Jul 2011	3025	3048	33	3046	3025	104
Sep 2011	0	3054	29	0	0	45
Dec 2011	0	3064	23	0	0	46
Mar 2012	0	3126	15	0	0	1
May 2012	0	3126	15	0	0	0
Average/Totals		3044				23038

Wednesday 9th June 2010

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2950	2972	10	2991	2942	9,360
Sep 2010	2972	2992	11	3010	2961	9,794
Dec 2010	3008	3020	13	3039	2997	2,259
Mar 2011	3037	3046	12	3056	3020	589
May 2011	3054	3054	12	3057	3054	43
Jul 2011	3056	3060	12	3060	3051	143
Sep 2011	3066	3064	10	3066	3066	190
Dec 2011	0	3076	12	0	0	172
Mar 2012	0	3138	12	0	0	19
May 2012	0	3138	12	0	0	0
Average/Totals		3056				22569

Thursday 10th June 2010

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2975	2919	-53	3004	2890	8,326
Sep 2010	2990	2941	-51	3022	2911	11,706
Dec 2010	3022	2970	-50	3049	2940	1,622
Mar 2011	3050	2996	-50	3068	2977	422
May 2011	3066	3004	-50	3075	3065	46
Jul 2011	3072	3010	-50	3081	3056	103
Sep 2011	3076	3020	-44	3076	3076	26
Dec 2011	0	3028	-48	0	0	2
Mar 2012	0	3094	-44	0	0	1
May 2012	0	3094	-44	0	0	0
Average/Totals		3008				22254

Friday 11th June 2010

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2914	2919	0	2999	2907	7,664
Sep 2010	2941	2937	-4	3020	2925	11,075
Dec 2010	2960	2964	-6	3013	2950	2,226
Mar 2011	2988	2990	-6	3034	2973	187
May 2011	2996	3000	-4	3045	2996	497
Jul 2011	3002	3009	-1	3059	3002	90
Sep 2011	3050	3013	-7	3059	3027	56
Dec 2011	3058	3023	-5	3067	3047	36
Mar 2012	3119	3088	-6	3119	3119	3
May 2012	0	3088	-6	0	0	0
Average/Totals		3003				21834

Average for the week	3003				3970
					3970

Health and Nutrition

Technology recommendations for Chocolate

Health and Fitness Times

By Pat Layer

June 6, 2010



Chocolate

It truly is each and every sweet tooth's desire. A constant flow of research provides correlated chocolate to a range of health advantages, such as reduced blood pressure, reduced cholesterol, decreased danger of heart disease, also consequences on mood.

However the actual proof, is preliminary. "I adore chocolate as much as the next person, yet it really is candy, not a health food," states Marion Nestle professor of nutrition at New York University.

Data connecting intake of chocolate or, more precisely, cocoa to better health first surfaced more than ten years back through research of the Kuna people, residents of the San Blas islands off the coast of Panama.

In the 1990s, research of the Kuna discovered that these people experienced reduced blood pressure, much better kidney functionality, and reduced rates of cardiovascular disease and cancer in comparison with other Panamanians, including Kuna whom had migrated to Panama City. One investigation, released in the journal Hypertension in 1997, observed that only 2% of island Kuna experienced high blood pressure, in comparison with more than 10% of Kuna residing in Panama City, where these people had mostly forgotten their conventional eating habits.

The results started medical curiosity in the Kuna diet plan, that particularly consists of five to seven cups a day of a cocoa-based beverage. The diet programs differed in additional methods as well, however to research workers seeking for a smoking gun, this stood out. The actual beverage is packed with flavanols, a variety of flavonoid, or antioxidant ingredient, identified in cocoa.

The Kuna's cocoa intake influenced over a decade's worth of scientific studies on cocoa and health. Last March, research workers publishing in the journal Circulation came to the conclusion that a particular kind of flavanol, called epicatechin, had been most probable accountable for cocoa's advantageous outcomes on the heart and vascular system in particular.

The 10 years of investigation has proven that the flavonoids in chocolate improve blood amounts of nitric oxide, a substance which assists relax the smooth muscle mass in blood vessel walls, that enhances blood flow, states Dr. John Harold, professor of medicine at UCLA as well as president of the Los Angeles Department of the American Heart Assn.

However the bevy regarding advantages experience by the Kuna "has not really been reproduced scientifically in any kind of test," Harold states.

Overhyped statements aside, the majority of the scientific studies on chocolate's influences have thus far been little and of quick duration and possess ties to chocolate manufacturers.

In 1 study, carried out by German research workers and released in the Journal of the American Medical Assn. in 2003, twenty six individuals at risk of heart disorder consumed a 100-milliliter cocoa beverage either lower or higher in flavanols for 2 days. In the conclusion of the 2nd day, the blood vessels within those that consumed the flavanol-rich beverage had dilated; the group additionally experienced increased blood levels of nitric oxide, a substance connected to enhanced vascular health.

In an additional investigation, by Swiss research workers, twenty two heart transplant individuals had been provided 40 grams of either flavanol-rich dark chocolate or a flavanol-poor chocolate. In those that ate the actual dark chocolate, the size of their coronary arteries improved from 2.37 to 2.52 millimeters; in the other group, the artery had been the same. Platelets had been less likely to stick in artery walls within individuals that consumed the dark chocolate, the research workers discovered. The actual study had been released in the journal *Circulation* in 2007.

As for those links to chocolate manufacturers, the German investigation had been partly financed by Mars Inc. The Swiss investigation had been carried out utilizing chocolate supplied by Nestle; one of the research workers was an worker of the Nestle Research Center, and also an additional had been a advisor for Mars.

However good proof has come from several impartial research as well. In a investigation of 480 males enrolled in the Zutphen Elderly Study, the danger of dying from cardiovascular disease had been decreased by 50% in males that ingested the most cocoa over a 15-year period (just above four grams a day), in comparison with those that ingested the least (simply no cocoa at all). The actual investigation, financed by the Netherlands Prevention Foundation, had been released in the *Archives of Internal Medicine* in 2006.

Generally, nonetheless, “the weight of the proof is quite small,” Harold states. Several research workers have called for greater, longer-term scientific studies, however none have been carried out as yet.

Meanwhile, the instruction to consume more chocolate is complex, and controversial, states Harold. The Kuna beverage unprocessed, unsweetened cocoa, however the majority of chocolate products on retailers shelves in the U.S. are packed with calories, fats and sugar. “Within our populace of so many individuals with metabolic syndrome, weight problems and diabetic issues, the final point we would like to carry out is add more sugar to our diet programs,” Harold states.

Flavanol-laden chocolate is definitely in no method a diet food.

“Chocolate might be one of the most dependable treats in the world,” claims Dr. Philip Muskin, professor of clinical psychiatry at Columbia University, “yet it has to be consumed in small amounts.”

Julia Zumpano, a dietician in the department of preventive cardiology at the Cleveland Clinic , suggests no more than an ounce of 70% dark chocolate every day or fifty percent that for individuals attempting to get rid of or control their weight. (Dark, not milk or white chocolate, is dense in flavonoids.) “Individuals believe you can consume pounds of chocolate, yet you can definitely gain weight from it,” Zumpano states.

Professor Nestle, meanwhile, points out that chocolate, or, more exactly, cocoa, is not the only supply of flavonoids or antioxidants in the grocery store.

Her suggestions: “Consume your vegetables! Chocolate is a plant, and quite much almost all food plants offer ingredients that help good health and fitness.”

Production & Quality

Ivorian cocoa arrivals seen 1,001,000 tonnes by June 6

Reuters Zimbabwe

Jun 7, 2010



ABIDJAN (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast reached around 1,001,000 tonnes by June 6 since the start of the season in October, exporters estimated on Monday, compared with 1,022,497 tonnes during the same period a year ago.

Exporters estimated around 18,000 tonnes were delivered to the West African country's two main ports between May 31 and June 6, down from 19,042 tonnes in the same week a year ago.

Ivorian cocoa arrivals lag but mid-crop looks strong

Channel Africa

07 June 2010

Cocoa arrivals at ports in top grower Ivory Coast slightly lagged last season by about 20,000 tonnes, but farmers still said wet weather should enable this year's mid-crop to comfortably beat last year's

Arrivals to the West African state's two main ports reached around 1,001,000 tonnes by June 6 since the start of the season in October, exporters estimated on Monday, compared with 1,022,497 tonnes in the same period last year.

Exporters estimated around 18,000 tonnes were delivered between May 31 and June 6, down from 19,042 tonnes in the same week a year ago. "For the moment, there is enough production in the south west and that should remain the case for the rest of the season," said the director of a European export company in Abidjan. "The quality is average."

The director of an export company in San Pedro said volumes were starting to pick up, saying he saw 11,000 tonnes come into the port last week, compared with an average of 8,000 - 9,000 tonnes in previous weeks.

Exporters said volumes were better than expected, given the conditions. Farmers complain of too much rain blotting out the sun and washing away roads needed to ship out cocoa. "For the moment, 18,000 tonnes is better than we could have hoped for. It's reassuring," said a buyer from a European export company in Abidjan.

RAINY WEATHER

Abundant rains fell in Ivory Coast's cocoa regions last week, which boded well for the mid-crop, but cloudy weather and weak sunshine raised concerns of possible insect plagues in some regions.

Across the country, farmers said rainy weather would generate a more robust mid-crop compared with last season.

In the western region of Soubre, at the heart of the cocoa belt, farmers said it had rained nearly every day from afternoon into the night.

"The rain fell all week ... and we had some sun. It's good for the harvest," said farmer Roger Tano.

"With rains like these, the mid-crop is going to finish in force in the next three months, with a lot of cocoa, compared with last season."

In southern regions of Aboisso, Agboville and Tiassale, in western region of Gagnoa farmers reported several strong rains but were concerned about weak sunshine blotted out by cloudy weather.

"We have had three abundant rains which will help fatten the pods," said farm cooperative manager Francois Badiel.

"We're going to need more sun in the weeks to come, otherwise the humidity will attacked insects to the plantations, destroying the pods."

In the centre-western region of Daloa, producing a quarter of Ivory Coast's national output, farmers reported two abundant rains that would strengthen bean quality. "The farmers are very happy with this," said Daloa farmer Magloire Gnankan.

More investing in cocoa plantations

Malaysia Star

By JACK WONG at jackwong@thestar.com.my

June 09, 2010

New estates coming up in Sarawak due to high cocoa bean prices

KUCHING: New investors are venturing into cocoa plantations in Sarawak, spurred by the high prices of cocoa beans, which have soared by some 30% to RM7,600 per tonne in the past 12 months.

Malaysian Cocoa Board technology transfer division's economic affairs assistant officer Pengarah Lau said several new mini estates had been developed by these investors in view of the strong demand for cocoa beans from factories in Peninsular Malaysia. "Many farmers are coming back to cocoa planting as the high prices of cocoa beans have generated a lot of interest of late," he told StarBiz yesterday.

It was reported that cocoa prices on both London and New York markets were experiencing new rallies due to shrinking stockpiles and tight supply of chocolate ingredients despite higher demand.



Bong Kim Yung So at his rehabilitated cocoa farm in Serian

Pengarah said an investor in Serian near here had planted some 100ha in the past two years while a company in Miri planned to invest up to 300ha.

There were several investors who had planted between 20ha and 50ha in Sarikei in central Sarawak in the past two years.

According to the board's research officer Maryani Abdul Wahap, more than 6,400ha of new cocoa farms had been established with 600ha rehabilitated in Sarawak in the past four years.

Most of the cocoa farms are in Serian, Sri Aman, Lubok Antu, Betong, Sarikei, Pakan and the Sungai Asap resettlement area.



Pengarah Lau ... 'Many farmers are coming back to cocoa planting due to higher prices.'

There are more than 5,000 smallholders in Sarawak.

Under the current 9th Malaysia Plan, the federal government allocated RM33mil to Sarawak for the rehabilitation of cocoa farms.

Planters are recommended to use high-yielding clones, which are resistant to pests and diseases.

She said the target for Sarawak under the 10th Malaysia Plan was to develop 1,200ha new farms per year, beginning next year. This will be higher than 750ha a year under the current Malaysia plan.

Maryani said Sarawak produced 1,413 tonnes of cocoa beans in 2008, the lowest in 28 years.

Last year's estimated production was 1,250 tonnes, a far cry from the peak production of 21,200 tonnes in 1990.

Malaysia produced nearly 28,000 tonnes of cocoa beans in 2008. Besides Sarawak, the production was in Peninsula Malaysia (21,067 tonnes) and Sabah (5,475 tonnes). During the golden years between 1988 to 1993, Malaysia produced between 200,000 tonnes and 247,000 tonnes a year.



Pengarah said the cocoa industry collapsed a decade ago as the prices of dry beans plunged to as low as RM150 per tonne. Many smallholders either abandoned or chopped down cocoa trees and switched to other cash crops, like pepper and oil palm.

He said the board gave out financial aid of RM6,500 per ha per year for five years to encourage farmers to rehabilitate their farms, which could re-bear fruits in 18 months. For new planting, the board provides agriculture inputs, like fertilisers and pesticides, and technology know-how to the farmers for three years.

Maryani Abdul Wahap ... 'Sarawak produced the lowest tonnage of cocoa beans in 2008.'

Newly planted cocoa trees take about three years to start bearing fruits

The average production cost in 2008 in Sarawak was RM3,900 per ha per year (with own labour).

Maryani said one ha could produce between 1.5 tonnes and 3 tonnes of cocoa beans a year depending on agricultural practices and other factors.

At the current price of about RM7,600 per tonne in Kuching (against RM9,900 per tonne in Raub and RM8,800 per tonne in Tawau, Sabah), farmers could get an income of between RM11,400 and RM22,800 per ha per year. Smallholders in Sarawak sell their cocoa beans to exporters, who send them to cocoa grinders in the peninsula.

Vietnam aims for 108,000 tonnes Cocoa by 2015

Source: Reuters

Hanoi, June 10 - Vietnam plans a major boost to its cocoa industry, aiming for annual output of 108,000 tonnes of the commodity by 2015, a state-run newspaper reported on Thursday.

The Agriculture Ministry has asked experts to draw up a plan to plant 60,000 hectares (148,300 acres) by 2015 with a yield of 1.8 tonnes per hectare, the Lao Dong (Labour) newspaper said.

Exports were projected to reach 86,000 tonnes annually, it quoted the ministry-run Cocoa Development Steering Board as saying.

Vietnam is the world's biggest producer of robusta coffee but its output of cocoa is tiny at just 1,000 tonnes a year. It has nearly 18,000 hectares planted for cocoa, of which 2,500 hectares is productive at the moment, according to Agriculture Ministry data.

The ambitious 2015 output projection would still leave Vietnam far behind rival robusta producer Indonesia, which is the world's third-largest producer of cocoa after Ivory Coast and Ghana.

Indonesia's cocoa output is forecast to rise 2 percent to 500,000 tonnes in the crop year to September 2010, the London-based International Cocoa Organization said in March. Other cocoa producers and grinders in Asia include Malaysia and Papua New Guinea.

The Market

Chocolate lovers hit by rising price of cocoa as disease blights crops

Telegraph.co.uk

By Rowena Mason

06 Jun 2010

Most chocolate lovers will never have heard of swollen shoot viral disease.



But this nasty complaint is blighting the crops of thousands of cocoa growers in the Ivory Coast - by far the world's biggest exporter. This single African country accounts for almost 40pc of the 3.5m tonnes of cocoa that ends up as plastic-packaged chocolate bars and luxury boxes of truffles across the globe.

Now its spreading plant disease, heavy rains and failing infrastructure means the nation is churning out 20,000 tonnes less than it was the year before, pushing prices to a

near 33-year high in London.

Cocoa futures for July delivery jumped 1.5pc on the Liffe exchange to more than £2,588 this week. At one point it reached £2,606 a tonne, its highest since October 1977. Meanwhile, the industry benchmark contract, known as the second front-month, gained 0.7pc to £2,416, just almost reaching a 33-year high of £2,430.

Outbreaks of swollen shoot have caused stockpiles of cocoa to fall to record lows in warehouses across the Ivory Coast. So far, the disease has managed to spread around 40pc of plantations in the central areas of Boufle and Sinfra, not far from the main cocoa belt, carried mainly by insects.

The International Cocoa Organisation says the disease usually kills infected crops within two years with devastating consequences for the Ivory Coast farmers, who can only stop the disease from spreading by uprooting and burning infected plantations.

The African country's main industry union is panicking, calling on its government to make fighting the disease an urgent priority. "There has been endless talk of a fall in production because of this disease, but no concrete action," Boti Bi Zoua, president of the Anaproci union, which represents cocoa growers and farmers. "Combating swollen shoot is a priority, and state agencies have to be more proactive."

Government agencies are meant to be distributing tougher, resistant hybrid seeds that can withstand the disease better and have spent £1m on developing new varieties, but according to a recent Bloomberg report, few farmers have seen any evidence of new seeds.

Cocoa wasn't always this expensive. The crop was introduced to the Ivory Coast from Latin America in the 1970s in an attempt to create a thriving, reliable export and it turned out to be perfectly suited to the African nation's growing conditions.

About 10 years ago a tonne cost just £600 but over the last half of the decade, the price has been gradually rising and only recently tipped over the £2,500 mark.

Previously the price has spiked over violence in Abidjan, the commercial capital of Ivory Coast, but more recently, soaring futures are connected to the crop failures.

There is hope for the Ivory Coast farmers that the disease can be contained. Ghana – the second-largest cocoa producer – has succeeded in controlling the spread of swollen shoot over the past decade.

But there are other factors contributing to higher global prices. This year, cocoa demand is expected to outstrip supply for the fifth year in a row, with the International Cocoa Organisation forecasting a world deficit of 69,000 tonnes during this year's season. "Cocoa stocks are relatively low and the fundamental situation is relatively bullish," said Jonathan Parkman, head of agri-commodities at Fortis Bank Nederland this week. In Indonesia, farmers are switching from cocoa to coffee production to avoid new taxes. And Brazil produced about 6pc less cocoa in the 2009-10 season, lower than the output predicted by the International Cocoa Organisation in March.

However, there may also be more specific reasons for the spike. There were rumours in London this week that a major trading house has bought a very large position for July delivery, throttling liquidity in the market and driving up prices.

Traders described the spike as "unusual" and guessed that a single player had cornered a large amount of supply in the market.

This left many scrambling to cover their positions, as the market traded in backwardation – where the spot price is higher than the future price. Industry players said it appeared to be a similar situation to what happened eight years ago, when a London trader called Armajaro bought up about very large market positions and restricted liquidity.

Big companies such as Nestlé, the biggest consumer of cocoa, buying 400,000 tonnes a year or 12pc of world production, purchase their supplies months in advance on the futures market – so the rises are not dramatically felt.

But if the price spike is a longer-term supply problem rather than a short-term market anomaly, the creeping cost of an average bar may have chocolate lovers shaking the vending machine in fury before the year is out.

US pension funds turn to commodities US pension funds were the first to dip into the world of private equity during the 1990s, but now that high-leverage investments have fallen out of favour, trustees have turned to commodities.

The California State Teachers' Retirement System (CALSTRS), the second-biggest public pension fund, is to invest in commodities as a hedge against inflation and to recoup losses sustained in the recession. Commodity prices surged 23pc last year on Chinese demand for raw materials. In contrast, CALSTRS lost a quarter of its value in the year ending June 2009 – dropping 43pc on property and 28pc on private equity holdings. The fund has \$138bn of assets under management.

Cocoa Rises on Quality Concerns in Ivory Coast; Coffee Climbs **BusinessWeek**

By Yi Tian at Ytian8@bloomberg.net

June 08, 2010

(Bloomberg) -- Cocoa futures rose for the second straight day in New York on concern that excess moisture may hurt the crop in Ivory Coast, the world's largest producer. Coffee also gained.

Rain is forecast in Ivory Coast and Ghana, the second- biggest grower, through June 10, according to AccuWeather Inc. Global production will trail demand by 69,000 metric tons in the year ending Sept. 30, wider than a March projection of 18,000 tons, the International Cocoa Organization has said. Prices have advanced 9.8 percent in the past year.

Cocoa rose because of "quality concerns," said Fain Shaffer, the president of Infinitytrading.com, a commodities brokerage in Medford, Oregon. "Trade is concerned rains may cause mold content in the crop."

Cocoa for September delivery rose \$37, or 1.3 percent, to \$2,981 a metric ton on ICE Futures U.S. in New York. The price edged up 0.1 percent yesterday. "Every time prices went below \$2,900, they came back," said Tom Schweer, a senior market strategist at Cunningham Commodities in Chicago. Commercial buying may be supporting the market, he said.

Arabica-coffee futures for July delivery rose 0.45 cent, or 0.3 percent, to \$1.3355 a pound in New York. The price has dropped 1.8 percent this year.

On London's Liffe exchange, cocoa futures for July delivery added 60 pounds, or 2.4 percent, to 2,594 pounds (\$3,735) a ton. Robusta-coffee futures for September delivery added 0.1 percent to \$1,375 a ton.

Uganda: Cocoa prices hit roof

New Vision

By Macrines Nyapendi

8th June, 2010

Kampala - International cocoa prices have hit a 33-year high on news that Ivory Coast has had a poor harvest. Prices rose from £2,147 a tonne to £2,588 at the close of last week. Muwanga Musisi, the Cocoa Development Organisation boss, said global stocks were low and the world was counting on Ivory Coast's mid-crop that has failed.

Ivory Coast, the world's largest producer, had a poor mid-harvest due to swollen shoot disease that attacked 40% of the farms and due to heavy rains. The country accounts for 43% of global production. The swollen shoot disease kills infected crops within two years.

"The news about Ivory Coast's poor harvest sent farm-gate and global cocoa prices to the highest level since November 1977. Local farm-gate prices for conventional cocoa went up from sh2,500 to sh4,500 per kilogramme. Organic cocoa fetches sh6,000, up from sh4,000 a kilogramme.

The International Cocoa Organisation said Ivory Coast's cocoa output would fall to 1.2 million tonnes this year, down from 1.3 million tonnes in 2009. The organisation is also forecasting a world deficit of 69,000 tonnes for the 2009/2010 season.

Muwanga said the global demand for cocoa, the major ingredient used in chocolate, is expected to outstrip supply for the fifth year in a row. Prospects that the high prices could trigger massive cocoa planting in the growing countries have not been fruitful.

Global cocoa prices have been on an upward trend for the last 12 months

Cocoa Rises as Disease threatens Ivory Coast Crop; Coffee Gains **BusinessWeek**

By Debarati Roy at droy5@bloomberg.net.

June 09, 2010

(Bloomberg) -- Cocoa futures rose for the third straight day in New York on concern that output in Ivory Coast, the world's largest producer, may decline because of crop damage caused by a viral disease. Coffee also gained.

The government of Ivory Coast must make fighting the spread of the swollen-shoot disease "a priority," a union representing cocoa-bean growers said. Swollen shoot is spread by insects and usually kills infected plants within two years. Farmers can stop the disease from spreading only by uprooting and burning infected trees.

"Production may be tight this year," said Adam Klopfenstein, a senior market strategist at broker Lind-Waldock in Chicago. "Also, the broader market rally is helping prices trade higher."

Cocoa for July delivery gained \$11, or 0.4 percent, to \$2,992 a metric ton on ICE Futures U.S. in New York. Prices climbed 1.4 percent over the previous two sessions.

Global production will trail demand by 69,000 tons in the year ending Sept. 30, wider than a March projection of 18,000 tons, the International Cocoa Organization has said. Prices advanced 7.3 percent in the past 12 months.

Arabica-coffee futures for July delivery rose 0.9 cent, or 0.7 percent, to \$1.3445 a pound on ICE.

On London's Liffe exchange, cocoa futures for July delivery fell 34 pounds, or 1.3 percent, to 2,560 pounds (\$3,720) a ton. Earlier, the commodity rose to 2,608 pounds, the highest price for a most-active contract since 1989. Robusta-coffee futures for September delivery added \$32, or 2.3 percent, to \$1,407 a ton.

Business & Economy

Campco gets ISO 22000 certification

Mangalorean.com

By Team Mangalorean Mangalore

June 7, 2010

Mangalore: The Campco Ltd, the multi state co-operative giant based at Mangalore has been awarded the ISO 22000 certification pertaining to Food Safety and Food Quality by the certification authority SGS of Switzerland, for its chocolate manufacturing division.

The ISO 22000 certification is given to Campco for the activities of □preparation, storage and dispatch of cocoa based products, chocolates, hard boiled sugar confectionery products, instantised drinking chocolates & instant milk flavourings.□

The ISO 22000 standard is widely accepted across the world as the model for Food Safety. Customer expectations, environmental concerns, demand for organic foods, changing technology are some of the reasons for the implementation of Food Safety assurance system by manufacturers. This system covers all aspects related to Food Safety and Quality such as farming, production, and packaging, distribution, retailing and catering.



Campco was founded on 11th July, 1973, with an aim to help the arecanut and cocoa farmers by procuring the same from them at a healthy rate. In 1986 with an intention of creating a permanent demand for cocoa beans, Campco established a chocolate factory with an initial investment of Rs.116.7 million and it was inaugurated by Sri Gyani Zail Sing, the former President of India.

Campco has been producing its popular chocolate brands like Melto, Cream, Fun Tan, Krunchos, Turbo, Treat, Megabite, Krust, chocolate drink brand Winner and flavoured drink brand Funda along with industrial products like cocoa mass, cocoa powder, bulk chocolates etc. The factory has achieved its installed capacity of 11000 metric tones per annum.

Under its Food Safety policy, Campco is committed to protect end users by producing safe quality Cocoa Based Products by the application of good manufacturing, hygiene practices, and good distribution and HACCP principles. Apart from continually improving on processes and resources, Campco ensures that all employees involved in production receive adequate training in Food Safety and handling.

Conforming of Campco's products to International Standards provides consumers the assurance on their quality, safety and reliability which is never compromised.

Campco is already in the process of applying for ISO 14000 pertaining to environmental management systems and OHSAS-18000, a policy of the management to conform the legal requirements and with other requirements to which the organization subscribes pertaining to health and safety of the system.

Cocoa beans exports rose 44.7% between January and April

Andina - Agencia Peruana de Noticias

Jun. 09, 2010



Cocoa seeds and beans:

Lima, (ANDINA). Cocoa beans exports continued to surge in the first four months of 2010 posting an increase of 44.7 percent to US\$ 5.7 million, while it expanded 21.8 percent in volume to 1,800 metric tons (MT), Maximixe consulting firm reported Wednesday.

Maximixe explained that the growth in the demand of cocoa beans in the first four-month period of 2010 was due to the higher volume acquired by the main markets of such product.

The United States registered 235.1 percent of growth in the exported volume, followed by Canada (118.2 percent), Italy (103.5 percent), and Germany (79.3 percent), while Holland and Belgium registered a lower demand, -64.1 percent and -37.5 percent respectively.

During 2009, cocoa beans exports rose 12.9 percent in value to US\$ 20.1 million, and 36.6 percent in volume to 7,500 MT. In the 2005-2009 period, these exports increased to an annual rate of 78 percent, going from US\$ 2 million in 2005 to US\$ 20.1 million in 2009.

Cocoa Arrivals from Bahia Rise to 74,640 Bags, Hartmann Says

BusinessWeek

By Claudia Carpenter

June 09, 2010

(Bloomberg) -- Cocoa arrivals from Bahia, the biggest producing region in Brazil, advanced to 74,640 bags in the week ended May 31, Salvador, Brazil-based analyst Thomas Hartmann said in a report.

Arrivals in the same week a year earlier were 23,791 bags, according to Hartmann. Figures compared with recent weeks were lower and "probably will continue at a lower rate for the rest of the month and early July," Hartmann wrote. *To contact the editor responsible for this story: Claudia Carpenter at ccarpenter2@bloomberg.net*

Labour Issues

Chocolate companies respond to Sunday

TVNZ

Source: ReutersBlock of Cadbury chocolate

June 06, 2010



Nestle statement

Regarding the issues raised in the The Panorama programme "Chocolate - the bitter truth" Nestlé has every confidence that Fair Trade will ensure that the Fair Trade cocoa used in UK KIT KATs does adhere to Fair Trade policies.

Nestlé is committed to eliminating all forms of exploitation of children.

Nestle globally has invested in a long term Cocoa Plan that is already making a positive difference in the lives of farmers, their families and communities.

The Nestle Cocoa Plan includes supplying 12 million higher yielding cocoa plants so farmers get better yields and prices, farmer field training, as well as significant social development projects that improve communities' access to education and basic needs such as water and sanitation.

Whilst we are work with Fair Trade in the UK, we also work with many certification partners around the world including UTZ Certified and Rainforest Alliance.

All these organisations are well known and respected and share our long term commitment to improving conditions for farmers in the developing world as well as understanding the challenges this involves.

We have been working to ensure a reliable supply of certified cocoa from West Africa, in the quality and quantity we need, to use in the manufacture of our chocolate products for Australia and New Zealand. We have recently taken delivery of the first shipment of UTZ certified cocoa into our Australian factory and the first product made with this cocoa will be KIT KAT four finger which will be available in stores during August/September 2010.

We are working closely with UTZ Certified to increase our supply of certified cocoa as it becomes available. Our plan is to use only UTZ certified cocoa in our chocolate products in Australia and New Zealand.

Whittakers statement

1. What is the Whittaker's response to the BBC documentary?

Whittaker's do not condone any form of abusive labour practices in the cocoa industry. We fully support the work that is being conducted in Ghana through organisations like Fairtrade and the World Cocoa Foundation to ensure that cocoa is grown in a socially responsible manner.

Any instance of child labour is unacceptable. The audit, suspension and subsequent corrective action by the Kuapa Kokoo is evidence that the Fairtrade system is working. The system is not perfect or an absolute guarantee. There are around 45, 000 cocoa farms in the co-operative so to achieve an absolute guarantee at the moment would be very difficult.

2. How does Whittaker's source its cocoa beans?

The beans are purchased through the Ghanaian Cocoa Board. The Board is the government organisation that markets the crop of Ghanaian cocoa beans.

3. What percentage of cocoa used in NZ chocolate comes from Ghana or the Ivory Coast?

We can only answer for Whittaker's. The beans that we use come from Ghana. We do not use any beans from the Ivory Coast. We also import a small quantity of beans from Madagascar for the Whittaker's Milk Madagascar product.

4. Does chocolate produced in New Zealand come from where child labour may be used?

Again, we can only answer for Whittaker's. The whole cocoa industry in Ghana is going through a certification process to ensure that the cocoa is grown responsibly without abusive child labour practices. The process is monitored by the International Cocoa Verification Board.

In the report from the pilot study conducted in 2007, no evidence of was found of child trafficking or children being bound on cocoa farms to the detriment of their education. However, the system is not perfect and problems do still exist.

There are around 800,000 cocoa farms in Ghana and no certification scheme as yet can give an absolute guarantee that child labour does not exist on any of these farms. The important point is that the problem is being tackled by a number of organisations in the industry with the objective of eliminating child labour.

5. Why don't all Whittaker's chocolate products use Fairtrade cocoa?

Currently our biggest selling variety, Whittaker's Creamy Milk 250g block is Fairtrade certified. We want to ensure the reliability and continuity of supply of the Fairtrade ingredients before moving more varieties to Fairtrade. For example, we now have to source the sugar for the Fairtrade product from Costa Rica which from a logistics view is far more difficult than sourcing from Australia.

Cadbury statement

1. What is Cadbury's response to the BBC documentary 'Chocolate - the Bitter Truth'?

Cadbury is clear that any instance of child labour in the farming of cocoa is unacceptable. We are investing 45 million pounds over 10 years into cocoa sustainability and one of the key themes for our investment is to help to eliminate child labour.

The result of the audit within this documentary is evidence that the Fairtrade system is working and is actively tackling the issues it was established to address. Cadbury continues to support Fairtrade, FLO and Kuapa Kokoo.

2. How does Cadbury NZ source its cocoa beans?

The majority of cocoa for New Zealand and Australian chocolate is sourced from Ghana and South East Asia. We do not own any cacao farms, nor do we hire any cacao workers directly. We mainly buy our cacao beans either from the Cocoa Marketing Board of Ghana (which is government owned) or through exporters and trading houses.

3. What percentage of cocoa used in NZ chocolate products comes from Ghana or the Ivory Coast?

The majority of cocoa for New Zealand and Australian chocolate is sourced from Ghana and South East Asia.

4. Does chocolate produced in NZ come from countries where child labour may be used?

For anyone to make a 100% guarantee that child labour is not used, they would have to be on every one of the more than 1.5 million cocoa farms in West Africa 365 days of the year, 24 hours a day.

We know that children traditionally help out on family farms in Ghana, as they do in every part of the world, but we don't want this to interfere with their schooling or expose them to harm. Which is why we are investing 45million GBP over 10 years in the Cadbury Cocoa Partnership, as well as our ongoing commitment to Fairtrade. (The International Labour Organisation see 'child work' as acceptable and this is defined as a few hours of light work a week after school or at the weekends.)

5. Why don't all Cadbury chocolate products use Fairtrade cocoa?

Cadbury Dairy Milk Fairtrade is available in five major chocolate markets across the world (New Zealand, Australia, UK, Ireland and Canada).

Around 350 million bars will carry the logo each year allowing millions more people to choose join the Fairtrade movement. This move quadruples the amount of Fairtrade cocoa from Ghana and already the first premiums have been paid to Kuapa Kookoo making a real difference to cocoa farmers and their families.

Certification can be a long and complex process as every ingredient within a product that can be Fairtrade Certified needs to go through Fairtrade's rigorous certification process. We started with Cadbury Dairy Milk, our biggest seller so we could make the biggest possible impact for farming communities and we intend to achieve Fairtrade certification for more of our products in the future.

Through the Cocoa Partnership investment our aim is to create thriving cocoa communities across Ghana, this includes improving incomes from cocoa and other crops. We are currently working with 100 communities (which represents around 10,000 farmers) and we are working with the Fairtrade Labelling Organisation to bring these farmers into the Fairtrade system so more farmers can benefit from cocoa sold under Fairtrade terms.

Others

Efforts to eliminate mistletoe

GNA

Nkrankwanta (B/A), June 9, GNA - The Cocoa Swollen Shoot Virus Disease (CCSVD) Control Unit of the Ghana Cocoa Board is to embark on a nation-wide exercise to rid all cocoa farms of mistletoe, a parasitic plant that retards growth and yield of cocoa trees.

The Reverend Abaka Awusi, the Unit's Director, who announced this during a cocoa farmers' rally at Nkrankwanta in Dormaa Municipality, said the farmers' access to government's subsidized fertilizer this year would be partially dependent on their level of co-operation in the mistletoe removal exercise. He said all that the farmers needed to do was to participate fully in the exercise, when those billed to remove the parasite got to their farms.

Rev. Awusi reminded the farmers that old cocoa farm lands that were abandoned for lack of fertility could be re-cultivated with cocoa using Hi-tech and improved Cocoa Disease and Pest Control (CODAPEC) methods.

Rev. Dr. Laud Ollenu, Chairman of the unit's management committee, noted that swollen shoot virus like the HIV had no cure and the only known remedy was to cut down the affected cocoa trees, and replant with seedlings that were resistant to the virus. He advised the farmers to refrain from picking ordinary cocoa pods

from trees on their farms for purposes of nursing but rather to consult with cocoa extension officers and the seed production unit for advice and supply.

A former Director of the unit, Francis E. Nsiah, urged the farmers to take full advantage of the government's 60 percent subsidy on the fertilizer to reclaim land fertility and maximize yields. He announced that the unit was liaising with relevant agencies to develop and adopt regulations aimed at protecting cocoa farms against wanton lumbering from the hands of timber contractors.

Mr. Nsiah explained that all cocoa farms in the country were supposed to be sprayed six times each year, and the government was bearing half the cost of the exercise with the farmers expected to pay the other half. "As farmers working to amass profit and also to sustain the country's enviable image in the cocoa industry, it is worth reminding you to refrain from buying cheap chemicals and to apply approved chemicals in right proportions to complement the spraying exercise," he said.

Mr. Peter Kwaw Sakyim, Brong-Ahafo Regional Manager of the Quality Control Division of COCOBOD, noted that a search conducted by the Cocoa Research Institute in 2006, revealed that cocoa beans not fermented for more than six days were fraught with the problem of purple beans. He urged the farmers to ensure maximum fermentation of their cocoa beans to make them capable of meeting the demands of world market.

During an open forum, the farmers urged the government to consider pegging the producer price of cocoa at par with what pertained in neighbouring countries to discourage the smuggling of the crop. They also sought clarification on several issues confronting their operations as cocoa farmers, and mentioned delays in the payment of their bonuses, pension scheme for cocoa farmers, what compensation there were for farmers who lost their entire farms to the swollen shoot virus, and basic problems confronting the cocoa spraying exercise in their district.

Dr. Francis Oppong of the Cocoa Research Institute assured the farmers that action was being expedited on some of their concerns. He said to avoid diversion of chemicals meant for the cocoa spraying exercise for instance, a decision had been taken to give the chemicals to farmers in small groups to keep and supervise during the spraying exercise.

Ghana Cocoa Board to fight Virus Disease

Ghana Broadcasting Corporation

10, June, 2010



The Unit Director of the Cocoa Swollen Shoot Virus Disease of the Ghana Cocoa Board, Reverend Abaka Awusi has announced plans to fight the virus. The Control Unit will embark on a nation-wide exercise to rid all cocoa farms of mistletoe, a parasitic plant that retards growth and yield of cocoa trees.

Reverend Awusi announced this during a cocoa farmers rally at Nkrankwanta in the Dormaa Municipality of Brong Ahafo. He said the farmer's access to government's subsidized fertilizer this year will be partially dependent on their level of co-operation in the mistletoe removal exercise.

Reverend Awusi said farmers must participate fully in the exercise when those billed to remove the parasite get to their farms.

The Chairman of the Unit's Management Committee noted that swollen shoot virus like the HIV has no cure and the only remedy is to cut down the affected cocoa tree. He advised farmers to refrain from picking ordinary cocoa pods for the purposes of nursing but consult the cocoa extension officers and the seed production unit for advice and supply.