

# COPAL COCOA *Info*

*A Weekly Newsletter of Cocoa Producers' Alliance*



Issue No. 395

5<sup>th</sup> – 9<sup>th</sup> July 2010

Cocoa Producers' Alliance



## UP-COMING EVENTS

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

## In the News (from Newspapers worldwide)

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## ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
5 <sup>th</sup> July	2146.04	3202.08	2263.33	2985.17
6 <sup>th</sup> July	2145.27	3205.64	2257.33	2985.67
7 <sup>th</sup> July	2153.16	3220.78	2260.67	3011.67
8 <sup>th</sup> July	2134.76	3193.32	2250.67	2986.33
9 <sup>th</sup> July	2145.43	3209.63	2259.67	3010.33
<b>Average</b>	<b>2145.00</b>	<b>3206.00</b>	<b>2258.00</b>	<b>2996.00</b>

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

**Monday 5th July 2010**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2010	2556	2557	2	2556	2516S	2,361
Sep 2010	2373	2400	22	2403S	2369	2,241
Dec 2010	2195	2212	13	2216	2190	700
Mar 2011	2153	2178	14	2181	2153	70
May 2011	2171	2170	9	2178	2171S	13
Jul 2011		2167	9			0
Sep 2011		2162	5			0
Dec 2011		2163	5			0
Mar 2012		2157	5			0
May 2012		2172	4			0
<b>Average/Totals</b>		<b>2234</b>				<b>5,385</b>

**Tuesday 6th July 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2557	2594	37	2615	2550	2,676
Sep 2010	2393	2394	-6	2415	2390	2,721
Dec 2010	2214	2204	-8	2226	2203	2,062
Mar 2011	2175	2174	-4	2187	2168	297
May 2011	2167	2169	-1	2180S	2162	220
Jul 2011	2167	2164	-3	2181	2160	89
Sep 2011		2162	0			0
Dec 2011		2160	-3			0
Mar 2012		2154	-3			0
May 2012		2169	-3			0
<b>Average/Totals</b>		<b>2234</b>				<b>8,065</b>

**Wednesday 7th July 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2580	2618	24	2632	2632	3,952
Sep 2010	2392	2403	9	2416	2416	4,675
Dec 2010	2202	2206	2	2220	2220	3,457
Mar 2011	2171	2173	-1	2188	2188	892
May 2011	2178	2169	0	2188	2188	77
Jul 2011	2188	2164	0	2188	2188	5
Sep 2011		2160	-2			0
Dec 2011		2152	-8			0
Mar 2012		2146	-8			0
May 2012		2158	-11			0
<b>Average/Totals</b>		<b>2235</b>				<b>13,058</b>

**Thursday 8th July 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2,631	2601	-17	2637S	2589	
Sep 2010	2,404	2380	-23	2416	2370	8,854
Dec 2010	2205	2199	-7	2214	2190	5,853
Mar 2011	2176	2173	0	2182	2169S	1,470
May 2011	2170	2167	-2	2178	2158	331
Jul 2011	2164	2164	0	2175	2163S	88
Sep 2011		2160	0			0
Dec 2011	2175	2157	5	2175	2175	10
Mar 2012		2151	5			0
May 2012		2156	-2			0
<b>Average/Totals</b>		<b>2231</b>				<b>16,606</b>

**Friday 9th July 2010**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2010	2612	2613	12	2618	2568S	1,299
Sep 2010	2379	2385	5	2392	2338S	8,600
Dec 2010	2206	2212	13	2221S	2174S	2,235
Mar 2011	2180	2182	9	2190S	2152S	751
May 2011	2158	2179	12	2186S	2150S	90
Jul 2011	2153	2178	14	2165	2150	199
Sep 2011	2153	2178	18	2153	2153	10
Dec 2011	2152	2177	20	2170	2152	20
Mar 2012	2134	2171	20	2134	2134	3
May 2012		2176	20			0
<b>Average/Totals</b>		<b>2245</b>				<b>13,207</b>

<b>Average for the week</b>	<b>2245</b>				<b>11264</b>
					<b>56,321</b>

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

**Monday 5th July 2010**

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

**Tuesday 6th July 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2930	2938	17	2930	2930	1
Sep 2010	2993	2967	-4	3010	2939	5,999
Dec 2010	3015	2991	-1	3030	2962	2,082
Mar 2011	3001	3004	-4	3030	3000	374
May 2011	3020	3015	-5	3020	3020	27
Jul 2011	0	3022	-5	0	0	0
Sep 2011	0	3031	-5	0	0	27
Dec 2011	0	3038	-4	0	0	52
Mar 2012	0	3119	-6	0	0	25
May 2012	0	3114	-11	0	0	0
<b>Average/Totals</b>		<b>3024</b>				<b>8587</b>

**Wednesday 7th July 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	0	2941	3	0	0	2
Sep 2010	2952	2981	14	3003	2940	5,707
Dec 2010	2966	3004	13	3021	2965	2,192
Mar 2011	2990	3017	13	3037	2983	858
May 2011	3033	3027	12	3045	3030	44
Jul 2011	3039	3034	12	3050	3039	58
Sep 2011	3045	3042	11	3048	3045	84
Dec 2011	0	3048	10	0	0	0
Mar 2012	0	3125	6	0	0	0
May 2012	0	3120	6	0	0	0
<b>Average/Totals</b>		<b>3034</b>				<b>8945</b>

**Thursday 8th July 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	2968	2939	-2	2968	2968	2
Sep 2010	2970	2969	-12	2998	2957	4,458
Dec 2010	2995	2993	-11	3019	2981	2,519
Mar 2011	3024	3008	-9	3036	2998	992
May 2011	3036	3018	-9	3045	3005	378
Jul 2011	3038	3026	-8	3050	3010	44
Sep 2011	3043	3033	-9	3043	3015	15
Dec 2011	3017	3037	-11	3017	3017	9
Mar 2012	0	3117	-8	0	0	0
May 2012	0	3112	-8	0	0	0
<b>Average/Totals</b>		<b>3025</b>				<b>8417</b>

**Friday 9th July 2010**

Month	Open	Price	Change	High	Low	Volume
Jul 2010	0	2963	24	0	0	13
Sep 2010	2969	2996	27	3025	2965	5,546
Dec 2010	3007	3020	27	3049	2993	2,142
Mar 2011	3023	3037	29	3050	3023	260
May 2011	3033	3047	29	3053	3023	71
Jul 2011	3050	3053	27	3058	3037	61
Sep 2011	3048	3059	26	3063	3042	19
Dec 2011	3048	3064	27	3062	3042	21
Mar 2012	0	3140	23	0	0	0
May 2012	0	3135	23	0	0	0
<b>Average/Totals</b>		<b>3051</b>				<b>8133</b>

<b>Average for the week</b>	<b>3051</b>					<b>1479</b>
						<b>1479</b>

## NEWS

### Health and Nutrition

#### **Cocoa Flavanols could more than double Cells associated with repair and maintenance of Blood Vessels,**

PR Newswire UK (press release)

Mars, Inc Research

July 6, 2010

MCLEAN, Virginia, /PRNewswire/ -- First-of-its-kind research suggests cocoa flavanols could be an important part of a healthy diet for people with cardiovascular disease

New findings indicate that cocoa flavanols may be an important part of a healthy diet for people with cardiovascular disease, which affects more than 80 million Americans, according to research by a team of internationally-renowned researchers, including scientists from Mars, Incorporated.

The breakthrough study conducted at the University of California San Francisco and published in the prestigious Journal of the American College of Cardiology (JACC) found that daily cocoa flavanol consumption more than doubled the number of circulating angiogenic cells (CACs) in the blood. These cells have been shown to have vessel repair and maintenance functions, which can contribute to healthy blood vessels. Poor blood vessel function is recognized as an early stage in the development process of cardiovascular diseases (CVD), including coronary artery disease. Increasing levels of CACs have also been associated with a decreased risk of death from cardiovascular causes, according to a 2005 study published in the New England Journal of Medicine.

Other cutting-edge research has demonstrated that physical activity and experimental drug therapy can increase CAC levels, however the study published in JACC is the first to demonstrate such benefits from a dietary intervention. In this randomized, double-masked, controlled dietary intervention trial, study participants drank either a high-flavanol cocoa drink, containing cocoa made with the Mars Cocoapro(R) process (which guarantees a consistent flavanol level), or a low-flavanol nutrient-matched control cocoa drink, twice a day for 30 days.

The study also showed that drinking high-flavanol cocoa significantly reduced systolic blood pressure, an important risk factor for heart disease and stroke, and improved blood vessel function by 47% compared to low-flavanol consumption in optimally-medicated adults with severe cardiovascular disease. This research supports findings previously published by Mars scientists and their academic collaborators, who have found a positive correlation between cocoa flavanols consumed and subsequent improvements in flow-mediated dilation (FMD), a measure of vessel health, i.e. the ability of a vessel to relax.

"It's the best of both worlds. It's not often that we're able to identify a natural food compound that can demonstrate a benefit on top of traditional medical treatment," said Carl Keen, PhD, Professor of Nutrition and Internal Medicine at University of California Davis and one of the study authors. "And perhaps most importantly, for the first time, we found that cocoa flavanols might even directly mobilize important cells that could repair damaged blood vessels. The benefits are substantial, without any observed adverse effects," added study author Christian Heiss, MD, Heinrich-Heine University.

"Together with academic partners, Mars Incorporated has been studying cocoa flavanols for nearly two decades," said Hagen Schroeter, PhD, Mars, Incorporated scientist and study co-author. "This is one of the most fascinating and potentially far-reaching findings we've uncovered in recent years, opening a completely new avenue of research to understand how cocoa flavanols might benefit human health. Of course, more research is needed to confirm and build upon these observations, but we're intrigued by the potential for flavanols in the context of dietary and pharmaceutical strategies for the prevention and treatment of cardiovascular diseases."

Cocoa Flavanols: The Body of Evidence



A number of previously published studies already suggest that the consumption of cocoa flavanols can have important beneficial effects on the function of the body's network of blood vessels. Yet, contrary to statements often made in the popular media, the collective research demonstrates that the cardiovascular effects of cocoa flavanols are independent of general "antioxidant" effects that cocoa flavanols exhibit in a test tube, outside of the body. The body of research not only suggests that these cocoa flavanols may provide a dietary approach to maintaining cardiovascular function and health, but also points to new possibilities for cocoa flavanol-based interventions associated with age-related blood vessel dysfunction and vascular complications of type 2 diabetes.

#### Mars Commitment to Cocoa Research

The research on cocoa and cocoa flavanols is substantial, and Mars, Incorporated has led in this effort, holding more than 80 patents and publishing or supporting more than 100 scientific publications resulting from work with institutions around the world including the University of Düsseldorf in Germany and the University of California, Davis. While the research is clear on the link between cocoa flavanols and human health, these plant compounds are easily destroyed during normal processing. Building off of years of scientific research and manufacturing experience, Mars, Incorporated scientists have perfected a process to reduce the cocoa bean's exposure to high temperatures, helping protect the cocoa flavanols inside. The proprietary, patented Mars, Incorporated Cocompro(R) process ensures delivery of a cocoa ingredient guaranteed to have consistently high levels of cocoa flavanols. To read more about the science on cocoa flavanols, visit <http://www.HealthyCocoa.com>.

Source: Heiss C, Jahn S, Taylor M, Real WM, Angeli FS, Wong ML, Amabil N, Prasad M, Rassaf T, Ottaviani JI, Miwardja S, Keen CL, Springer ML, Boyle A, Grossman W, Glantz SA, Schroeter H, Yeghiazarians Y. Improvement of endothelial function with dietary flavanols is associated with mobilization of circulating angiogenic cells in patients with coronary artery disease. *Journal of the American College of Cardiology*. 2010;56:218-224.

Werner N, Kosiol S, Schiegl T, Ahlers P, Walenta K, Link A, Bohm M, Nickenig G Circulating endothelial progenitor cells and cardiovascular. *New England Journal of Medicine* .2005;353;10.

#### About Mars, Incorporated

Mars, Incorporated is a private, family-owned company founded in 1911 and employing more than 65,000 associates at over 230 sites, including 135 factories, in 68 countries worldwide. Headquartered in McLean, Virginia, U.S.A., Mars, Incorporated is one of the world's largest food companies, generating global revenues of more than US\$28 billion annually and operating in six business segments: Chocolate, Petcare, Wrigley Gum and Confections, Food, Drinks, and Symbioscience. These segments produce some of the world's leading brands: Chocolate - M&M'S(R), SNICKERS(R), DOVE(R), GALAXY(R), MARS(R), MILKY WAY(R) and TWIX(R); Petcare - PEDIGREE(R), WHISKAS(R), SHEBA(R), CESAR(R) and ROYAL CANIN(R); Wrigley - ORBIT(R), EXTRA(R), STARBURST(R), DOUBLEMINT(R) and SKITTLES(R); Food - UNCLE BEN'S(R), DOLMIO(R), EBLY(R), MASTERFOODS(R) and SEEDS OF CHANGE(R); Drinks - KLIX(R) and FLAVIA(R); Symbioscience - WISDOM PANEL(TM), SERAMIS(R), and CIRKUHEALTH(R).

#### **Cocoa flavanols intake reduces blood pressure: study**

International Business Times

By Balachander Suriyanarayanan

July 6, 2010

Drinking cocoa flavanols daily can reduce blood pressure, improve the health of blood vessels and may provide a dietary approach to maintaining cardiovascular function and health, according to a study by Mars Inc.

The study conducted at the University of California San Francisco (UCSF) showed that daily intake of the cocoa flavanols more than doubled the number of circulating angiogenic cells (CACs) in the blood. These cells have been shown to have vessel repair and maintenance functions, which can contribute to healthy blood vessels.

Mars has been researching cocoa flavanols for about 20 years and launched CirkuHealth, a flavanol-rich cocoa extract, through its Mars Botanical division in 2009. Flavanols are phytonutrient compounds that are found naturally in apples, grapes, tea, cocoa and cherries.



Cocoa flavanols have been linked to healthy blood circulation in the body, helping to maintain heart, lung, brain, kidney, and muscle health.

In the randomized, double-masked, controlled dietary intervention trial, study participants drank either a high-flavanol cocoa drink, containing cocoa made with the Mars Cocoapro process or a low-flavanol nutrient-matched control cocoa drink, twice a day for 30 days.

Drinking high-flavanol cocoa significantly reduced systolic blood pressure, an important risk factor for heart disease and stroke, and improved blood vessel function by 47 percent compared to low-flavanol consumption in optimally-medicated adults with severe cardiovascular disease, the study showed.

"It's the best of both worlds. It's not often that we're able to identify a natural food and compound that can demonstrate a benefit on top of traditional medical treatment," said Carl Keen, Professor of Nutrition and Internal Medicine at University of California Davis and one of the study authors.

Increasing levels of CACs have also been related to a decreased risk of death from cardiovascular causes, according to a 2005 study published in the New England Journal of Medicine. In 2005, the company launched a chocolate candy called CocoaVia.

### **Cocoa flavanols benefit cardiovascular patients**

Times of India

ANI,

Jul 7, 2010,



Cocoa flavanols may be an important part of a healthy diet for people with cardiovascular disease, according to new research.

Poor blood vessel function is recognized as an early stage in the development process of cardiovascular diseases (CVD), including coronary artery disease.

Daily cocoa flavanol consumption more than doubled the number of circulating angiogenic cells (CACs) in the blood, according to results of a study conducted at the University of

California San Francisco.

Cocoa flavanols benefit cardiovascular patients

"And perhaps most importantly, for the first time, we found that cocoa flavanols might even directly mobilize important cells that could repair damaged blood vessels. The benefits are substantial, without any observed adverse effects," added study author Christian Heiss, MD, Heinrich-Heine University.

"Of course, more research is needed to confirm and build upon these observations, but we're intrigued by the potential for flavanols in the context of dietary and pharmaceutical strategies for the prevention and treatment of cardiovascular diseases," Heiss added.

The research also points to new possibilities for cocoa flavanol-based interventions associated with age-related blood vessel dysfunction and vascular complications of type-2 diabetes. The findings are published in the Journal of the American College of Cardiology (JACC).

### **High-flavanol cocoa repairs blood vessels in CVD patients – Mars**

Source: Journal of the American College of Cardiology

ConfectioneryNews.com

By Jane Byrne ,

08-Jul-2010

Cocoa flavanols could improve poor blood vessel function in patients with coronary artery disease (CAD), according to research by a team of researchers, including scientists from confectionery maker, Mars Inc.

Poor blood vessel function is recognized as an early stage in the development process of cardiovascular diseases (CVD), including coronary artery disease.

CVD is one of the leading causes of morbidity, mortality, and disability in many parts of the world, especially in Western countries, and accounts for one-fifth of all mortality in the US.

The results of the research, which was published in the Journal of the American College of Cardiology (JACC), found that daily cocoa flavanol consumption more than doubled the number of circulating angiogenic cells (CACs) in the blood.

The study was supported by a grant from the American Heart Association, and an unrestricted research grant from Mars.

#### Blood vessel health

CACs have been shown to have vessel repair and maintenance functions, which can contribute to healthy blood vessels. The researchers said that increasing levels of CACs have also been associated with a decreased risk of death from CVD causes, citing a 2005 study published in the New England Journal of Medicine.

The authors of the JACC study claim that while other cutting-edge research has demonstrated that physical activity and experimental drug therapy can increase CAC levels, theirs is the first to demonstrate such benefits from a dietary intervention.

“Perhaps most importantly, for the first time, we found that cocoa flavanols might even directly mobilize important cells that could repair damaged blood vessels. The benefits are substantial, without any observed adverse effects,” said one of the authors of the study, Christian Heiss, who is based at Heinrich-Heine University.

#### Method

The researchers explained how they tested whether a 1-month dietary intervention with flavanol-containing cocoa in patients with coronary artery disease, medically managed according to currently accepted guidelines, leads to an improvement of endothelial dysfunction and whether this is associated with an enhanced number and function of CACs.

In a randomized, controlled, double-masked, cross-over trial, 16 CAD patients, aged between 61 and 67 received a dietary high-flavanol cocoa drink, containing cocoa made with the Mars Cocopro process to "ensure consistency of flavanol levels", or a low-flavanol nutrient-matched control cocoa drink, twice a day for 30 days.

They explained how measurements were taken before initiation (day 0, pre-intervention), and the day after completion of each intervention (day 30, post-intervention). Pre- and post-intervention measurements were taken after overnight fasting and after 30 minutes of supine rest.

The cocoa drinks were well tolerated, and none of the patients experienced major adverse events, cardiovascular-specific events, or hospitalization during the study period, said the article.

#### Findings

The results showed that blood vessel function improved by 47 per cent compared to low-flavanol consumption. “Our data support the concept that dietary flavanols, in addition to improving cardiovascular functions, can facilitate endogenous repair mechanisms that act synergistically with current medical therapy,” said the scientists.

The authors said that the outcomes of their trial also demonstrated that drinking high-flavanol cocoa significantly reduces systolic blood pressure, an important risk factor for heart disease and stroke.

Moreover, they pointed to a positive correlation observed between cocoa flavanols consumed and subsequent improvements in flow-mediated dilation (FMD), a measure of vessel health and its ability to relax.

The authors hold that further research involving long-term intervention trials examining the effects of high-flavanol diets on cardiovascular health and function is warranted as a result of their findings.

#### Processing

The health benefits of cocoa flavanols such as improvements to cardiovascular health have received much recognition in recent years, with positive findings from a number of studies impacting on consumer awareness. But Mary Wagner, chief technology officer for Mars Botanical, a scientific division of Mars Inc, said that while flavanols are naturally abundant in cocoa, unless a processor is specifically measuring and carefully handling a product throughout the manufacturing process, there is no guarantee the product contains meaningful levels of the flavanols.

Mars and Barry Callebaut have both been aware of the detrimental effects of processing on the final flavanol content of products, prompting them to research new processing techniques to maximise the retention of cocoa flavanols and in February this year to announce a collaboration regarding quantifying flavanol levels in products.

And Gaby Tschofen, head of communications for Barry Callebaut, told this publication the two companies have jointly defined what the minimum content of flavanols should be in a final product - at least 140mg of cocoa flavanols per proportional serving of 50g.

#### **Cocoa Flavanols provide Antioxidant Benefits, Improve Heart Health**

##### **BETTER Health Research**

By Donna Parker

Jul 8th, 2010

Cocoa Flavanols Provide Antioxidant Benefits, Improve Heart Health Consuming foods enriched with cocoa flavanols may lower blood pressure and protect blood vessel health, according to a study published in the Journal of the American College of Cardiology.

Found in fruits, vegetables, tea and wines, cocoa flavanols are nutrients that provide similar benefits to antioxidants, which rid the body of toxins and free radicals that can lead to numerous health problems, such as cardiovascular complications.

In an effort to determine how these compounds improve heart health, a team of investigators at the University of California in San Francisco (UCSF) had 16 coronary heart disease patients consume two drinks containing two different levels of cocoa flavanols.

The results of the study showed that drinking the beverage with a higher level of the nutrients increased vasodilation, or widening of the blood vessels, by 47 percent. Furthermore, the researchers discovered that participants had better blood circulation, which resulted in lower blood pressure.

Yerem Yeghiazarians, associate professor of medicine at UCSF, stated that "dietary flavanols at the levels provided are safe, improve cardiovascular function, and increase circulating angiogenic cells, which have previously been shown to correlate positively with long-term cardiovascular outcomes."

In 2006, approximately 17.6 million people in the U.S. were diagnosed with coronary heart disease, the second most common form of cardiovascular disease, the American Heart Association reports. ADNFCR-1960-ID-19881589-ADNFCR

#### **A regular chocolate treat 'could halve a woman's risk of giving birth prematurely'**

Daily Mail

By Pat Hagan

9th July 2010



*Eating chocolate may reduce a pregnant woman's risk of developing pre-eclampsia, which drives up their blood pressure and reduces the transfer of oxygen and nutrients to the baby*

It is a sweet revelation for every mother-to-be.

Pregnant women have the perfect excuse to give in to their cravings - because chocolate is good for both mother and baby.

Expectant mums who regularly snack on chocolate bars are less likely to develop pre-eclampsia, according to a study.

One of the most common causes of premature birth in the UK, pre-eclampsia affects 70,000 British women a year and claims the lives of up to 1,000 babies and ten mothers.

It is characterised by high blood pressure and can cause convulsions, blood clots, liver damage and kidney failure.

But after asking 2,500 women about their dietary habits during pregnancy, researchers from Yale University in the U.S. found that those who consumed higher rates of chocolatey snacks - including hot chocolate drinks - were less likely to develop the potentially fatal complication, the journal *Annals of Epidemiology* reports.

It is thought that theobromine, the bittertasting chemical in cocoa, keeps blood pressure steady by helping blood vessels to dilate.

Researchers stressed the results may have been skewed by women being asked to remember what they had eaten during pregnancy.

The study also failed to examine if the benefits are confined to dark chocolate. Some research suggests milk or white chocolate does not have the same health benefits, as they are higher in sugar and have a lower content of flavanols, the disease-fighting ingredient in cocoa used to make chocolate.

In a report on their findings researchers said: 'Women who reported regular chocolate consumption of more than three servings a week had a 50 per cent or greater reduced risk of pre-eclampsia.

'Regular chocolate intake during the first or third trimester was equally protective.'

Last year, Swedish scientists found heart attack survivors who snacked on chocolate at least twice a week could slash their risk of dying from heart disease by up to 70 per cent.

And in 2008, a team at Georgetown University in Washington DC discovered a chemical found in chocolate could hold the key to stopping bowel cancer in its tracks.

They tested a man-made version of the naturally-occurring ingredient and found it halved the rate at which tumours grew, while leaving healthy cells untouched.

#### **Nibble at chocolate for a healthy baby—study**

TheMedGuru

By Neharika Sabharwal

July 10, 2010



Here is another reason for pregnant women to give into their craving for chocolate without feeling guilty.

A new study claims eating the cocoa delight three or four times a week during pregnancy cuts the risk of developing pre-eclampsia, a common cause for complications.

Pre-eclampsia is a condition that drives up the blood pressure and hampers the transfer of oxygen and nutrients through the placenta [organ that develops in the uterus during pregnancy; links the blood supplies of a pregnant woman to the fetus to provide nutrients and remove waste products] to the baby

causing difficulties like premature birth, stillborn babies, caesarian, or even the death of the mother.

The researchers stated, “Women who reported regular chocolate consumption of more than three servings a week had a 50 per cent or greater reduced risk of pre-eclampsia. Regular chocolate intake during the first or third trimester was equally protective.”

#### ***Dietary habits of 2500 women during pregnancy assessed***

In a bid to investigate whether chocolate consumption during pregnancy reduces the risk of pre-eclampsia and hypertension, researchers from Yale University questioned 2,500 females about what their dietary habits were during pregnancy.

All the participants were asked to furnish information about their medical and reproductive history, Body Mass Index (BMI), and smoking, alcohol, caffeine, and exercise habits.

In addition, the women were asked about their weekly chocolate consumption including drinks and cocoa based snacks.

#### ***Findings of the study***

The researchers found that regular consumption of chocolate helps stave off pre-eclampsia or the high blood pressure that goes along with it.

Women consuming more chocolate including hot cocoa were 50 percent less likely to develop complications during pregnancy. These women ate three or more servings of the delicious treat in a week.

In addition, the researchers noted that chocolate intake during the first or third trimester was equally protective. Only 36 percent of the moms-to-be who developed pre-eclampsia admitted to be regular chocolate treats. Researchers theorize that theobromine, the chemical in the chocolate that gives it a bitter taste, helps to regulate the blood pressure.

#### ***Some limitations***

Experts, feel there is clearly a need for further research to provide firm evidence that chocolate can protect against pre-eclampsia.

The study was not conducted in a controlled environment, and the findings may be distorted because women were asked to recall their eating habits over a relatively long period, much after they had their babies. Also, the study failed to examine if the benefits were confined to any specific type of chocolate. The study is published in the journal *Annals of Epidemiology*.

#### **Production & Quality**

#### **Ghana and India signs MoU for commercial production of fertiliser**

Ghana News Agency

July 06, 2010

Accra, Ghana and India on Tuesday signed a Memorandum of Understanding (MoU) to capitalise on the nation's oil find to produce fertiliser to increase food production.

Under the MoU the two countries will form partnership to tap gas from the commercial exploration of the oil to facilitate the venture.

Mr Kwesi Ahwoi, Minister of Food and Agriculture and Dr Joe Oteng Adjei, Minister of Energy signed on behalf of Ghana, while Mr Subbaroyan Krishnan, Secretary to Indian Government's Department of Fertilisers under the Ministry of Chemicals and Fertilisers, initialled on behalf of India.

Mr Ahwoi observed that Ghana is rated as the least user of fertiliser due to insufficient technical know-how in production. He explained that the country applied a mere eight kilogramme per hectare for crop production as against 120 kilogramme per hectare applied in some countries.

The Minister said increase production and application of fertiliser is critical, if the country is to achieve its 100 million tonnes of cocoa production target and reduce to significant proportion the importation of rice. Mr Ahwoi said he was hopeful that the project would assist in increasing rice and cocoa production to an all-time new peak, which could rake in the much needed revenue for socio-economic development.

Dr Oteng-Adjei, expressed optimism that the business partnership would succeed, pointing to the expected commercial production of gas, stressing that the country is expecting more than five trillion cubic feet of gas. He said Ghana has the business prospects of using gas to create more jobs in the petro-chemical industry and reduce poverty in the country. Dr Oteng-Adjei said Ghana is expected to add 1,700 dollars to the Gross Domestic Product and create additional three million jobs after four years of commercial production of gas and oil.

Mr Krishnan said India had targeted 1.5 million tonnes of urea production per annum to support crop and cocoa production and to export the rest to other countries where demand would be greater.

Madam Ruchi Ghanashyam, Indian High Commissioner expressed the hope that the MoU would assist Ghana and India to move to a newer and higher economic growth and development.

### The Market

#### Coffee and cocoa in the garden/Full of beans

Times of India

By Shrikant Ingalhalikar

Jul 4, 2010

PUNE : Grinding and brewing coffee in your own garden sit-out may sound interesting but how many people can say they pluck the coffee beans from their own tree?

Vishwas and Vrunda Dixit, staying at Ganesh Mala, off Sinhagad road, enjoy this privilege. Their garden boasts a coffee tree and as well as a cocoa tree, both inherited by the previous owner of the house. The Dixits have been taking care of these unusual trees for the last 10 years and are, of course, enjoying the fruits.

Coffee tree (*Coffea arabica*) originates from Yemen in Arabia. It has been cultivated for the beverage for more than 1,000 years all over the world. The coffee tree is a small deciduous tree two to three metres tall, and densely branched from the base. It has elliptic leaves 10 to 15 cm long placed opposite on a square stem. White flowers bloom in dense clusters of about eight cm, along all the branches. The flower fragrance has nothing to do with the flavour of the coffee. The flowers attract swarms of bees. Mass flowering at a coffee plantation is a treat to watch and to inhale as well.

Coffee fruits are 2 cm, round and purplish when ripe. The fruit has two seeds placed close to each other thus giving the double seed the appearance of a bean.

The cocoa tree (*Theobroma cacao*) originates from the foothills of the Andes in the basin of the Amazon river. This tree has also been cultivated for hundreds of years all over the world. It is a small deciduous tree, two to three metres tall and grows in the shade of large trees, hence is known as an understorey tree'. The leaves are alternate, large and with shallow lobes. The leaves of this beverage tree are said to be poisonous.



White flowers are borne in clusters directly on the main stem. The flowers are small but very attractive in shape. The fruits are 20 to 30 cm long and they are shaped like a papaya, but with a hard and brown outer cover. Each fruit contains 50 to 60 seeds covered with a white pulp. They are also known as beans'. These beans are the source of cocoa powder. Coffee and cocoa trees are cultivated in big orchards at most hill stations in south India.

### **Ivorian rains flood cocoa, sun raises hope**

Reuters Africa

Jul 5, 2010



ABIDJAN (Reuters) - Heavy rains continued to pound Ivory Coast's cocoa growing regions last week, washing away a bridge and bringing disease, but a sunny spell at the end raised hopes for bean quality, farmers said on Monday.

Farmers reported worrying signs of black pod disease flourishing because of the prolonged rains and humidity, which they feared would damage more pods.

The markets are closely watching whether top grower Ivory Coast's 2009/10 cocoa crop can beat last year's paltry one, the worst for five years. Good weather will be crucial.

This year's rainy season has been unusually heavy, swelling pods, boosting supply and enabling this seasons's arrivals to close in on the last one .

But the rains have also washed away key supply routes and triggered ominous signs of black pod and swollen shoot disease. Black clouds have blotted out the sun needed for beans to grow large and be dried when harvested.

"We had close to 180mm of rain in just the last week. It's too much," a rainfall analyst working for an industrial plantation in the eastern region of Abengourou told Reuters.

In some upland areas, farmers said the sustained sunny spell at the end of the week would improve growing conditions and cocoa quality.

In the eastern region of Niabre, near the border of Ghana, the world's second largest grower, farmers could not reach their farms after rains submerged a vital bridge.

### **FARMERS STAYED AT HOME**

"It's raining too much. For a week a lot of farmers stayed at home because the river burst its banks," said farmer Kouao N'Dri.

"We don't know what's happening in those farms. The situation is catastrophic. A lot of roads are cut off. The farmers are worried as there are also signs of black pod."

In coastal regions of San Pedro and Sassandra, farmers said abundant rains were facilitating the spread of the black pod disease, with some trying to fight it with chemicals.

"It's raining abundantly. Black pod disease is back and we are treating 9,000 hectares in our cooperative," said cooperative manager Solange Kouame in San Pedro.

He added that the good rains would mean a lot of beans between August and September, even if not top quality.

In other places, like the western region of Gagnoa, weather seemed to be drying. Gagnoa farmers said the sun had shone for the first time in weeks.

"For three days, we had sun. If it continues to shine like this, there will be fewer diseases and good quality cocoa should start coming out," farmer Oumar Ouedraogo said.

In the western region of Soubre, at the heart of the cocoa belt, farmers were optimistic about the last stage of the 2009/10 cocoa crop as the weather was adequate.

"The climate is good for the moment. The trees are showing a lot of medium sized pods. We should have plenty of cocoa until the end of the season," farmer Salam Kone said.

In the centre west Daloa region, farmers said they had received enough sun to enable them to dry beans properly. There were similar sunnier conditions in the southern regions of Tiassale and Aboisso.

### **Liberia Gold, Diamond output falls in 1Q; Rubber, Cocoa Rise**

BusinessWeek

By Ansu Konneh at [akonneh@bloomberg.net](mailto:akonneh@bloomberg.net)

July 06, 2010

(Bloomberg) -- Liberian gold production fell 68.5 percent in the first quarter of 2010 compared with the fourth quarter of last year, the Central Bank of Liberia said.

Total gold produced in the period was 5,412 ounces, compared with 17,175 ounces during the previous quarter. The value of the precious metal dropped to \$1.56 million in the quarter, from \$4.92 million in the last three months of 2009.

Diamond production for the period fell 49.2 percent to 4,920 carats in the first quarter from 9,693 carats in the previous quarter amid a slowdown in demand for the gem.

Rubber, Liberia's main export commodity, had first quarter output rise 55.1 percent to 13,460 metric tons, compared with 8,678 tons in the fourth quarter of 2009.

Cocoa, the second-biggest export product, rose 9.1 percent to 1,735 metric tons at the end of March from 1,590 metric tons in the December quarter due to the start of small scale farm production. "For the period under review, the value of rubber rose by \$9.2 million to \$43.2 million," the Bank said. "Export value from cocoa beans was recorded at \$1.4 million, from \$1.1 million registered during the previous quarter."

### **Cameroon cocoa exports down 4.3 pct vs last yr**

Reuters Africa

Jul 6, 2010



YAOUNDE (Reuters) - Cocoa exports from Cameroon, the world's No. 5 exporter, are running at 4.3 below last year's levels, according to official data released on Tuesday, which showed a significant fall in volumes during May.

Exports since the beginning of the 2009/2010 season in August reached 162,154 tonnes by the end of May, down from 169,367 tonnes for the same period in the previous season, data from the Cocoa and Coffee Interprofessional Board (CCIB) showed.

Monthly shipments fell by more than half in May, touching 2,381 tonnes, down from 5,991 tonnes in April and a 35 percent decline compared to the same month last season.

Yves Abissi, head of the statistics division of CCIB, blamed the fall in May data on the fact that some major exporters, who he refused to name, had not declared their exports.

Meanwhile, reports from farmers in Cameroon's three main producing regions -- South-West, Centre and South -- continue to show that this season's mid-crop harvest, which began in late April/early May -- is looking better than in 2008/2009.

"The mid-crop harvest has been very good so far and is still promising to be even better before we enter the main crop harvest by the beginning of next month," said Joseph Nde, manager of the Kumba-based major cocoa grower and exporter Cameroon Marketing Commodities (CAMACO).

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

The country's cocoa bean exports, as revised by the National Cocoa and Coffee Board (NCCB) in February, hit a record level of 205,233 tonnes in 2008/2009, up from 187,475 tonnes in 2007/2008.

### **Sri Lanka cocoa price hike may prompt imports**

Trading Markets (press release)

07 Jul 2010

COLOMBO, Jul 07, 2010 (AsiaPulse via COMTEX) -- Sri Lankan cocoa prices have shot up due to crop failure and heavy demand for cocoa beans might prompt the confectionary industry to resort to imports, a trade body said.

The Spices & Allied Products Producers and Traders Association (SAPPTA) said the price for a kilo of grade one cocoa beans shot up to 400 rupees. There is a high demand for cocoa beans locally, it said in a report.

This due to a marginal crop failure during the year. Due to limited availability of cocoa beans, the confectionary industry might import cocoa beans to meet their requirements.

The main cropping areas are in Malawana and Hapugastanne in the central hills.

Cocoa prices had been around 340-350 rupees per kilogram in late May and 305-330 rupees in mid-March and as low as 270-290 rupees per kg in early January and late December, according to SAPPTA market reports.

In early June last year prices had been around 250-270 rupees per kg of cocoa beans for the three main grades.

Sri Lanka's cocoa crop has been limited owing to neglect of plantations when prices had been low and the trade has been trying to encourage small farmers and plantations companies to expand cultivation. Cocoa production has been insufficient to warrant large scale export like in tea, coconut and other spices.

### **Cocoa Rises for First Time in Three Sessions on Supply Concerns**

BusinessWeek

By Elizabeth Campbell at [ecampbell14@bloomberg.net](mailto:ecampbell14@bloomberg.net)

July 07, 2010,

(Bloomberg) -- Cocoa futures climbed for the first time in three sessions in New York as rain slowed production in Ivory Coast, the world's largest producer. Coffee also rose.

The Ivory Coast's central-western Daloa region, the biggest cocoa-growing area, got 55.8 millimeters (2.2 inches) of rain from June 21 to June 30, up from 37 millimeters a year earlier, according to the National Meteorological Service. Futures have advanced 21 percent in the past 12 months.

Rain has "definitely slowed production and has impacted the beans a little bit" in the West African nation, said Phil Streible, a senior market strategist at Lind-Waldock, a broker in Chicago. "The entire process has slowed, which is going to apply upside pressure to prices."

Cocoa for September delivery rose \$14, or 0.5 percent, to \$2,981 a metric ton on ICE Futures U.S. in New York.

On London's Liffe exchange, cocoa futures for September delivery rose 9 pounds, or 0.4 percent, to 2,403 pounds (\$3,653) a metric ton.

Arabica-coffee futures for September delivery rose 5.4 cents, or 3.4 percent, to \$1.6305 a pound in New York. The price has climbed 20 percent this year.

In the week ended June 29, hedge-fund managers and other large speculators increased their net-long positions in coffee futures, or bets that prices will rise, to the highest level since March 2008. Through yesterday, inventories monitored by ICE have slumped 29 percent this year to the lowest level since August 2002.

Robusta-coffee futures for September delivery climbed \$19, or 1.2 percent, to \$1,669 a metric ton in London. The price has jumped 29 percent this year.

### **Market talk on TT cocoa**

Trinidad News

July 8 2010

Food Production Minister Vasant Bharath met with Biki Khurana, general manager of Rausch Plantagenkakao, at the Cocoa Research Unit, University of the West Indies, St Augustine to discuss the market potential of TT's fine cocoa.

Rausch Plantagenkakao is known as the largest producer of fine flavour chocolate in Europe. The meeting came in response to a request from Khurana, who saw the opportunity to access raw material (cocoa) from Trinidad and Tobago. "We are interested in backward integration as we go directly to the cocoa farmers in TT," said Khurana.

Also attending the meeting were Khurana's scientific expert, Dr Christina Rohsius; Pathmanathan Umaharan, UWI Professor of Genetics and Plant Breeding and Research Fellow, Dr Darin Sukha, who conversed extensively on the research needed to support the local cocoa industry.

Expressing confidence in the export capacity of TT fine cocoa, Bharath said, "As Minister of Food Production, my mandate is to utilise the agricultural resources of country and to provide sustainable and affordable food for the national population."

TT's cocoa has long been regarded as the finest in the world and has been used to sweeten cocoa produced, for example, in the Ivory Coast, the world's largest producer of cocoa, and Cameroon, among other places.

However, TT have been plagued with a scarcity of cocoa brought on in particular by the number of fires which occurred during the dry season. Speaking to Newsday in a telephone interview yesterday, Secretary of Cocoa Producers Alliance of Trinidad and Tobago, Karry Davis said the scarcity severely affects the cocoa industry.

"Cocoa is not a short term crop, it takes five years to bear. We are still recuperating from the lost experienced during this dry season, which requires intensive labour, that a lot of people are not into," she said.

Barely a month ago, past Minister of Agriculture, Arnold Piggott announced that the ministry had paid out some \$1 million in bonuses to 1,300 cocoa farmers in the country. The bonus payments were designed to stimulate an increase in the production of high quality cocoa.

### **Coffee falls as Brazil crop may avoid Frost Damage; Cocoa Drops**

BusinessWeek

By Elizabeth Campbell at [ecampbell14@bloomberg.net](mailto:ecampbell14@bloomberg.net)

July 08, 2010,

(Bloomberg) -- Arabica-coffee futures fell for the third time in four sessions after a weather forecaster said Brazil's crop, the world's largest, should be undamaged by frost this month. Cocoa also declined.

The prospect of freezing weather in the South American country sent coffee prices to a 12-year high in New York last month. The risk was lowered yesterday when Sao Paulo-based forecaster Somar Meteorologia predicted that Brazil's main producing area probably will be frost-free through July.

"There were a lot of jitters off of the fact that some cold weather moved into the area earlier than usual," said Tom Mikulski, a senior market strategist at Lind-Waldock, a broker in Chicago. "With no weather premium and the harvest moving along as scheduled, it's hard not to be a little bearish right now."

Arabica coffee for September delivery fell 0.95 cent, or 0.6 percent, to \$1.621 a pound on ICE Futures U.S. in New York. Prices have jumped 19 percent this year.

Global coffee output will probably be 133 million to 135 million bags in the year that begins Oct. 1, the International Coffee Organization said today in an e-mailed report from London. That's up at least 10 percent from the 120.6 million bags estimated for the current year.

#### Bigger Crops?

"There are indications that production levels are gradually increasing," Nestor Osorio, ICO's executive director, said in the report. "A return to normal production levels in a number of producing countries could contribute to the application of corrections as supplies of new crop arrive on the market."

Brazil's production may total about 50 million bags, the trade group said. A bag of coffee weighs 60 kilograms (132 pounds). "Once the harvest is done, you're going to see a large influx of coffee into the market," Mikulski said. "If production numbers hold up, I don't see any reason how this market could hang onto these levels."

Cocoa futures for September delivery fell \$12, or 0.4 percent, to \$2,969 a metric ton in New York. Prices have gained 17 percent in the past year.

### Processing & Manufacturing

#### **FACTBOX - Cocoa's path from pod to chocolate**

Reuters India

Tue Jul 6, 2010

REUTERS - A group of European cocoa industry participants have sent a letter to the NYSE Liffe exchange complaining about the extent of speculation on the London cocoa market. The following tracks the commodity's path from cocoa pod to chocolate product.

#### COCOA'S ORIGINS

Cocoa beans are the seed of the cacao or cocoa tree. About two-thirds of global cocoa production originates in West Africa, particularly Ivory Coast, Ghana, Nigeria, Togo and Cameroon. The most significant producer outside of that region is Indonesia.

#### COCOA DELIVERIES

Cocoa beans are dried in producing countries and then most are shipped to major consuming markets, particularly Europe and North America, where they are processed to make chocolate.

The Liffe contract is based on lots of 10 tonnes of cocoa beans in European warehouses with delivery areas including Amsterdam, Antwerp, Bremen and Rotterdam.

#### COCOA MARKET SIZE

Cocoa is a comparatively small market compared with many other commodities such as sugar and coffee. Global production is about 3.5 million tonnes, valuing annual production of the commodity at about \$10 billion, roughly one-tenth of the value of sugar output. The small size makes it difficult for the market to absorb significant inflows and outflows from massive global investment funds.

#### COCOA FUTURES EXCHANGES

There were two main exchanges where cocoa futures are traded, NYSE Liffe, which quotes prices in pounds per tonne, and ICE, which is dollar denominated. NYSE Liffe normally trades at a premium to ICE as the contract requires better quality cocoa to be tendered.

## COCOA'S DESTINATION

Cocoa beans are ultimately destined for processing with major players in this industry including ADM and Cargill. They produce cocoa butter, a yellow edible vegetable fat, and cocoa powder which are combined with other ingredients such as sugar and in many cases milk to make chocolate, which in turn is sold in many forms from Easter bunnies to warming winter drinks. (Compiled by Nigel Hunt; Editing by Alison Birrane)

### **Cameroon Aug-May cocoa grind down 30 pct**

Reuters Africa

Jul 8, 2010



YAOUNDE (Reuters) - Cameroon's sole cocoa grinding company, Sic-Cacaos, had processed 17,572 tonnes of beans between the start of the season in August and the end of May, down 30 percent from the same period a year ago, according to company statistics published on Thursday.

The company had ground 25,117 tonnes by the end of May last year. The cocoa season in Cameroon, the world's fifth-biggest supplier, runs from August 1 to July 31.

Sic-Cacaos is a subsidiary of Swiss firm Barry Callebaut, and supplies cocoa and chocolate products to mostly central African markets. The Douala-based company recently upgraded its factory with an eye towards grinding a total of 30,000 tonnes this season.

### **KNUST to process cocoa pod husk into animal feed**

Ghana News Agency

July 10, 2010



Kumasi, GNA - The Kwame Nkrumah University of Science and Technology (KNUST) has begun research into the possibility of using bio-technology techniques to upgrade the nutritional value of cocoa pod husk for use as animal feed.

Professor Kwasi Kwafo Adarkwa, the Vice-Chancellor, said this had become necessary because of the under-utilization of the huge volumes of the husk generated in the country.

The department of bio-chemistry and bio-technology of the university is undertaking the project with support from the Teaching and Learning Innovation Fund (TALIF). Various attempts to find an appropriate use for the by-product, especially its use as animal feed had been fruitless due to its high fibre content.

Professor Adarkwa made this known at the signing of a Memorandum of Understanding (MOU) between the GRATIS Foundation and KNUST to help develop, promote and disseminate marketable technologies and skills for the growth of industry. The Vice-Chancellor signed the five-year agreement for the University whilst Mr Emmanuel Asiedu, Chief Executive Officer of GRATIS, signed for the Foundation.

Professor Adarkwa said the research would explore the use of oyster and mushroom to ferment the husk for a period of time to increase the protein and soluble contents of the husk as well as decrease the fibre contents significantly. He said it was the first ever study on the improvement of cocoa pod husk through fermentation with an edible mushroom and called on stakeholders to support it to achieve its set objectives.

Under the MOU, GRATIS would support engineering students to produce machine parts and send them back to school for the award of marks which would be part of their continuous assessment. Mr Asiedu said he was confident that the collaboration would help the nation to achieve a breakthrough in science and technology.



## Business & Economy

### Clip consult with cocoa exporters

Solomon Star

05 July 2010



A consultative meeting between the cocoa exporters and Government Ministries, CBSI and CEMA was organized by the Cocoa Livelihood Improvement Project, a component of AusAID funded Agriculture Livelihood Program was held in Honiara last week. The main objective of the consultative meeting was two-fold.

Firstly, the meeting examined current roles and functions carried out by the Government ministries and agencies as well as cocoa exporters discuss their effectiveness and efficiency in promoting the development of the industry, and where appropriate suggest improved options.

Secondly, the meeting discussed accessing affordable credit by stakeholders at all levels of the cocoa industry.

Participants at the workshop.

Presentations were made by Ministry of Agriculture & Livestock, Ministry of Commerce, Industry, Labour and Immigration, CEMA highlighting the traditional roles and functions of the government agencies on developing such crop as cocoa.

These include setting policies, formulating development strategies and establishing development programs, research and quarantine services as well as subsidies, and grants and other support services such as training to assist farmers to develop cocoa in the country.

However, it was noted that these programs and services can only be implemented if government has adequate funds and human resources to support its agencies and farmers.

Often, this is not the case.

On the other hand, the cocoa exporters, in most cases have to support the farmers directly with tools, bags, subsidised freights and even working capital to purchase wet and dry beans, because unless they do these things in order to accumulate cocoa beans to meet their contract.

Exporters appears unable to access affordable credit to assist them sustain their trading services as well as provide the support services to the farmers at the same time.

Officers from CBSI informed the meeting about the Small Business Guarantee Scheme managed by the bank which is an option for cocoa exporters to access funds.

This scheme was established by the government with a \$10.0 million guarantee for small business to access through recommendations their commercial banks. Exporters feel that while it is a good scheme, it will need further review before it can be accessible by cocoa exporters.

CBSI Officers also presented the Credit Union and Savings Club models as possible options appropriate for cocoa growers at the rural areas where need for cash is at micro-level that cannot be serviced by the banks or other scheme.

The key objective of Credit Unions and Savings Clubs is to pool small resources regularly and provide assistance to members. Full recommendations of the meeting will be forwarded to the newly established National Cocoa Steering Committee for deliberation and presentation to the appropriate authorities. Representatives from AusAID, RDP and ALP also attended the meeting.

## Cocoa groups allege price distortion

Financial Times

By Jack Farchy

July 5 2010



Soaring prices for cocoa have sparked allegations of manipulation in the London market from a group of European processors and traders who are threatening to turn to alternative venues for their hedging needs.

In a letter sent to NYSE Liffe, the global derivatives business of NYSE Euronext, 16 cocoa companies and trade associations have complained that “a manipulation of the contract” was “bringing the London market into disrepute”.

### 89EDITOR’S CHOICE

Commodities lifted by Beijing currency move - Jun-23 Price jump shocks coffee speculators - Jun-13 Coffee growers warn of rise in narcotics crops - Jun-16 Report casts doubts on new commodity futures rules - Jun-17 Cocoa prices have risen 150 per cent since the start of 2008 as demand has outstripped supply year-after-year on the back of disappointing crops in Ivory Coast, the world’s largest producer.

The July Liffe cocoa contract, which expires next week, jumped almost 5 per cent to a peak of £2,625 a tonne on Thursday, its highest in nearly 33 years.

The letter, which was sent on Friday to NYSE Liffe as well as the Financial Services Authority, the UK financial regulator, pointed to the unusually large open interest in the July contract as evidence of manipulation of the market.

Andreas Christiansen, president of the German Cocoa Trade Association, a signatory of the letter, said: “The functionality of the market as a hedging instrument for commercials is heavily under water.”

None of the largest cocoa trading companies – such as Cargill and ADM of the US, Singapore’s Olam, Touton of France, as well as hedge fund Armajaro and Barry Callebaut, the world’s leading chocolate maker – signed the letter.

Traders said that many of the signatories were cocoa processors who produce cocoa butter and powder and hedge their exposure by taking out short positions in the futures market.

Since cocoa butter and powder are not deliverable against the contract, they are forced to “roll” their hedges each month by buying back their short positions. When later-dated contracts are cheaper than near-dated contracts – a situation known as “backwardation” – rolling the short positions incurs a loss. Liffe July cocoa is trading at a premium of £156 a tonne to the September contract. “The shorts are the ones complaining,” said one senior executive at a large cocoa trading house. “If they believe it is all just speculation, they can call the bluff and deliver at expiry physical cocoa and scare the speculators.”

In the letter, the cocoa companies threatened to “reconsider seriously” their hedging policy and move to use the Intercontinental-Exchange cocoa contract in New York unless NYSE Liffe introduced measures such as position limits. “This type of action would never have been allowed on ICE, where they have position limits,” the letter said.

However, traders pointed to recent rises in raw sugar and Arabica coffee on the ICE market as evidence that short squeezes could still occur when there were position limits in place. NYSE Liffe noted the letter’s concerns but said they could “potentially arise close to expiry in any commodity futures contract”.

## WEST AFRICA: New Cocoa Agreement is a Sweet One, Producers Say

Inter Press Service

By Isolda Agazzi

Jul 5, 2010

GENEVA, (IPS) - The new international cocoa agreement will provide a positive shake-up in the cocoa market and ensure better prices for stakeholders, including small farmers.

It also strengthens the participation of civil society and the private sector in the cocoa industry, according to Guy-Alain Emmanuel Gauze, Côte d'Ivoire's ambassador to the United Nations (UN) in Geneva and president of the UN cocoa conference.

The conference, which ended on Jun 25 in Geneva, negotiated an agreement which will replace the current one in 2012. The global export value of cocoa beans for 2009/2010 is estimated at some 10 billion dollars. Côte d'Ivoire is the main producer in the world -- 40 percent of total production -- with Ghana in second place.

Gauze regards the new agreement as "objective and balanced" as it strengthens the role of the International Cocoa Organisation (ICCO) and puts in place measures to achieve fair prices for the suppliers, including small farmers, transporters and exporters, and the consumers, including value-adders, importers, industrialists, negotiators and buyers.

ICCO is the organisation that administers and supervises the operation of the agreement.

Ghana expresses similar sentiments to Côte d'Ivoire about the new agreement: "I am happy and satisfied. I hope that member countries will ratify the treaty as soon as possible," says Anthony Nyame-Baafi, minister counsellor at the permanent mission of Ghana to the UN in Geneva. "The concerns of producing countries have been taken into consideration. The agreement contains an elaborate definition of the objectives of a sustainable cocoa economy and promotes development projects. And, very importantly, it enhances market transparency."

Gauze stresses that, "you cannot define a marketing strategy if the market is opaque. You need data on world production and consumption, stock variations, and trade in derivative products such as butter, powder and liqueur."

Therefore, countries have agreed to create an economic committee that will examine statistical data, consumption, production, stocks and everything else that contributes to price determination. Producing and consuming countries, nongovernmental organisations (NGOs) and the private sector will be represented on the committee. Gauze calls it "a huge novelty".

Cocoa has been one of the rare soft commodities, together with coffee, that has resisted the effects of the economic and financial crisis of 2008-2009. In 2009, prices increased between 30 and 60 percent on the London and New York markets.

"Financial markets have invested in agricultural commodities and prices have gone up," explains Gauze. "This happened partially because of the decline in supply from producing countries and the increase in demand in emerging economies."

Gauze regards the investment in commodities as "a good thing because it drives prices up. But extreme speculation is dangerous since it can bring prices down. We have to see how to react to extreme speculation, perhaps by regulating markets."

Côte d'Ivoire has put policies in place to ensure that price increases benefit small producers too.

"In Côte d'Ivoire, cocoa represents 35 percent of national exports. When prices are good, the country earns a lot of money, so small farmers must be compensated too. In all producing countries, governments are aware of that. Prices paid to small producers have been on the rise for the past four to five years," says Gauze.

Nyame-Baafi adds that, "this accord should ensure fairer prices for Ghana's producers because the importing countries have given the assurance that there will be transparency in data, from both private and public sources. Our farmers will have up-to-date information on consumption of cocoa and the use and prices of the main products." His hope is that this new development will boost the income of farmers and even contribute to the achievement of the millennium development goals.

Another significant advancement is that the new agreement forbids the use of alternative products, not only of cocoa butter, as the current one does, but also of all other derivatives -- liqueur and power -- and of cocoa bean.

Producing countries are particularly satisfied with this provision, continues Gauze, as it will boost production and increase prices. "On the international market, the price of cocoa butter is already three times higher than that of shea butter and four times that of palm oil."

The agreement strengthens the cooperation between member countries; NGOs; the private sector; funding agencies such as the Bretton Woods institutions; and development agencies such as the Common Fund for Commodities, an inter-governmental financial institution established within the framework of the UN.

Cocoa does not belong to governments alone any more, states Gauze. "All those who have expertise in sustainability are welcome as long as they make valuable contributions. Producing countries, by accepting the concept of sustainability and the proposal by consuming countries to include NGOs, have proven their political courage."

### **GCB Cocoa Singapore enters Indonesian Market; Plans Expansion**

Source: GCB Cocoa Singapore Pte Ltd

06/07/2010

Further to the Company's previous announcement the Board of Directors of the Company wishes to announce that its wholly-owned sub-subsidiary, GCB Cocoa Singapore Pte Ltd ("GCBCS") had made a capital contribution of USD Five Million Three Hundred Seventy Five Thousand (USD5,375,000) in cash to the capital of PT Asia Cocoa Indonesia ("ACI") in Batam, Indonesia representing 90% of the issued and paid up share capital of ACI ("Investment"). The Investment was financed through internally generated funds of the Company.

Upon completion of the Investment and grant of approval from the relevant government authorities on the Investment, ACI will be a 90% owned subsidiary of GCBCS. The Investment would mark the entry of the GCB Group into the Indonesian market and allow it to expand in this fast growing region

### **July 7, 1550: Europeans Discover Chocolate**

Wired News

By Hugh Hart

July 6, 2010



1550: Chocolate is introduced in Europe, and the Mexican drink creates a passion that endures after nearly half a millennium.

Europe came late to the joys of chocolate. Native to Mexico, Central and South America, cacao cultivation dates to at least 1250 B.C., according to archaeologists.

Mayans grew cacao trees in their backyards and used the seeds to brew ceremonial drinks. In the fifth

century, Aztecs consumed xocolatl (bitter water) flavored with vanilla and chili pepper. The highly valued bean served as currency in Aztec society. One turkey, for example, cost 100 cacao beans.

As far back as 1504, Christopher Columbus may have brought cacao beans to Spain from his fourth and final voyage to the Americas.

Hernan Cortes, the Spanish conquistador who subdued Mexico with luck and pluck (and guns, germs and steel), wrote in 1519 that chocolate is "the divine drink which builds up resistance and fights fatigue. A cup of this precious drink permits a man to walk for a whole day without food."

Cortes brought cacao beans and chocolate-brewing apparatus back to Spain when he returned in 1528. And Dominican friars who introduced native peoples to Spanish royalty in 1544 also gave chocolate to their majesties.

Yet for all this, the great onrush of the continental cocoa craze is often traced to July 7, 1550, and July 7 is even gaining currency as Chocolate Day. So who are we to argue? It's not brain surgery (though chocolate does have neural effects).

Whatever its original date of introduction in Spain, chocolate did not stay there. Spanish friars spread the gospel of Theobroma cacao throughout Europe as they traveled from monastery to monastery.

Hot chocolate became a hit with French royalty after cocoa enthusiast Marie Therese married Louis IV in 1660. At the Palace of Versailles, courtiers regarded the drink as an aphrodisiac.

London's first chocolate house opened in 1657. English cafe society believed the drink to be a cure-all medicine capable of treating tuberculosis. Initially flavored with coffee, wine and pepper, hot chocolate finally achieved liftoff in the early 1700s when English and Dutch impresarios hit on the idea of adding milk and sugar.

It was only a matter of time before mass-production technologies would transform bean-based treats from luxury to everyman staple. A century later, chocolate assumed solid form, courtesy of Fry and Sons.

The British confectioners figured out how to add sugar and cocoa butter to create a malleable paste that could then be packaged as "eating chocolate." The same standardized processes for extracting cocoa butter to manufacture hard, durable candy are still used today, essentially unchanged since the Industrial Revolution.

Unwittingly, chocolate lovers through the ages embraced a source of natural caffeine that's packed with flavonoid antioxidants (also found in tea, red wine and tomatoes) known for reducing the risk of cardiovascular disease.

Chocolate continues to fuel daily fits of chemical-based exhilaration for sweet-toothed consumers around the world.

#### **FACTBOX-Who's who in the cocoa market**

Reuters UK

Jul 7, 2010

(Reuters) - A group of mostly small to mid-sized European cocoa industry participants have sent a letter to the NYSE Liffe exchange (NYX.N) complaining about the extent of speculation on the London cocoa market and urging tighter regulation. The following details some of the major groups in the world cocoa market. None of them signed the letter to Liffe.

#### **PRODUCERS**

West Africa produces around two-thirds of the world's cocoa, mostly from small-holder farmers, with the highest concentration of production in Ivory Coast and Ghana. The Ivory Coast's Coffee and Cocoa Management Committee issues guideline prices and governs the sector in the world's largest producer. The Ghana Cocoa Board oversees the production, processing and marketing of cocoa in the world's no. 2 producer.

#### **EUROPEAN COCOA ASSOCIATION**

A trade association that represents the major companies involved in cocoa bean trade and processing, warehousing and related logistical activities in Europe. Western Europe's cocoa industry grinds close to a third of world cocoa production into products including butter, liquor and powder.

#### **ARMAJARO**

London-based global commodities and financial services group Armajaro's sourcing operation is one of Europe's top three cocoa traders by volumes. The asset management part of business includes five hedge funds: the Armajaro Commodities Fund, CC+ Fund, CZAR+, Armajaro STS Commodities Fund and the Armajaro Emerging Markets Fund.

#### **CARGILL**

U.S. company Cargill [CARG.UL] is one of the world's largest traders of agricultural commodities. The company's European cocoa operations, Gerkens Cacao, are based in the Netherlands and its activities include sourcing and processing cocoa beans. Black River Asset Management LLC, an independently managed subsidiary of Cargill, manages third-party capital via products including hedge funds.



DELFI COCOA A division of cocoa ingredient manufacturer Petra Foods Limited (PEFO.SI), which supplies cocoa ingredients to the chocolate industry in the Asia Pacific region.

OLAM INTERNATIONAL (OLAM.SI) Singapore-based global supply chain manager and processor of agricultural products and food ingredients. Olam is involved in all stages of the cocoa supply chain, which includes sourcing, processing, exporting, shipping and logistics, importing and distribution. The company also has a financial services business which includes a commodity fund.

TOUTON French company trading in agricultural commodities.

ADM (ADM.N) U.S.-based Archer Daniels Midland Co is one of the world's largest producers of food ingredients. It grinds around 15 percent of the world's cocoa crop, making chocolates, cocoa liquor, cocoa butter and powder for chocolate manufacturers.

BARRY CALLEBAUT (BARN.S)

Switzerland-based Barry Callebaut, the world's largest chocolate maker, produces chocolate for groups including Nestle (NESN.VX) and Hershey (HSY.N).

KRAFT (KFT.N)

U.S.-based Kraft Foods (KFT.N) recently acquired UK chocolate-maker Cadbury, making it the world's largest confectionary group.

#### **European chocolatiers shower praise on Peru cocoa**

Reuters UK

By Emily Schmall

Jul 9, 2010



Peruvian cocoa, during a chocolate convention in Lima July 9, 2010.

LIMA (Reuters) - European buyers say cocoa producers in Peru could successfully follow in the footsteps of the country's coffee growers, who have turned the Andean country into the world's largest exporter of organic coffee beans.

It is already the world's second-largest producer of organic cocoa, yet so far Peru's exports have lagged behind leading countries such as the Ivory Coast, Indonesia and Brazil.

Peru wants to do for its cocoa what Colombia did for coffee with its globally-recognized image of Juan Valdez. Peru can't compete on quantity but hopes to compete in specialty markets with a distinctive brand of its own. "Like wine in France, beer in Germany and tequila in Mexico, Peru should be known for its cocoa," said Astrid Gutsche, a pastry chef and spouse of Gaston Acurio, one of the country's top chefs, with restaurants from California to Argentina.

In Peru, growers hope to carve out a niche with high-quality dark chocolate candy bars, chocolate sushi and elaborate sculptures crafted out of the sweet stuff to put in shop windows. "In terms of modeling, cocoa is virgin territory," said Marines Justiniano, a pastry chef who led an eight-person crew to build a replica of Machu Picchu, the ancient Inca city, out of 250 lbs of Peruvian cocoa.

With just 30,000 cocoa-growing families, Peru's output is dwarfed by West Africa, which produces two-thirds of global supply. "We are on the path to recognition of a national chocolate," Victor Manuel Noriega, a director in Peru's agriculture ministry, said at a cocoa convention on Friday in Lima that group together exporters, European confectioners and chocolate somelliers.

Buyers for high-end cocoa brands are eating it up.



The world's largest chocolate maker, Zurich-based Barry Callebaut, offers a line of chocolate dense with cocoa from Peru's Alto El Sol Plantation. It is said to be the chocolate of choice for French President Nicolas Sarkozy. "He's not the only one eating Peruvian chocolate. It's truly the year of Peru," said Stephane Bonnat, the director of commercial relations for Bonnat chocolates of France and the descendant of a long line of chocolatiers.

#### UNDISCOVERED VARIETIES

The genetic diversity of Peruvian cocoa has protected crops from pests and disease that have hindered production in neighboring Ecuador and Brazil, according to a 2006 Annals of Botany report.

Numerous varieties also entice those in constant search for exotic new flavor profiles. "There are types of cocoa plants in Peru whose flavor is not yet known. I feel like Christopher Columbus discovering a new world," said Valentine Tibere, an ambassador from the Salon du Chocolat, a Paris-based trade group.

In October, the Salon gave the Tocache Agroindustrial Cooperative in the San Martin region of Peru its annual award for the most aromatic cocoa bean.

Cocoa and coffee in Peru is often grown alongside or near patches of coca, a leaf traditionally used as a mild stimulant but now mostly used as the raw ingredient for cocaine.

While coca plantations are expanding in Peru -- the country recently surpassed Colombia to become the world's largest producer -- the government has also had some success persuading farmers to plant alternative crops and halt planting of the illegal crop.

While some farmers have been reluctant to give up lucrative coca planting, some are finding alternative crops can bring in healthy amounts of cash.

Edgar Isla Sanchez is seeking organic certification for his 1,000-member cocoa cooperative, believing it will boost members' incomes by as much as 60 percent. "It's an opportunity to improve the farmers' lives," he said.

#### Labour Issues

#### Environmental Issue

#### Research & Development

#### Promotion & Consumption

#### Others

#### **Ivorian cocoa farmers' to be trained on quality**

Reuters Africa

By Loucoumane Coulibaly

Jul 6, 2010



ABIDJAN (Reuters) - Ivory Coast's cocoa farmers' association will start training thousands of farmers and buyers in the coming months on how to fight disease and boost quality.

"For us the most important thing is to improve on quality," Bonzou Boa, deputy head of the Ivory Coast farmers' association Anaproci said on Tuesday, adding it aimed to start the training sessions next month or at least before the new cocoa season in October.

"We are going to start touring the country to show farmers what they can gain by growing top quality cocoa," Boa told Reuters in an interview.

Ivory Coast, the world's leading producer of cocoa, supplying some 40 percent of the global market, has fallen on hard times since a 2002-3 civil war divided it in two.

Cocoa deliveries have continued throughout the ensuing political crisis, but instability has deterred investment in a sector that is now well in decline.

Ivorian fields are estimated to yield barely 450 kg of cocoa per hectare compared to one tonne in neighbouring Ghana and two tonnes in Indonesia and Brazil.

Boa said the association would start setting up wholesale outlets throughout the country and encourage farmers to sell their produce through them, where they can gain a better price, rather than directly to exporters against whom they have weak negotiating positions.

Many ditch cocoa for rubber due to unstable prices.

"We want the exporters to stay in Abidjan and buy through the association, rather than going to the field to spur harmful competition between cooperatives," he said.

#### COCOA IN DECLINE

Little has been done to tackle structural problems like ageing trees, lack of fertiliser and pesticides, and poor drying and fermenting practices that hurt quality in a country better known for high volumes that are also falling.

Plans for cocoa reform have stalled alongside elections delayed repeatedly since 2005, although some officials think President Laurent Gbagbo might soon enact them by decree.

The association has trained farmers before, but never in the systematic, nationwide scheme being proposed. "We're going to educate cooperatives to improve their farming practices in on-the-ground training," Boa said.

Boa said the often poor quality of Ivorian cocoa is largely due to aggressive buying by competing merchants who pay for cocoa that has not been properly dried. "Farmers always need of money, so they sell," he said. "But they will understand better quality means more money."

Last season's total output of 1.22 million tonnes was the worst in five years. Good rains this season are likely to boost this season beyond that figure, exporters say.

But the rains have also brought black pod and swollen shoot disease for which farmers are ill prepared. "To fight black pod, we're distributing pesticides next May, so farmers treat them before the rains come," said Boa.

Swollen shoot, which being viral cannot be treated, would be tackled by destroying cocoa trees before they can infect others -- and paying the affected farmers to replant