UP-COMING EVENTS

IN THIS ISSUE

- ICCO DAILY COCOA PRICES
- LONDON (LIFFE) FUTURES MARKET UPDATE
- NEW YORK (ICE) FUTURES MARKET UPDATE
- FROM THE NEWS MEDIA
- TIT BITS

Do your health a favour, drink Cocoa everyday
‘It’s nature’s miracle food’
In the News (from Newspapers worldwide)

**Health and Nutrition**
- Nutrition: You should cocoa
- Every sweet tooth's dream: Is chocolate good for you? »
- Even Chocolate has a place in a Healthy Diet

**Production and Quality**
- Brazil Cocoa Arrivals Down 11 pct from yr Ago
- Cargill sweet on cocoa production

**The Market**
- Coffee Falls From 27-Month High on Ample Supplies; Cocoa Gains
- Ghana keeps regulated cocoa prices unchanged
- Ivorian cocoa prices mainly up on grinder purchases
- Cocoa rises most in three weeks on Supply Concern; Sugar drops
- COMMODITIES-Mostly down as Yuan frenzy fades; copper, cocoa up
- Cocoa rises on weather worries, technical trading
- Summary Box: Cocoa rises for 3rd straight day
- Sugar Prices Drop as New Homes Sales Slump; Cocoa, Coffee Mixed
- UPDATE 2-Demand for cocoa grindings seen up 4% this yr-ICCO

**Processing & Manufacturing**
- 

**Business & Economy**
- Nestle to keep factories in Philippines, Malaysia
- Nutella Chocolate Maker Ferrero Goes Green
- Natural Cocoa Power Launched

**Labour Issues**
- Ghana: Child Labour in Cocoa Growing Communities - the Facts (final Part)
- Certifying ‘Blood Chocolate’

**Environmental Issue**
- 

**Research & Development**
- Spanish researchers point to method for healthy cocoa butter alternatives

**Promotion & Consumption**
- DV Chocolates
- Lima, Peru to host the Salon of Cocoa and Chocolate Peru 2010
- Promoting Agriculture in Lagos

**Others**
- UN brings together cocoa producers and consumers to finalize new trade pact
- Norway: Chocolate Producer Nidar Commits to UTZ CERTIFIED Cocoa
- Industry debates NGO admission to cocoa sector forum

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**ICCO Daily Cocoa Prices**

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

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Average for the week | 2297 | | | | | 62,013
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(New York Futures Market – Summary of Trading Activities)  
(US$ per tone)

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Not only is cocoa an indispensable ingredient of the ideal recovery drink, but according to nutritionist Christine Bailey, new research shows that it can help you ride harder as well.

We’ve known for a while that chocolate milk’s combination of antioxidants, protein and carbohydrate makes for a great recovery drink. But now it seems that chocolate – or rather cocoa flavanols, a specific group of flavonoids – consumed pre-exercise can improve performance too. Chocolate, you’ll discover, can be incredibly good for you.

Researchers from Australia have found that consumption of a cocoa flavanol-rich drink may help to lower blood pressure, boost blood flow to the muscles and lessen the demands placed on the heart during exercise.

In the study carried out at the University of South Australia and published in the British Journal of Nutrition, researchers recruited 21 overweight, middle-aged people and split them into two groups. The first consumed a cocoa flavanol-rich beverage containing 701mg flavanols, while the second drank a low-cocoa flavanol beverage.

Two hours later, the participants cycled for 10 minutes at 75 percent of their maximum heart rate. Results showed that while there were no differences in blood pressure before exercise, there was a significant difference afterwards. In fact, increases in diastolic blood pressure were 68 percent lower in the high-flavanol group, while mean blood pressure was 14 percent lower.

The researchers said that the findings suggest the consumption of cocoa flavanol-rich drinks could allow for safer and more efficient exercise performance, placing less stress on the cardiovascular system.

A recent analysis of 10 studies, published in the American Journal of Hypertension, confirmed the blood pressure-reducing properties of cocoa – and you don’t need to eat loads either. Eating less than half an ounce of dark chocolate a day – only about 30 calories – was associated with a lowering of blood pressure without weight gain or other adverse effects, according to a study undertaken in 2007 and published in the Journal of the American Medical Association.

But cocoa contains a range of nutrients that may benefit your performance, including B vitamins, calcium and magnesium, amino acids and a number of other antioxidants. Cocoa also contains caffeine, which is known to improve cycling performance – in part due to a stimulation of fatty acid mobilisation and sparing the body’s limited carbohydrate stores.

Research has shown that caffeine lowers the perception of effort and fatigue too, both for endurance efforts and sprints. Typically, a hot chocolate drink contains around 10mg caffeine, while a milk chocolate bar (50g) holds about 40mg. While this is nowhere near as much as the 100mg in your morning espresso, cocoa also contains appreciable amounts of the related compound theobromine. Although this is less pharmacologically active, the high content gives it an equivalent effect to that of caffeine.
For the most noticeable benefits, choose chocolate with high levels of cocoa – look for darker chocolate that contains at least 70 percent cocoa solids. The new kid on the block, though, is raw chocolate. This is the bean, or nib, of the cocoa bean in its natural state – not cooked, over-processed or mixed with cheap filler ingredients.

Also known as cacao, it’s available in the form of bars, nibs, powder, raw cookies and brownies. Often fused with coconut butter or agave syrup with dried fruit and nuts, it creates an amazingly healthy bar that’s perfect for before and after exercise. Importantly, as it isn’t heated above 42°C, it tends to be richer in health-promoting antioxidants too.

The benefits of cocoa

If you eat the right kind of cocoa in carefully measured quantities there are a wealth of health and recovery benefits to its ingestion. So what are the ways in that gnawing on the tasty brown stuff can do your body some real good?

Enhanced energy production: Cocoa is rich in B vitamins, which are needed for a variety of metabolic processes, including energy production.

Bone and joint health: It’s also a great source of the minerals copper, calcium, magnesium and zinc, all of which play a role in supporting bone health, cartilage and collagen production.

Muscle recovery and soreness: In addition to the flavonoids, cocoa contains the potent antioxidant vitamins C and E to combat free radical damage, which can contribute to both inflammation and muscle soreness.

Immune support: During endurance exercise or heavy ongoing training, your immune system can be suppressed, making you more vulnerable to infections. Flavonoids, vitamins C, E and zinc help support healthy immune function.

Muscle growth and repair: Cocoa contains several amino acids (including leucine), which are known to be essential for the physical demands of athletic activities. Amino acids are necessary for muscle growth and repair.

Every sweet tooth’s dream: Is chocolate good for you? »

Los Angeles Times (blog)
By Elena Conis
Jun 24 2010

Evidence linking consumption of chocolate — or, more specifically, cocoa — to better health first emerged more than 10 years ago from studies of the Kuna people, natives of the San Blas islands off the coast of Panama. But can we trust it?

Studies of the Kuna found that they had lower blood pressure, better kidney function and lower rates of heart disease and cancer compared with other Panamanians, including Kuna who had migrated to Panama City. The Kuna diet includes 5 to 7 cups a day of a cocoa-based drink loaded with flavanols. Last March, researchers in the journal Circulation concluded that a type of flavanol called epicatechin was likely responsible for cocoa's beneficial effects.

The research has shown that the flavonoids in chocolate increase blood levels of nitric oxide, a compound that helps relax the smooth muscle in blood vessel walls, which improves blood flow, says Dr. John Gordon Harold, clinical professor of medicine at UCLA and president of the L.A. Division of the American Heart Assn. But the bevy of benefits experienced by the Kuna “has not been reproduced clinically in any trial,” Harold says.

In one human study, conducted by German researchers, 26 patients at risk of heart disease drank a 100-milliliter cocoa drink either low or high in flavanols for two days. At the end, the blood vessels in those who drank the flavanol-rich drink had dilated and they had higher blood levels of nitric oxide, a compound linked to improved vascular health. In another study, by Swiss researchers, 22 heart transplant patients were given 40 grams of either flavanol-rich dark chocolate or a flavanol-poor chocolate. In those who ate the dark chocolate, coronary arteries increased from 2.36 to 2.51 millimeters in diameter; in the other group, arteries were unchanged.
As for links to candy makers, the German study was partly funded by Mars Inc. The Swiss study was conducted using chocolate provided by Nestle; one of the researchers was an employee of the Nestle Research Center, and another had been a consultant for Mars.

But positive evidence has come from independent research too. In the Zutphen Elderly Study, risk of death from heart disease was reduced by 50% in men who consumed more than 4 grams of cocoa a day (the most) compared with those who had none. Overall, however, “the weight of the evidence is very small,” Harold says.

**Even Chocolate has a place in a Healthy Diet**

ABC News
By Jim Romanoff
June 25, 2010 (AP)

These dark chocolate brownies with sour cherries are rich tasting, moist and chewy, and they sport an admirable dietary profile.

To start with, the batter is made with dark or bittersweet chocolate chips combined with unsweetened cocoa powder, which adds intense flavor without additional fat.

Plus, a batch of these brownies contains only one egg and a tablespoon and a half of canola oil rather than the stick of butter some recipes call for.

As with any sweet, a brownie is dense in calories, but these pack such a powerful chocolate punch you'll be satisfied with a relatively small portion.

If you like, serve these brownies topped with a scoop of low-fat vanilla ice cream or a dollop of thick and creamy nonfat Greek-style yogurt.

**Brazil Cocoa Arrivals Down 11 pct from yr Ago**

Source: Reuters
24/06/2010
Sao Paulo, June 23 - Brazil's 2010/11 (May/April) cocoa arrivals were down 11 percent by June 20 at 638,721 60-kg bags, compared with 719,621 bags a year ago, data from the Bahia Commercial Association showed.

In the last week, arrivals from Bahia totaled 74,986 bags, well below the 93,852 bags delivered in the same week a year ago. Deliveries from other states reached 11,341 bags, sharply down from the 37,460 bags in the same week a year ago, when output in states like Para in the north was strong.

"Arrivals from Bahia are declining slightly as expected, while those from other states are still failing to stage a recovery ... The outlook for Bahia is frankly favorable, far better than at this time last year," cocoa analyst Thomas Hartmann said.
He said Brazilian exports of cocoa beans, products and chocolates in May reached 5,132 tonnes, generating $18.8 million. Farm gate prices remained in the range of 87-88 reais ($48.55-$49.11) per arroba (15 kg) up until Tuesday.

Bahia's cocoa region is forecast to receive light to medium intensity showers after a mostly dry week.

Brazil ranks sixth among the world's cocoa growers, but was No. 2 only a few decades ago until fungal witch's broom disease devastated its plantations, slashing output by more than half.

The country's domestic production data serves as an indicator of how much extra cocoa it is likely to import to top up its own supply, almost all of which is consumed locally.

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Cargill sweet on cocoa production
Viet Nam News
June, 25 2010
HA NOI — "Viet Nam has good potential for exporting cocoa," said Cargill Inc senior vice president Paul Conway during a visit last week to southern Binh Phuoc Province, where Cargill has established its third cocoa buying station in Bu Dang District.

Two other buying stations were established in Ben Tre and Dac Lac provinces in 2005.

"This is an important source of income for farmers in these provinces, and especially meaningful in diversifying Viet Nam's agricultural produce and hard-currency exports," said Deputy Minister of Industry and Trade Nguyen Nam Hai.

Over 12,000 Vietnamese farmers have benefited from Cargill training in best practices for cocoa growing, harvesting and fermentation to help them produce high-quality cocoa beans for international markets.

Cargill has established over 100 cocoa demonstration farms, co-operated with the Ministry of Science and Technology to help establish Vietnamese cocoa standards, and collaborated with the Ministry of Agriculture and Rural Development to release approved cocoa varieties and help build up the value-chain for Vietnamese cocoa.

"Over the next few years, we will see that crop growing significantly and then ultimately we will put a processing plant here to put the added value in the country of origin," Conway said.

Cocoa cultivation also helps coffee farmers improve incomes when coffee price decline, with the price of cocoa beans on international markets being generally more stable than that of coffee.

Cargill produces a wide range of cocoa and chocolate ingredients to be used in bakery, confectionery, and dairy applications around the world.
To ensure good quality and secure a sustainable supply of cocoa beans, Cargill has its own cocoa bean sourcing operations for buying, handling and exporting in Brazil, Cameroon, Ivory Coast, Indonesia and Viet Nam. It buys over 70 per cent of the nation's cocoa output and sells Vietnamese products across the globe. — VNS

The Market

Coffee Falls From 27-Month High on Ample Supplies; Cocoa Gains

BusinessWeek
By Elizabeth Campbell at ecampbell14@bloomberg.net
June 21, 2010

(Bloomberg) -- Arabica-coffee futures fell in New York on speculation that supplies would be too plentiful next season to support prices at a 27-month high. Cocoa advanced.

Arabica futures rose 11 percent last week, the biggest such gain since 2006. Global coffee output will climb 11 percent to a record in the year starting July 1, led by gains in Brazil, the largest grower, the U.S. Department of Agriculture’s Foreign Agricultural Service said last week.

“Everything still points downward as expecting a large crop for Brazil,” said Boyd Cruel, a senior analyst at Vision Financial Markets in Chicago. There’s “nothing bullish longer term here.”

Arabica coffee for September delivery fell 1.3 cents, or 0.8 percent, to $1.608 a pound on ICE Futures U.S. in New York. Earlier, the price touched $1.6545, the highest level for a most-active contract since March 6, 2008.

Worldwide coffee output will rise to 139.7 million bags from 125.7 million a year earlier, according to the USDA’s unit. (A bag weighs 60 kilograms, or 132 pounds.)

“Whilst markets may ignore the fundamentals, supply will be coming along, and this cannot be totally ignored,” Ralph Hawes, a Sucden Financial Ltd. analyst in London, wrote in a note today.

Inventories monitored by ICE Futures U.S. have fallen 27 percent this year to the lowest level since September 2002.

“The price of arabica coffee should continue to be well supported, even if the current sharp rise is excessive,” Commerzbank AG analysts wrote in a report e-mailed today, which noted a forecast that Colombia’s output will remain below its five-year average. The South American country is the world’s second-biggest supplier of arabica beans, after Brazil.

Robusta-coffee futures for September rose $2, or 0.1 percent, to $1,573 a metric ton on London’s Liffe exchange.

In New York, cocoa futures for September delivery advanced $28, or 0.9 percent, to $2,985 a ton on ICE. On London’s Liffe, cocoa for July delivery rose 9 pounds, or 0.4 percent, to 2,465 pounds ($3,642) a ton.

Ghana keeps regulated cocoa prices unchanged

Reuters Africa
Jun 21, 2010

ACCRA (Reuters) - Cocobod, the cocoa industry regulator in world number two grower Ghana, announced on Monday it would keep prices for the 2009/10 light crop unchanged from the main crop of the season.

Analysts see the fact that merchants can get higher prices for their produce in Ivory Coast, the world's top supplier, as encouraging mass smuggling of cocoa out of Ghana into its neighbour.

Cocobod said the producer price to be paid at all buying centres from June 25 would be 72 Cedis per load of 30 kilograms, or 150 Cedis per bag of 64 kilograms gross. A tonne of 16 bags will be priced at 2,400 cedis.
Ivorian cocoa prices mainly up on grinder purchases
Channel Africa
22 June 2010
Cocoa farmgate prices in Ivory Coast's growing regions were mainly up last week, as local grinders competed for beans amid fears of heavy rains causing supply disruptions, farmers and exporters said on Tuesday.

"Most grinders are paying high prices for their cocoa," said the purchases manager of a European cocoa exporter.

"It is becoming more and more difficult to get beans out of the bush because of the state of the roads. We are concerned the quality is going to dip with the rains."

In the western region of Soubre, the average price for a kilogram climbed by 50 CFA francs to 1,040 CFA ($1.95), supported by a firm prices offered by buyers of the coastal region of San Pedro, farmers said.

"The rise in port prices has made the field prices climb also," said farmer Roger Tano.

In the centre-western region of Daloa, the average price jumped by 50 CFA to 1,075 CFA, as buyers feared a fall in supply out of the bush in coming weeks, farmers said.

"In the past two weeks, the quantity of beans collected by the trucks has decreased. The buyers fear not having enough for their targets," farmer Attoungbre Kouame said.

Cocoa rises most in three weeks on Supply Concern; Sugar drops
The Associated Press
By Elizabeth Campbell at ecampbell14@bloomberg.net
June 22, 2010,
(Bloomberg) -- Cocoa rose the most in three weeks in New York amid tight supplies and adverse weather in Ivory Coast, the world’s largest producer. Sugar declined.

The central-western Daloa region, the biggest Ivorian cocoa-growing area geographically, got 77.6 millimeters (3.1 inches) of rainfall from June 1 to June 10, according to the National Meteorological Service. A year earlier, the area had no rain. Prices have fallen 7.1 percent this year.

“Weather conditions, a little too much rain in Ivory Coast” helped boost prices, said Phil Streible, a senior market strategist at Lind-Waldock in Chicago. “That’s something that can cause problems for the crop as far as disease and things like that.”

Cocoa for September delivery rose $70, or 2.3 percent, to $3,055 a ton on ICE Futures U.S. in New York. That marked the biggest gain for a most-active contract since May 27. Earlier, the price reached $3,086, the highest level since June 4.

On London’s Liffe exchange, cocoa futures for July delivery rose 51 pounds, or 2.1 percent, to 2,516 pounds ($3,735) a metric ton.

The rally accelerated after futures topped so-called price- resistance levels, Streible said.

Raw-sugar futures for October delivery fell 0.04 cent, or 0.3 percent, to 15.92 cents a pound in New York.

Refined-sugar futures for October delivery were little changed $467.40 a ton in London.

Arabica-coffee futures for September delivery were little changed at $1.6075 a pound in New York. Yesterday, the price dropped 0.8 percent after reaching $1.6545, a 27-month high.

Robusta-coffee futures for September delivery dropped $4, or 0.3 percent, to $1,569 a ton in London.
COMMODITIES-Mostly down as Yuan frenzy fades; copper, cocoa up

Forexyard
By Barani Krishnan
June 22, 2010

NEW YORK, June 22 (Reuters) - Commodities were mostly down on Tuesday as market euphoria over China's currency revaluation faded. But copper still ended up, inspired partly by the new yuan regime, while cocoa hit three-week highs on a weak dollar.

U.S. copper futures rose 2 percent on technical and follow-through buying related to China's move to make more flexible its yuan, whose value Beijing had tightly controlled in recent years.

Cocoa rallied to its highest levels since early June, making it one of the best daily performers in the commodity complex, helped by spread trading in London and currency support in New York.

Many other markets finished lower -- including crude oil, corn and sugar -- pushing the Reuters-Jeffries CRB index, a broad sector indicator, down 0.4 percent. The 19-commodity index had hit five-week highs on Monday.

One reason for the sober mood was the unexpected fall in May in sales of previously-owned homes in the United States despite a popular homebuyer tax credit. Analysts said the data pointed to weaker economic recovery.

"It was disappointing. We had anticipated another increase because of the home buyer tax credits, but it looks like we may get less of a boost from the tax credit than we expected," said Gary Thayer, chief strategist at Wells Fargo Advisors in St Louis, Missouri.

Investors are expected to look out for Wednesday's data on new U.S. home sales in May, for further indication of how the world's largest economy was performing.

U.S. crude oil's benchmark front-month contract settled down 61 cents, or 0.8 percent, at $77.21 a barrel.

Raw sugar finished a quarter percent down at 15.92 cents a lb in New York while corn slid 1 percent to finish at $3.51-1/2 a bushel in Chicago.

U.S. copper futures outperformed the market in London, which ended little changed due to a lack of positive leads.

Copper for July delivery settled up 5.00 cents, or 1.7 percent, at $2.9920 a lb in New York. The session high was $2.9970.

"This settlement today puts it in striking distance of a settlement above 300 (cents). Once we settle above 300, it's going to start to look attractive again," said Scott Meyers, senior technical analyst at Pioneer Futures in New York.

COMEX copper had risen as much as 4 percent in Monday's session, inspired by China's revaluation of the yen, before reversing half the gains by the close. China is the world's largest buyer of copper and other industrial metals.

Copper prices moved between negative and flat territory in Tuesday's early business in New York as sentiment was dampened by the unexpected fall in sales of previously-owned U.S. homes in May. But the market rebounded after the midsession, supported by a tide of technical-related buying, stronger German business morale in June and improving euro-zone consumer confidence, traders said.

The International Copper Study Group, an industry body, lent further support by saying the world copper market had moved to a small deficit in the first quarter, compared with a surplus of 139,000 tonnes a year ago when demand was down due to the global recession.

"There was also the notion that we may not have fully factored in the positive impact of the yuan revaluation and what that could to China's copper imports down the road," said Peter Buchanan, commodities analyst and senior economist at CIBC in Toronto.
In Asian trading on Tuesday, the yuan hit its highest level since the currency was revalued in 2005 but slipped at the close after Beijing made clear its vow of flexibility did not include only one-way bets for appreciation.

London copper for delivery in three months settled up $15 at $6,610 a tonne.

In cocoa, New York's most-actively traded futures contract jumped $70, or 2.3 percent to close at $3,055 per tonne, the highest settlement since June 3 and biggest daily percentage gain in nearly four weeks.

### Cocoa rises on weather worries, technical trading

**The Associated Press**  
**June 23, 2010**  
**NEW YORK —** Cocoa prices are rallying for a third straight day as selling pressure eases and concerns grow about rainy weather in the Ivory Coast possibly affecting production.

Cocoa for July delivery is up $73 at $3,032 per metric ton. Cocoa prices have jumped 4.2 percent over the past three days.

Analysts say investors who tried to drive prices lower have exited the market, which has helped prices.

There are also some concerns that rainy weather in Ivory Coast could spark an outbreak of disease that would hurt production. Ivory Coast is one of the world's largest producers of cocoa.

### Summary Box: Cocoa rises for 3rd straight day

**The Herald | HeraldOnline.com**  
**The Associated Press**  
**Jun. 23, 2010**  
**COCOA CLIMBS:** Cocoa prices rose 2.5 percent Tuesday. It was the third straight day of gains for cocoa, which has risen 4.2 percent during that time.

SELLING PRESSURE EASES: Some analysts say investors looking to drive prices lower have left the market. That has allowed cocoa prices to rebound in recent days.

WEATHER WORRIES: There is also some concern that recent rainy weather could hurt production in the Ivory Coast, one of the world’s biggest producers of cocoa.

### Sugar Prices Drop as New Homes Sales Slump; Cocoa, Coffee Mixed

**BusinessWeek**  
**By Elizabeth Campbell at ecampbell14@bloomberg.net and Debarati Roy at droy5@bloomberg.net**  
**June 23, 2010**  
(Bloomberg) -- Sugar fell for the second straight session, erasing earlier gains, as equities tumbled after sales of new houses in the U.S. slumped, signaling the economic recovery may be faltering. Cocoa and coffee were mixed.

The Standard & Poor’s 500 Index fell for the third consecutive day as purchases of new homes plunged in May to the lowest level on record after a tax credit ended, showing the market is still dependent on government support. Crude oil declined after a U.S. government report showed an unexpected increase in supplies.

“The market’s pulling back sharply on equities and energy prices,” said Richard Ilczyszyn, a senior market strategist at Lind-Waldock, a broker in Chicago. “That’s the main pullback. Everyone’s pulling out of the risk short term.”

Raw sugar for October delivery lost 0.11 cent, or 0.7 percent, to 15.81 cents a pound on ICE Futures U.S. in New York. In London, refined-sugar futures for October delivery dropped 2.5 cents, or 0.5 percent, to $464.90 a metric ton on the Liffe exchange.

Earlier, raw-sugar prices reached 16.35 cents, the highest level for a most-active contract since April 23. Refined-sugar prices rose 12 percent this month through yesterday.
Pakistan plans to purchase 200,000 metric tons of refined sugar and will invite bidders next week, according to a state-run agency.

“The market has been marked by higher buying interest,” said Bruno Lima, a risk-management consultant at FCStone Group in Campinas, Brazil. “The demand is expected to remain strong in the short term.”

Cocoa for September delivery moved up $8, or 0.3 percent, to $3,063 a ton in New York. In London, cocoa for July delivery slid 16 pounds, 0.6 percent to 2,500 pounds ($3,727) a ton on the Liffe.

Arabica-coffee futures for September delivery declined 0.25 cent, or 0.2 percent, to $1.605 a pound in New York, the third straight decline. In London, robusta beans for September delivery gained $11, or 0.7 percent, to $1,580 a ton.

**UPDATE 2-Demand for cocoa grindings seen up 4% this yr-ICCO**

*Reuters Africa*

By Stephanie Nebehay

Jun 25, 2010

GENEVA, June 25 (Reuters) - Global demand for cocoa grindings is expected to rise 4 percent this year against last year, the head of the International Cocoa Organization (ICCO) said on Friday.

Prices should stay high in 2011 amid continuing uncertainty over supply, said Jan Vingerhoets, executive director of the London-based ICCO.

Supply in top producer Ivory Coast has stagnated following insufficient investment during civil strife, and concerns linger about supply from the third-largest producer, Indonesia, he told Reuters. But the ICCO chief also said he expected Indonesia to join a new international agreement between producers and consumers, thrashed out in weeklong negotiations in Geneva. It is not part of the current international accord.

A delegation from Jakarta took an active part in negotiations on the new accord, adopted unanimously late on Friday under the aegis of the U.N. Conference on Trade and Development (UNCTAD), an agency spokeswoman said. "There are some problems with continuing increases in supply in some producing countries, while consumption is picking up," Vingerhoets told a news briefing. "So prices are very high at the moment, about $3,000 (per tonne) at the market in New York. And we expect prices to remain about the same in the next year," he said.

London's benchmark September cocoa contract LCCc2 touched a fresh 32-year high on Friday, continuing a recent surge as concern about tight global supplies increased financial investment in the commodity. [nLDE650110]

China remains a limited market, with no tradition of chocolate consumption except for three major cities, but demand is recovering this year after a dramatic drop following the tainted milk scandal in 2008, according to Vingerhoets. "I would expect that the Chinese market will become important between five and 10 years from now. Starting from five years from now, I would expect that the market has been growing enough that there is a real basis for consumption," he said.

"FAIR AND EQUITABLE PAYMENT"

The new 10-year agreement is expected to go into force on Oct. 1, 2012, succeeding the current 2001 agreement, which went into force in 2003, officials said.

It recognises the importance of cocoa and cocoa trade to the economies of developing countries and the sector’s role in providing a livelihood to millions of small-scale farmers. "What is important to us is a fair and equitable payment,” said St-Cyr Dijikalou of Ivory Coast, a spokesman for producers.

The agreement will give a stronger voice to industry by allowing private sector and non-governmental experts to participate in a Consultative Board on the World Cocoa Economy.
"There is general recognition among consumer countries that we can't do it alone, reaching the objective of a more sustainable cocoa economy. We need experts from the private sector, from trade associations and NGOs as well," said Ewald Wermuth of the Netherlands, spokesman for consumer countries.

"Actually that is one of the biggest gains for us this week," he added.

The agreement also declares that "the use of substitutes may have negative effects on the expansion of cocoa consumption and the development of a sustainable cocoa economy".

The world's largest chocolate makers include Nestle (NESN.VX: Quote), Barry Callebaut (BARN.S: Quote), Hershey (HSY.N: Quote) and Cadbury, which was taken over by Kraft (KFT.N: Quote).

Major cocoa consumer countries including Germany, France and the Netherlands have shunned use of other vegetable fats to substitute for cocoa in chocolate, according to Hagen Streichert, president of the negotiating committee.

"Or I should put it better -- the industry voluntarily sticks to the old recipe. Because everyone feared being the first one perhaps to use vegetable fats, that this could become public and they would lose a lot of money because consumers wouldn't like to buy this kind of chocolate," he said.

"So this is in my view, and I think this is a true picture, this is no danger to the world cocoa market and it doesn't lead to a reduction of cocoa production," he added. Ivory Coast, Ghana, Nigeria and Cameroon account for some two thirds of global cocoa output.

Nestle to keep factories in Philippines, Malaysia

Reuters UK
By Telly Nathalia
Jun 21, 2010
JAKARTA, June 21 (Reuters) - The Philippine unit of Nestle (NESN.VX), the world's biggest food group, on Monday denied a report it planned to move factories to Indonesia.

Indonesian daily Kontan earlier reported Nestle planned to shift factories in Malaysia and the Philippines to Indonesia to be closer to raw material sources, and cited Nestle's Indonesia spokesman Brata T. Hardjosubroto as saying details of the relocation would be announced in November.

In a statement, Nestle Philippines Inc said it had no plans to move any of its factories in the Philippines to Indonesia.

"In fact, Nestle continues to invest heavily in its manufacturing facilities in the Philippines to upgrade machinery and expand capacities to meet local and foreign demand for its products," it said.

Nestle has six factories in Malaysia, including one that makes its Milo beverage brand, and four plants in the Philippines, the Kontan report said.

Indonesian Deputy Trade Minister Mahendra Siregar told the paper that Nestle's factory relocation was based on its need to be close to raw material sources.

Indonesian cocoa powder producer PT Bumitangerang Mesindotama President Director Piter Jasman told the paper his firm was in talks with Nestle to supply cocoa for the relocated factories.
Indonesia, Southeast Asia's largest economy, is attracting investor interest for its economic resilience during the financial crisis, improved political stability and abundance of natural resources.

The world's largest listed palm oil firm Wilmar (WLIL.SI) plans to invest $2 billion, including possibly in sugar plantations in a planned food estate in the Papua region, the head of the country's investment board said on Monday.

But the country has lagged neighbours in attracting foreign direct investment because of worries over regulatory uncertainty, rampant graft and inadequate infrastructure.

**Nutella Chocolate Maker Ferrero Goes Green**

Source: Reuters

22/06/2010

Italian Nutella maker Ferrero is preparing for a green turnaround which includes a 17 percent carbon emissions cut in three years, in a forward-looking move for the media-shy family empire.

Michele Ferrero and his two sons, whose round Rocher chocolates are known worldwide, came out of the shadows last year when they eyed a bid for Cadbury, the world's second-largest confectionery company.

They eventually pulled out of the sale and Kraft Foods Inc bought the British company in an $18.4 billion takeover to create the world's biggest confectionery group.

Even taking an interest in Cadbury was a big step for Ferrero, which in over 60 years has turned itself into a 6 billion euro ($8.05 billion) business without making an acquisition.

"The group is continuously involved in improving its industrial processes in order to make them more eco-friendly," Ferrero said in a 100-page report unveiled on Tuesday.

Ferrero said it aimed at reducing energy consumption by 19-20 percent by 2013 compared to 2007 levels, while increasing high-efficiency energy by 50 percent.

It also plans to increase the use of recyclable materials in packaging by up to 10 percent and derive 20 percent of its own energy production from renewable sources.

The maker of Kinder chocolate eggs is one of the few Italian companies to report on corporate responsibility.

Over 80 percent of world's 250 biggest companies disclose their performance on issues like the respect of human rights and the environment to improve their reputation and business conditions, according to auditing firm KPMG.

Ferrero, which employs more than 20,000 people, said some of its projects have already been put in place.

It said it has built a co-generation plant in the northwestern Italian town of Alba, where it has its home base, which also supplies power to more than 800 families.

The group, whose main market is Europe followed by America, Asia and Africa, said it reinvests part of resources to social initiatives in Cameroon, South Africa and India.

The group, run by the founder's grandsons Pietro and Giovanni Ferrero, aims to have 100 percent of its cocoa and palm oil supply sustainable in the long term.

The group also said it does not source any palm oil from Indonesia, where extensive deforestation is taking place.

**Natural Cocoa Power Launched**

Peace FM Online

Source: New Punch/Ghana

25-Jun-2010
The Ghana COCOBOD last Monday launched in Accra, the Natural Cocoa Powder. Mr. Ben Amponsah Fordjour, Chief Executive Officer (CEO) of Centuries International Cocoa Chocolate Festival Organization (CICCOFO), speaking at the launched pointed out that the Cocoa product cures, prevents and controls certain health conditions such as diabetes, asthma, arthritis, hypertension and also enhances sexual performance in both men and women.

Mr. Fordjour indicated, that cocoa soap made by the Cocoa Institute, cocoa whisky and cocoa vinegar which relieves stomach upset are other products made from the natural cocoa. “The products are chemical free”, he stressed.

The CEO mentioned that the cocoa products (beverage) would be introduced and supplied to schools as a starter before the main meal for a fee. Mr. Amponsah Fordjour emphasized that the natural cocoa powder should be taken with hot water with no sugar and milk for the best result.

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**Labour Issues**

**Ghana: Child Labour in Cocoa Growing Communities - the Facts (final Part)**
*AllAfrica.com*

By Samuel Asuming-Brempong

21 June 2010

A pilot cocoa labour survey was conducted by the Ministry of Manpower, Youth and Employment (MMYE) in 2006 covering twenty-four communities in four cocoa producing regions. The study generally concluded that the case of child labour in Ghana's cocoa sector seems to be more of a socio-cultural phenomenon. Specifically, the key findings of the pilot cocoa labour survey are:

Cocoa farmers in Ghana are generally smallholders who operate family farms and cultivate acreages that range from about three acres or less in the Eastern and Ashanti Regions, to about mostly ten to twenty acres in the Western North and Western South cocoa regions. A few outliers may operate farms that are less than an acre, or up to about a hundred acres or more in some cases. There are therefore no large scale cocoa plantations in Ghana.

The age range of adult workers in the sampled communities was between 18 years and 70 years, but most of the workers (76.3 percent) belonged to the younger age grouping of 18 years to 35 years. Indeed, 98.2 percent of the workers fell within the 18 years to 50 years range, indicating that most of the workers were relatively young.

Many adult workers were born in the communities and continued to live there to work on Cocoa farms. About 53 percent of adult workers found in the communities indicated they took the decision themselves to migrate into the communities where they work on cocoa farms. The study did not find evidence of forced labour in the coco farming communities studied.

The typical adult worker usually will engage in a verbal contact (76 percent of respondents) with the producer on the services to be rendered on the farm. Written contracts constituted only 2 percent in all the communities but mostly in the western South cocoa districts.

Average enrolment in schools in the districts was about 91 percent, with school attendance ratio of about 71 percent, although one observes a relatively lower enrolment rate among sampled children in Kaase (Western North) and Bekwai (Ashanti) cocoa districts. This enrolment average is higher than the general Ghana average school enrolment of 88.1 percent as determined by the Ghana Living Strnadard Survey report of 2000. This particular finding is an indication that children of cocoa farmers are not being deprived of their education.

The survey showed that migrant children in the communities were generally living with their parents. Twenty four (24) percent of the sampled children were indigenes, and 36 percent were born to migrant farmers in the communities. In-migration from outside the region (but within Ghana) comprised 31 percent of the total sample,
in-migration from within the region was 9 percent, and those that migrated from outside Ghana (either with their parents or their parents were from outside Ghana) were only 0.7 percent.

Over eighty-four (84.1%) percent of the children were either staying with both parents, the father and the mother in the community. Those living with relatives were 13.5 percent and those living with a non-relative comprised only 2.4 of the sample. For the children not living with their parents, the major reason given was that the arrangements were made for convenience, which reflects the culture of these communities.

In terms of restricted freedom of movements, that study did not find any evidence of its occurrence in the communities. About 92 percent of the sampled children indicated that they can leave the farm or household to visit local towns or community centres without any restriction. The other 8 percent who felt restricted in some way were more in reference to parental discipline than issues related to bondage.

In terms of the involvement of children in cocoa production, it was observed that children of all age groupings were involved in the various cocoa activities. The involvement however differed by activity and age group, and as the children aged, their involvement in cocoa farming activities also intensified. The larger proportion of these age groups were found in weeding (50-75%), carrying water spraying (61-73%), pod gathering and heaping (84-89%), bean scooping (58-65%) and carting fermented beans (50-74%). Pod plucking, drying of beans and carting dry beans for sale dominated among the 13-24 and 15-17 age groups.

Children in the sampled cocoa districts engage in the cocoa production activities mainly during the weekends (90 percent regardless of age groups), and those who participated during school holidays were 85 percent.

The study found that children's involvement in farm activities is widespread and diverse. The varying rate of participation of children in farm activities described a hazardous, children's own evaluation of their exposures to farm hazards and the subsequent health problems elicited during the survey is suggestive of presence of hazardous work. In particular the study found the following:

In terms of occupational health hazards, the study found that: (a) high childhood time exposures rate to common hazards farming including carrying load (90 percent), using cutlass (75 percent) fetching water for spraying pesticide (about 50 percent) and applying fertilizer (about 30 percent); (b) sickness or injuring from farm work including cuts from cutlass (60 percent); and (c) childhood time use of personal protective equipments (PPEs) while working on the farm was low (only about 25 percent).

Scale-up Cocoa Labour Survey (2007)

This survey was a follow-up of the Ghana cocoa labour pilot survey of 2006, and foamed part of the initiative towards certification as indicated by the Harkin-Engel Protocol. The survey covered areas that together produced 60 percent of the total cocoa output in Ghana in the year 2004/2005 cocoa season, and included all the six cocoa growing regions in the country. The key findings of the scale-up survey are:

Cocoa cultivation is still dominated by smallholders farmers cultivating one or two farms (mean farm size of 6 acres or about 2.4 ha) and producing an average of 18 bags or 1,125 kilogramme drying cocoa beans per annum, which translates to a national average of 450 kg/ha, comparable to about 800 kg/ha in Cote d'Ivoire. Cocoa remains a source of livelihood to thousands of farm-families and their dependents in the southern part of Ghana. The farmers are predominantly Akan (68%) followed by Ewes (8.5%) with 64.9 percent having been educated to the middle school/junior high school level.

The study found that households' access to health facilities was encouraging, with 93.3 percent being able to access a hospital or clinic in their communities. Out of this, 32 percent are registered with the National Health Insurance Scheme (NHIS) and benefit from it. The rest make use of chemical sellers pharmacies and traditional healers when they fall ill. However, while 67 percent of households have access to portable water (boreholes and tap water) less than 40 percent have access to toilet facilities.

There was no evidence of children being bound on cocoa farms to the detriment of their education. Those not in schools are as a result of reasons not different from those of non-cocoa growing households or communities.

The current participation of children in non-economic activities was high. Current school enrolment rate is 88.5 percent and an attendance rate of 92.6 percent. The study further found that 54 percent of the children cannot
read or write. This finding means that the quality of education in cocoa-growing areas needs to be carefully examined.

Over two-thirds of children have alluded to studying at home. Over 91 percent indicated engaging in leisure which is important for the development of children, and over 40 percent participated in religious activities. Nearly 90 percent of all children engage in domestic chores.

Focus Group Discussions revealed that children involved in coca work are generally children of the coca farmers. The involvement of these children in cocoa production activities is widespread across communities. Children aged 5-12 years are mainly engaged in weeding, gathering and carrying pods to pod-breaking points, carrying water for on-farm spraying, and carting fermented cocoa beans to drying points. As the age increase (13-14 and 15-17 years), involvement in additional tasks of harvesting pods, pod breaking and mistletoe cutting are included. These activities, the communities agreed, are within the capabilities of the children.

The children are all engaged in cocoa work mainly on weekends and during school holidays. The children spend on the average 4 to 8 hours each time they go to the farm (the time includes walking to and from the farm). The peak labour demand periods for the children are the harvesting period of August to December. The children indicated hey all worked during the last cocoa seasons for their parents (mother/father), with a few indicating they worked for their grandparents, uncles or brothers and sisters.

The study also found that schooling was the main activity of children of all ages with 46.2 percent engaged in domestic work while 35 percent of children worked on cocoa farms. The study further found that 76.5 per cent of the children were found living with their parents and that the most important reason for some children not living with their parents was for educational purposes.

The study found no evidence of trafficked children. However, children were reported to be in debt-bondage even though none of the children knew how much was owed. But, further investigations revealed that these children were staying with their parents and therefore could not be in debt bondage. Less than a quarter (23.2%) of children interviewed used protective clothing at some point in time while working on the farm. Of this number, 95 percent used body clothing and 69 percent used some foot wear. These figures were far higher than those found in the pilot cocoa labour study. This is mainly due to the definition of basic protective equipment applied during the 2007 study.

The children involvement in hazardous coca activities determined from the Hazardous Cocoa Child Labour Framework showed that 46.7 percent (n=950) of the children had participated in at least one hazardous cocoa activity during the last coca farming season. Their involvement however was found to be borne out of ignorance on the part of the child and parent with respect to the potential harm from cocoa work.

With respect to children involvement in pesticides application, the study found that 1.2 percent could be said to be actively involved. The role of children is largely limited to fetching water for the sprayers and sometimes staying on passively to observe the process

**Conclusion**

The case of child labour in Ghana's cocoa sector seems to be more of a socio-cultural phenomenon. Babies, for example, are carried to the farms at their mothers' backs, and school going children accompany their parents to the cocoa farms during weekends and holidays. However, a worrying development is the continual used of a small proportion of some of these children in activities that may be considered hazardous, and those that border on worst forms of child labour (WFCL). It is for this minority of children who are usually the most vulnerable, that well planned and organized interventions should be embarked on as a matter of urgency to both protect and also ensure that these unfortunate children enjoy their right to full development.

Rev. Samuel Asuming-Brempong is a lecturer Department of Agricultural Economics and Agribusiness College of Agriculture and Consumer Sciences University of Ghana, Legon.

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**Certifying ‘Blood Chocolate’**

In These Times
By Sara Peck
June 25, 2010
Activists question the candy industry’s commitment to ending cocoa industry child labor

Henriette Gneza holds a cocoa pod near the village of Boko, Ivory Coast, where in 2005 a group of women created an association of coffee-cocoa producers. (Photo by: ISSOUF SANOGO/AFP/Getty Images)

Eighty percent of the world’s cocoa, the main ingredient of chocolate, is produced by millions of growers in the Ivory Coast and Ghana, according to the nonprofit CorpWatch.

SHARE THIS ARTICLE | Conscientious consumers’ search for ethically sourced and manufactured products has expanded beyond diamonds, coffee and clothing to sweeter terrain: chocolate. After years of pressure, multinational candy companies are finally beginning to embrace the “ethical cocoa sourcing” movement—but to what degree and effect remains a matter of debate. Labor activists say manufacturers’ commitment to the seals of approval adorning chocolate bars is dubious, and the standards themselves are flawed.

Since the late 1990s, labor-rights organizations have been pressuring food companies to verify that their chocolate is not the product of child labor or slavery. Eighty percent of the world’s cocoa, the main ingredient of chocolate, is produced by millions of growers in the Ivory Coast and Ghana, according to the nonprofit CorpWatch.

In 2001, eight members of the Chocolate Manufacturers Association, including industry leaders Mars and Nestle, signed the non-binding Harkin-Engel “Cocoa Protocol” that committed the companies to eliminating the “worst of child labor” in West Africa. Participating manufacturers were supposed to have met the international agreement’s standards by 2005, but hundreds of thousands of children continue to work on cocoa plantations in Ghana and the Ivory Coast, according to a 2009 Tulane University study of the cocoa industry.

But last year, Mars and Cadbury announced their commitment to “ethical sourcing.” Mars, which makes Snickers and M&Ms and had $30 billion in global sales in 2008, has partnered with the Rainforest Alliance (RA) to ensure its entire cocoa supply—100,000 tons—is “sustainably produced” by 2020. Mars’ Galaxy candy bar, popular in the United Kingdom, began bearing the Rainforest Alliance Certified™ green seal this year. The New York-based RA’s sustainable agriculture standards forbid child labor, except when children are part of the farm owner’s family.

But critics say RA standards aren’t tough enough to change an industry still rife with “blood chocolate,” and are instead a cheap way to tap into the ethical consumer market without a substantial change in business practices. Kyle Scheihagen, founder of the online advocacy group Stop Chocolate Slavery, says that since 2005 most large companies have produced only a few certified products to accommodate a small consumer demand. At the same time, Scheihagen says, they make their profit by “selling bad [exploitative] products. That just seems like a cynical approach.”

Labor organizations are dissatisfied with manufacturers’ moves, because “ethical sourcing”—a phrase chocolate companies use to market their products—doesn’t guarantee the better labor practices that are part of official “fairtrade” certification, which occurs through the Fairtrade Labelling Organizations (FLO) International and its 23 member agencies. “

“Fairtrade” and RA-certified products offer the same appeal to some consumers, but their production and content standards are very different. RA products are only required to contain 30 percent “certified content”—meaning that the majority of the product does not reach the organization’s standards. “Fairtrade” products must contain 100-percent certified content, and guarantee a minimum price to producers.

RA has asked its producers to scale-up their products to 100-percent certified content, but has not established a deadline. “We didn’t want to have a 100-percent requirement and be a deterrent to large companies,” says RA spokeswoman Abby Ray. (RA’s board of directors includes an executive chairman of Pinnacle Foods and an ex-CEO of Kraft.)
“There are some fundamental problems with Alliance guidelines,” says Tim Newman, an International Labor Rights Forum (ILRF) spokesman. RA does not require unionization of workers, and several RA-certified cut-flower farms have quashed workers’ attempts to unionize, he says. (Ray says that workers on RA-certified farms have “freedom of association.”)

Newman also faults RA for not requiring workers to be paid a living wage (instead RA-certified farms can be paid a wage comparable to surrounding farms). Newman says that RA standards don’t “provide a lot of incentive for a company to scale up” to better standards. Mars and Kraft did not respond to requests for comment.

Global labor rights researcher and activist Jeff Ballinger criticizes the certification model of both RA and FLO, saying if they really want to stop longstanding abuses like forced child labor, they need to pressure local governments to enforce laws, not just check up on farms periodically. “They aren’t [bulletproof] practices by any means,” Ballinger says. “Pressuring governments is the way to go.”

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**Environmental Issue**

**Research & Development**

**Spanish researchers point to method for healthy cocoa butter alternatives**

ConfectioneryNews.com

By Jane Byrne, 21-Jun-2010

Healthy hydrogenated trans-free and short chained fatty acid-free solid alternatives to cocoa butter for chocolate production can be produced from sunflower oils enriched in stearic and oleic acids by means of a solvent fractionation method, claims a new study from Spain.

The researchers who published their findings in Food Chemistry said the process involves a single step in which the oil is mixed with a given proportion of hexane and cooled down to temperatures between 0 °C and 5 °C.

Cocoa butter (CB) is extracted from the seeds of the Theobroma cacao tree, a species that only can thrive in certain locations with a tropical climate. This fact and the susceptibility of the plant to pests make the cocoa supply somewhat uncertain and variable, maintain the authors.

Furthermore, they point out, the rise in the price of CB in recent years due to increasing demands has increased the interest in developing cheaper and more readily available alternatives to this fat.

According to the researchers, three CB alternatives have been used to date: lauric fats or cocoa butter substitutes; hydrogenated oils called cocoa butter replacers; or fats known as cocoa butter equivalents (CBEs), which generally are blends of stearic acid-rich tropical butters and palm oil mid fractions.

Lauric and hydrogenated fats are known to increase the levels of LDH cholesterol and induce arteriosclerosis, said the researchers. They said that CBEs thus, due to their high oleic and stearic acid content and the fact that they do not alter the levels of plasma blood cholesterol, represent a healthier and promising alternative for confectionery companies.

And they maintain that it would make more economic sense to generate CBEs from a reliable source such as an oil crop growing in temperate climates like sunflower.

The study

In this study, the authors said they evaluated the fractionation of high stearic and high oleic (HSHO) sunflower oils using a solvent approach.
Two different oils with 17 and 20 per cent stearic acid were used, they explained, to study the kinetics of crystallization in function of temperature and the oil/solvent ratio.

The resulting stearins were isolated and characterized chemically to compare them with CB and CBE sources like mango and shea butters, as well as also determining the melting intervals of the resulting fractions, said the Spanish researchers.

The authors found that oils with different stearic acid contents produced similar stearins but at different yields depending on their initial disaturated triacylglycerols (TAGs) content.

They said that stearins containing from 65 to 80 per cent saturated-unsaturated-saturated (SUS) displayed melting and crystallization intervals similar to CB, consistent with the characteristics of a CBE.

Furthermore, mixtures of these stearins and CB were fully compatible, demonstrating that they were indeed appropriate as CBEs.

The researchers concluded that these fats could be used as confectionery products when higher melting points are required, and could be incorporated into products to avoid chocolate blooming in temperate climates.

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**Promotion & Consumption**

**DV Chocolates**  
The Dieline (blog)  
June 22, 2010

"DV Artisan Chocolates are made in micro batches in Hermanus, South Africa. The small company prides itself on a ‘bean to bar’ approach – carefully sourcing its raw ingredients to produce the best quality results. Cocoa is imported from places as disparate as Trinidad, Venezuela and Madagascar."

"The brief was to design a logo and packaging that communicated the premium nature of this boutique offering. It soon became clear that the company founders represented both the ‘head’ and the ‘heart’: the sheer love of chocolate + the science of its manufacture. The logo was the first iteration of this dichotomy: a ‘hard’ D combined with a ‘soft’ V to form a single identity. The theme was continued on the embossed wrapping, and on the bars themselves. Here, we took our inspiration from the dramatic natural nexus of Hermanus: the ‘hard’ mountain married to the ‘soft’ ocean.

Selective use of colour banding allowed us to indicate the different origins of the original cocoa beans. Again, a contrast is noted in the text: the global nature of the producers + the local passion of the manufacturers."
Lima, Peru to host the Salon of Cocoa and Chocolate Peru 2010

Living in Peru (blog)
By Isabel Guerra
23 June, 2010

The Salon of Cocoa and Chocolate Peru 2010, to be held in Lima between July 8-10, will draw the attention of worldwide cacao producers and traders, as well as chocolaterie experts and pastry cooks.

“This Chocolate Salon will be like a World Cup; and it is moving from Europe to Peru. I think that this is a great boost for all cacao producers in Peru,” said Rómulo Pizarro, President of Devida, one of the organizations in charge of this event.

The event, which will be held at the Sheraton Hotel in Lima, will feature business meetings, specialized conferences and a forum, reports El Comercio.

General public can enter starting July 9, to visit the stands and taste chocolate delicacies, and also to hear the master classes that chocolatiers will lecture.

The event will close with the proclamation of the winners of the Fourth National Contest of Peruvian Cacao, and of champions and entrepreneurs of cacao.

Promoting Agriculture in Lagos

Nigeria Daily Independent
By Stella Odueme and Ekene Okoro Lagos
June 23, 2010

Fashola test-running one of the tractors to be distributed to the farmers while Ajiboso (left) looks on

In the early 50’s, the agricultural sector in Nigeria was once the mainstay of the nation’s economy. The nation was well regarded for its rich agricultural produce, in fact agricultural produce accounted for the nation’s largest export to neighboring and foreign countries.

The nation was known for its cocoa production with the establishment of the Cocoa House in Ibadan by the First Republic Prime Minister, Late Chief Obafemi Awolowo. The groundnut pyramid in the north, the rubber industry in the south and the palm oil industry in eastern Nigeria were major economic wells of the nation. It is worthy to note that even Malaysians at some point came to Nigeria to take palm kernel back to their country and today, they are seen as the highest palm producing nation in the world.

At that time also, food production witnessed a boom due to the commitment to the sector from the federal and state governments at that time, a situation that encouraged many into subsistence farming.
However with the discovery of oil in 1956 at Oloibiri in the Niger Delta, agriculture was relegated to the background. The nation presently has oil as its major export produce and government after government toiled the same line, until the agricultural sector nosedived.

Today, many Nigerians are in the view that the discovery of oil seems to have caused more problems than blessings to the nation. However, Lagos State has shown its interest to revive the sector.

When the Fashola administration listed food security as its number one priority in its ten-point agenda on inception in 2007, many were skeptical if the state could attain such tall dream, considering its urban nature and the fact that out of its 3,577 kilometre square total land mass, lagoons, rivers, creeks, swamps and estuaries make up about 22 per cent.

However, in the last 1000 days, the state has shown its resolve to show the economic gains in the sector vis a vis create an avenue for self sustenance.

Just on Thursday, April 29, 2010, the State Governor, Fashola in enhancing food security, launched the N1billion FADAMA III and the Commercial Agricultural Development Project (CADP) geared towards boosting food security in the state just as he called on other states in the federation to lease their lands to the state to cultivate agricultural produce. Already, he enjoined residents to embark on homestead farming by planting vegetable birds at their backyards to also encourage their wards learn the rudiments involved in farming.

The governor also revealed that the Central Bank of Nigeria (CBN) has provided a credit fund worth N50billion to the state to enhance its agricultural sector.

Speaking at the inaugural Eko Farmers’ Appreciation Day with the theme “Rewarding Eko Farmers: The Catalyst for Food Security held at the LTV De-Blue Roof, Pavilion, Agidingbi-Ikeja, Fashola noted that he has approved the participation of the state in the Rural Finance Institution Building Programme (RUFIN) which according to him would improve easy access of small scale farmers to the CBN fund. “I have confidence that the beneficiaries of the various interventions will be faithful to the goal of attaining food security in the state, I assure you that the government will continue to provide the enabling environment for your investments to grow”.

On the CADP, the Lagos helmsman noted that the state would be one of the participating six states in the project, which has been intended to assist small and medium scale farmers to remove production constraints in the area of energy, roads, technology acquisition and market development with a commitment of N1billion annually in the next five year.

It was gathered that N133million would be spent on a 4.8 kilometre road at Ikorodu Fish Farming Estate, N102.2 million on another 4.8 kilometre road at Ajarra farm settlement in Badagry while N448,000 has been earmarked for Irepodun FADAMA users group to procure a 40 HP pumping machine and generator plants among others.

Fashola also cleared the misconception that the state was not agrarian and has no practicing farmers. He maintained that his administration in the last 1000 days, has paid serious attention to the agricultural sector in line with its ten-point agenda which has food security as top priority.

Fashola also noted that the state increased the capital allocation to the agricultural sector from less than N100 million per annum to over N1billion by 2009, adding that, over N2billion was approved to the sector in the 2010 budget.

Commenting on the recent food scarcity witnessed in the metropolis recently, Fashola while presenting awards to outstanding farmers, urged them to double their efforts in increasing productivity towards attaining self sufficiency, especially in areas of fisheries, poultry and vegetables.

He also added that in an effort to reduce the drudgery of farming, the state would distribute 51 tractors to cooperatives at 60 percent cost for operation on commercial basis expected to complement the efforts of the State Tractor Hiring Unit at servicing the small holder farmers in the state.
State Commissioner for Agriculture, Enoch Ajiboso while presenting awards to outstanding individuals stressed that the event was to appreciate, celebrate and encourage farmers, fish folks and other stakeholders in the agriculture sector who have made tremendous contributions to the growth of agriculture in the state.

Outlining of some of the projects such as the Marine Agriculture/aquaculture Development Programme, agriculture youth Empowerment Scheme among others embarked upon by his ministry, he reiterated that government would continue to provide enabling environment for private sector participation to boost food production.

Earlier, State Coordinator of FADAMA III Project, Dr. Olayiwole Onasanya opined that the funds would improve farmer’s production output as well go a long way in improving their standard of living. “The project is so important because our farmers are being empowered today and we are doing so to ensure that we improve their production and as such we are giving them more empowerment to improve their standard of living”, Onasanya said.

Onasanya also expressed optimism that with the structures being put in place by the state government, agriculture would take its rightful position. This, he noted would encourage the youths to take up agriculture as a profession after school. Cheques were also presented to farmers to aid them confront the challenges they face in providing food for the citizenry.

UN brings together cocoa producers and consumers to finalize new trade pact
UN News Centre
21 June, 2010

Major cocoa exporting and importing countries have gathered in Geneva today for a United Nations-hosted meeting to finalize the details of a new agreement designed to make trade in the commodity fairer and sustainable.

The meeting, dubbed the UN Cocoa Conference 2010, and held under the auspices of the UN Conference on Trade and Development (UNCTAD), is expected to put the final touches on an agreement that emphasizes the importance of developing a “sustainable cocoa economy” that will encompass environmental, social, and economic dimensions of the trade.

The current International Cocoa Agreement, which entered into force in 2005, is set to expire on 30 September 2012. It is the sixth in a series of such agreements, and differs from its predecessors in that it recommends, on the basis of the negotiations conducted to date, the exclusion of market regulatory mechanisms, such as production quotas, buffer stocks, and other price-support measures.

The new agreement will come into effect upon ratification by five exporting countries, whose combined production capacity is at least 80 per cent of the world cocoa crop, and five importing countries with a total consumption of at least 60 per cent of the commodity.

The export value of world cocoa bean production during the current 2009/2010 cocoa year is estimated at some $10 billion.

Cocoa is grown mainly by smallholder farmers in West Africa, Central and South America and Asia, but mostly consumed in industrialized countries.
The low incomes of smallholder cocoa farmers are widely acknowledged to be the single most important challenge for the world cocoa economy. Prices must be sufficiently remunerative for farmers and production more efficient to ensure decent incomes for them.

**Norway: Chocolate Producer Nidar Commits to UTZ CERTIFIED Cocoa**

Source: UTZ CERTIFIED  
22/06/2010  
Nidar, one of the leading manufacturers of chocolates to the Norwegian marketplace, has committed to UTZ CERTIFIED cocoa for their products. This was agreed upon when both parties signed a cocoa agreement yesterday. The cooperation between Nidar and UTZ CERTIFIED fits the trend in which companies commit to upcoming markets and take responsibility in sourcing sustainably produced products.

The first batch of UTZ CERTIFIED cocoa will arrive at Nidar’s plant in the autumn of 2010. By the end of 2015 the entire volume is to be fully sustainably sourced. With this, the company is making a significant commitment towards improving the livelihoods of farmers and taking responsibility towards consumers.

‘We are excited to welcome Nidar as part of the UTZ CERTIFIED Cocoa Program. Nidar’s clear commitment shows that sustainability is about to leave the niche it has been in until now and that responsible production will be soon the standard. More and more cocoa growing communities will receive training in good agricultural practices which will result in higher quality and lower costs’, comments Han de Groot, executive director of UTZ CERTIFIED.

**Industry debates NGO admission to cocoa sector forum**

ConfectioneryNews.com  
By Jane Byrne  
24-Jun-2010  

Observer status for non-governmental organisations (NGOs) on a new cocoa industry consultative board is proving a sticking point at the UN Cocoa Conference in Geneva this week, which aims to finalise the details of a new deal related to trade in the commodity.

Held under the auspices of the UN Conference on Trade and Development UNCTAD, the meeting is set to conclude tomorrow and is expected to put the final touches on an International Cocoa Agreement to develop a 'sustainable cocoa economy', and it centres on such issues as cocoa quality, the environment, and social ethics such as child labour, among others.

The current agreement, which entered into force in 2005, expires on 30 September 2012.

A new deal, maintains the International Cocoa Organisation (ICCO), will provide a means of resolving the sometimes conflicting interests of cocoa farmers, exporters, importing countries and the multinational bean processors.

A spokesperson for the ICCO told ConfectioneryNews.com that so far this week the delegates have signed off on the definition of sustainability as per Article 2 of the draft agreement and a new proposal regarding market transparency.

But he said that debate continues on the contentious issue of admission of NGOs as observers to the meetings of a long proposed cocoa industry advisory forum called the Consultative Board.

The Board is being set up to advise the ICCO council in relation to threats to supply and demand for the commodity and proposals to counter these, coupled with ways to strengthen the position of farmers and evaluation of how to develop a sustainable cocoa economy.

However, noted the ICCO spokesperson, producer countries are wary of giving access to certain NGOs to this outlet, “particularly as some of these international organisations have been more intent on highlighting failures rather than achievements in terms of the eradication of the use of child labour in cocoa production in West Africa in recent years.”
The low incomes of smallholder cocoa farmers are widely acknowledged to be the single most important challenge for the world cocoa economy. Prices must be sufficiently remunerative for farmers and production more efficient to ensure decent incomes for them and non-dependance on child labour.

Meanwhile, as demand continues to outstrip supply, the world price of cocoa was more than 12 per cent higher mid-June compared with a year ago, according to the ICCO. And its Secretariat envisages a supply deficit of cocoa beans of 69,000t for the current 2009/10 cocoa year running between October 2009 and September 2010. That compares with a forecast deficit of 18,000t predicted last March.

Plus cocoa bean stocks are forecast to fall to 1.619m tonnes by 30 September 2010. That represents almost 45 per cent of the demand for cocoa beans or more than five months of stocks. Adding to short-term supply worries are fears that the quality of production from Ivory Coast and Ghana, could be hit by high moisture contents. Too much moisture, following high rainfall, could cause mould in the crop which would adversely affect quality, according to trade sources.

Production in Ivory Coast could also be affected by a viral disease, and growers’ representatives have asked for government help in combating swollen-shoot disease which can be controlled only by burning infected trees.