

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



Issue No. 400

9th – 13th August 2010

Cocoa Producers' Alliance



UP-COMING EVENTS

- 73rd General Assembly and Council of Ministers Meetings, 20th – 24th September, Kuala Lumpur, Malaysia.

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

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ICCO Daily Cocoa Prices

	ICCO daily price (SDR/tonne)	ICCO daily price (\$US/tonne)	London futures (£/tonne)	New York futures (\$US/tonne)
9-Aug-10	2,097.47	3,219.21	2,135.33	3,038.33
10-Aug-10	2,033.70	3,106.56	2,075.33	2,943.33
11-Aug-10	2,006.46	3,056.38	2,058.00	2,887.67
12-Aug-10	2,024.83	3,066.01	2,079.33	2,897.00
13-Aug-10	2,013.36	3,044.33	2,064.67	2,875.00
Average	2,035.16	3,098.50	2,082.53	2,928.27

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

Monday 9-Aug 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep-10	2175	2185	-8	2193	2148S	5,331
Dec-10	2102	2111	5	2120	2080	5,013
Mar 11	2099	2110	20	2116S	2076S	1,436
May 11	2105	2120	15	2129S	2090S	659
Jul 11	2109	2125	15	2130	2093S	210
Sep 11	2120	2133	13	2120	2104S	24
Dec 11	2120	2135	15	2120	2120	42
Mar 12	2108	2125	10	2108S	2108S	130
May 12		2125	10			0
Jul 12		2129	10			0
Totals		2130				12,845

Tuesday 10-Aug 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2170	2123	-62	2170	2115	4,366
Dec-10	2096	2051	-60	2101S	2047	6,850
Mar 11	2096	2052	-58	2096	2047S	7,983
May 11	2100	2066	-54	2100	2062	1,024
Jul 11	2100	2074	-51	2107	2064S	132
Sep 11	2115	2084	-49	2120	2073S	393
Dec 11	2120	2086	-49	2120	2089	202
Mar 12		2077	-48			0
May 12		2077	-48			0
Jul 12		2081	-48			0
Totals		2077				20,950

Wednesday 11-Aug 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2123	2106	-17	2132	2100	3,416
Dec-10	2055	2029	-22	2060	2019	4,286
Mar 11	2061	2039	-13	2062S	2030	3,172
May 11	2075	2052	-14	2077S	2044S	1,301
Jul 11	2078	2057	-17	2081S	2050	527
Sep 11	2088	2060	-24	2093	2050	370
Dec 11	2090	2066	-20	2103	2070	636
Mar 12		2057	-20			0
May 12		2057	-20			0
Jul 12		2061	-20			0
Totals		2058				13,708

Thursday 12-Aug 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2103	2127	21	2142	2093	2,773
Dec-10	2022	2050	21	2073	2020	5,052
Mar 11	2039	2061	22	2081	2030	1,811
May 11	2075	2075	23	2090S	2062	780
Jul 11	2053	2082	25	2097	2047S	740
Sep 11	2060	2088	28	2101	2054S	548
Dec 11	2073	2089	23	2083	2073	48
Mar 12		2080	23			0
May 12		2080	23			0
Jul 12		2084	23			0
Totals		2082				11,752

Friday 13-Aug 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2120	2109	-18	2128	2109	1,947
Dec-10	2044	2035	-15	2056	2034	3,296
Mar 11	2056	2050	-11	2066	2048	1,393
May 11	2069	2065	-10	2074	2064	494
Jul 11	2077	2074	-8	2083S	2075	256
Sep 11	2091	2080	-8	2091	2090	88
Dec 11	2088	2082	-7	2092	2087S	237
Mar 12		2071	-9			0
May 12		2071	-9			0
Jul 12		2075	-9			0
Totals		2071				7,711

Average for the week		2,084				13,393
Total for the week						66,966

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

Monday 9-Aug 2010

Month	Open	Price	Change	High	Low	Volume
10-Sep	3000	3012	6	3029	2958	10,614
10-Dec	3048	3039	4	3054	2988	9,024
11-Mar	3031	3067	5	3080	3016	1,487
11-May	3047	3082	4	3085	3047	93
11-Jul	3068	3098	5	3103	3066	108
11-Sep	3072	3110	4	3086	3072	13
11-Dec	3093	3125	4	3097	3086	88
12-Mar	0	3194	12	0	0	51
12-May	0	3200	12	0	0	0
12-Jul	0	3200	12	0	0	0
Totals		3113				21,478

Tuesday 10-Aug 2010

Month	Open	Price	Change	High	Low	Volume
10-Sep	2988	2906	-106	2989	2880	15,506
10-Dec	3014	2930	-109	3014	2907	18,678
11-Mar	3024	2958	-109	3024	2933	1,796
11-May	3013	2977	-105	3020	2956	164
11-Jul	3005	2994	-104	3015	2973	113
11-Sep	0	3006	-104	0	0	12
11-Dec	3058	3025	-100	3058	2998	257
12-Mar	3130	3098	-96	3155	3098	431
12-May	3130	3105	-95	3163	3110	76
12-Jul	0	3105	-95	0	0	0
Totals		3010				37,033

Wednesday 11-Aug 2010

Month	Open	Price	Change	High	Low	Volume
10-Sep	2906	2854	-52	2934	2836	12,547
10-Dec	2936	2881	-49	2958	2863	17,671
11-Mar	2965	2908	-50	2988	2890	2,534
11-May	2970	2929	-48	3002	2914	511
11-Jul	2988	2948	-46	2988	2947	473
11-Sep	2997	2959	-47	2997	2947	170
11-Dec	2975	2973	-52	2975	2960	55
12-Mar	0	3050	-48	0	0	2
12-May	0	3056	-49	0	0	0
12-Jul	0	3064	-41	0	0	0
Totals		2962				33,963

Thursday 12-Aug 2009

Month	Open	Price	Change	High	Low	Volume
10-Sep	2861	2876	22	2899	2838	9,433
10-Dec	2865	2904	23	2925	2864	13,088
11-Mar	2900	2926	18	2951	2895	2,213
11-May	2923	2948	19	2961	2923	415
11-Jul	2944	2967	19	2991	2944	265
11-Sep	2971	2978	19	2989	2955	98
11-Dec	2984	2991	18	2984	2984	41
12-Mar	0	3068	18	0	0	0
12-May	0	3074	18	0	0	0
12-Jul	0	3080	16	0	0	0
Totals		2981				25,553

Friday 13-Aug 2009

Month	Open	Price	Change	High	Low	Volume
10-Sep	2877	2854	-22	2879	2842	3,218
10-Dec	2900	2885	-19	2910	2872	6,808
11-Mar	2917	2912	-14	2938	2902	1,590
11-May	2940	2935	-13	2956	2927	498
11-Jul	2968	2952	-15	2969	2943	150
11-Sep	2967	2965	-13	2967	2953	64
11-Dec	2979	2979	-12	2979	2970	73
12-Mar	0	3056	-12	0	0	0
12-May	0	3062	-12	0	0	0
12-Jul	0	3068	-12	0	0	0
Totals		2967				12,401

Average for the week		3,007				26,086
Total for the week						156,514

Health and Nutrition

The Effects of Chocolate on Moods

By Darlene Oakley

EmpowHer (blog) - Darlene Oakley -



When was the last time you said, "I need my chocolate fix?" There are probably women out there who haven't done this, who haven't turned to a piece of chocolate, a Mars bar, or a bowl of triple fudge brownie ice cream in a time of distress or heartbreak; but, I would dare say many of us have succumbed to the craving.

But does this dose of chocolate do what we believe it does?

The Benefits of Chocolate Theory

There are many theories or guesses about the benefits of chocolate. For example, "Aztecs and Mayans believed chocolate passed on knowledge and power..." (www.cbc.ca). Today's society has caught us up in the perception that chocolate improves our moods, increases the pleasure of sex, and helps our skin look younger and our brains function better.

Science has yet to really find any significant connections between chocolate consumption and any prolonged positive effects.

What's in the Chocolate?

"Chocolate is made up of about 300 chemicals...such as caffeine, theobromine, and phenylethylamine" (www.cbc.ca). Caffeine boosts energy. Theobromine stimulates the heart and nervous system. Phenylethylamine acts like an amphetamine and simulates the feeling of being in love. A study conducted by the University of Michigan found that chocolate "causes the brain to release b-endorphin, a naturally occurring chemical similar to opium. The opiates dull pain and increase a feeling of well-being" (www.cbc.ca).

However, for these chemicals to have such a significant effect on the body, they have to be taken in much higher quantities than are present in chocolate. To get the same caffeine boost as from a cup of coffee, you would have to eat more than 12 chocolate bars. It would take about 25 pounds of chocolate to feel the b-endorphin buzz.

One study in Australia, while determining that depressed women craved chocolate more than depressed men, also showed that people who suffered from atypical depression (more prone to over-eating and over-sleeping when under stress) claimed that eating chocolate

Chocolate, wine can be good for you

Dr Anjali Mukerjee, Hindustan Times

Mumbai, August 14, 2010



Chocolate and wine have been around for many years, but besides being mood lifters, their consumption also has great benefits on general health.

Flavanoids are good

Flavanoids — the free-radical fighting polyphenols — help neutralise the effect of free radicals in the body. Free radicals break down the defences of healthy cells and accelerate the process of ageing. They are also responsible for degenerative diseases like Alzheimer's, Parkinson's and cancer. Red wine contains anthocyanidins, of which resveratrol is the most popular. Theobromine is a flavanoid unique to cocoa. Since their mode of action is similar, health benefits of consuming red wine and dark chocolate overlap.

Health benefits

Polyphenols from red wine have anti-hypertensive (reducing blood pressure), anti-atherogenic (inhibiting plaque formation on blood vessels) and vasoprotective (protecting blood vessel) benefits. Resveratrol from red wine relaxes the coronary arteries and prevents plaque build-up. It helps boost immunity, protects the brain from damage and also helps inhibit cancer development. Some studies show that resveratrol may even help you lose weight by reducing insulin level, prevent the onset of Type 2 diabetes and reduce chances of developing prostate cancer. Resveratrol is found in green vegetables, the skin of peanuts and in citrus fruits, but it is most abundant in red grapes and good quality red wine.

Chocolate is very rich in two anti-ageing antioxidant flavanoids called gallic acid and epicatechin. In fact, dark chocolate contains flavanoids twice the amount in red wine and four times that in green tea. However, all these benefits exist in dark chocolate. It contains twice the amount of flavanoids as milk chocolate. Dark chocolate is rich in copper and helps ward off CVD and lower blood pressure. Chocolate has few compounds which act as mood enhancers like serotonin.

However, excessive consumption of red wine can lead to ill-effects associated with alcohol dependence. Also, stick to dark chocolate instead of milk chocolate. Choose a brand that has at least 70 per cent or more cocoa and is low in fat. Make sure you eat dark chocolate in moderation as part of a healthy diet. Use it as a special treat and not as a daily ritual. Limit your red wine to one glass (76 calories in 100 ml) every other day.

Dr Anjali Mukerjee is a nutritionist and founder of Health Total, a nutrition counselling centre.

Production & Quality

Cameroon cocoa harvest similar to last year's: CCIB

Tue Aug 10, 2010

YAOUNDE (Reuters) - Cameroon's 2009-10 cocoa harvest yielded volumes similar to last year's, though falling short of initial forecasts for an increase, a top industry official in the No. 5 grower told Reuters on Tuesday. The central African state is due to release official statistics some time next week for its 2009-10 season, which ended in July. It produced about 205,000 tonnes in the 2008-09 season. "From the way things look, I think production for the 2009-10 season will either be the same as the previous season or there will be a slight drop," said Apollinaire Ngwe, president of the Coffee and Cocoa Interprofessional Board. He declined to give a figure, saying officials were still compiling statistics ahead of the release.

Cameroon's agricultural marketing body, the National Cocoa and Coffee Board, forecast in March that the 2009-10 crop would hit a record over last season's output. The most recent official figures showed Cameroon's cocoa exports down about 4 percent by the end of June versus the same period of the previous season.

New cocoa extension to increase farmers' income

by Kofi Adu Domfeh

Accra Daily Mail - Aug 12, 2010

The Ghana Cocoa Board (COCOBOD) is implementing a new private-public partnership in cocoa extension, which emphasizes easy access to information on cocoa management to improve productivity. The pre-harvest sector of Ghana's cocoa industry is said to be under threat because of low productivity levels, low return on farmer investments, old age of farmers, as well as problems of pests and diseases.

Farmers' inability to access concessional credit and smuggling are also major setbacks. These have impacted negatively on the standard of living of many cocoa farmers most of whom have small holdings.

The new extension, placed under the Cocoa Swollen Shoot Virus Disease Control Unit of COCOBOD, seeks to eliminate the problem of information gap between research and farmers.

Executive Director of the Unit, Rev. K. Abaka-Ewusi, says implementation of recent innovations and interventions, including the cocoa rehabilitation scheme, will translate into increased farmers' income and motivate the youth to establish cocoa farms. He was addressing the 16th Annual Delegates Conference of Kuapa Kooko in Kumasi. The theme was "the New Extension Systems for Cocoa Farmers in Ghana – a solution to cocoa sustainability?"

Rev. Abaka-Ewusi said Licensed Buying Companies are expected to “train their agents on the new extension programme to enable them deliver accurate and appropriate information to farmers to ensure sustainable cocoa economy in Ghana”.

Kuapa Kokoo Limited is one of the leading partners in the new extension. Executive Director of Kuapa Kokoo Framers Union, Emmanuel Arthur says the new extension will help farmers to get maximum yield from their trees. Meanwhile, managers of Divine Chocolate UK, which is 45 percent owned by Kuapa Kooko farmers, say the company's fortunes were affected by last year's global financial crisis.

Managing Director of Divine, Sophi Tranchell however acknowledged the operations of the democratic farmers' cooperative have endeared consumers to patronize the guaranteed fair trade price of divine chocolate. She believes farmers' livelihood will improve when chocolate producing firms purchase their cocoa on fair trade terms.

Kuapa Kooko farmers received almost 470 thousand Ghana cedis as Fairtrade bonus for the 2009-2010 main season. For the first time, Kuapa Kokoo farmers will be paid a bonus of one Ghana Cedi per a sack of 4kg apart from the farmers bonus paid by the government to cocoa farmers.

Cocoa Arrivals Drop 11% in Bahia as Merchants May Be Holding Back Supplies

Bloomberg - Luzi Ann Javier - Aug 11, 2010

Cocoa arrivals from Bahia, the biggest producing region in Brazil, fell 11 percent from a week earlier as merchants may have withheld supplies on speculation that prices may rise, analyst Thomas Hartmann said.

Arrivals declined to 54,771 bags in the week ended Aug. 8, the Salvador-based analyst said in a report e-mailed today. That compares with 61,326 bags reported for the week ended Aug. 1. Total arrivals in Brazil dropped to 82,726 bags from 85,693 bags a week earlier. A bag weighs 60 kilograms.

Cocoa for December delivery lost as much as 4.3 percent to \$2,907 a metric ton in New York yesterday, before closing at \$2,930. The contract dropped 6 percent this month.

Arrivals from Bahia may have declined because of “the withholding of cocoa by small merchants on expectation of higher prices,” Hartmann said. “The latest price developments are likely to bring these quantities out to the market within the next few weeks.”

Ivorian cocoa farmers battle disease at season end

Fri Aug 13, 2010

By Tim Cocks and Ange Aboa

PONT NERO Ivory Coast (Reuters) - Sheltered from the tropical rain by a dense cocoa forest, three Ivorian farmers sit by a pile of cocoa pods and slice them open. More than half of them are rotting with black fungus.

Tipping the beans from the yellow, healthy pods into one bag and those from the disease-ridden ones into another, they lament that heavy rain this year has spread the rot. "See all those black pods?" said Kouman N'Guttia, holding up a shrivelled specimen and cutting it open to reveal an inside so decayed he had to throw it out. "When they're like this, we lose out. We wonder why, despite our careful husbandry, we still got black pod," the farmer told Reuters in the west's coastal area of Sassandra.

Farmers in the west of Ivory Coast, the world's top cocoa growing nation, have battled black pod fungus for weeks after heavy rains brought the damp conditions in which it thrives.

Exceptional rain has largely boosted Ivory Coast's 2009/10 harvest and enabled arrivals to ports this season to almost keep par with last year's level, despite long-term structural decline due to ageing trees. But it has also brought sickness such as black pod and the viral swollen shoot disease, hurting quality and in some cases rendering the beans unsellable. Farmers have also found it tough to dry their beans properly in wet weather.

Farms visited by Reuters all had trees with black pods growing alongside healthy ripe yellow or unripe green ones.

"PESTS WORSE"

In villages near Ivory Coast's cocoa trading port of San Pedro, which rivals the main commercial city Abidjan as the world's top raw cocoa export point, farmers grumble about lack of government support to rid their crops of pests. "We just don't know what to do about it. We need an engineer to find a solution ... the pests are worse than before," said N'Gutia, pausing to eat steamed yams off a banana leaf and sip palm wine from a hollowed out pod.

The markets are watching the end of the 2009/10 Ivorian cocoa crop, which gives way to the new season in October, to see whether it can exceed last season's 1.22 million tonnes. Exporters say it is unlikely to top 1.2 million.

Destruction of yields by pests and disease may tip the balance. As cocoa planters panic about pests, Deki Adama Ouattara's shop for agricultural inputs flourishes. "Since March, we've sold a lot of treatments for black pod," he said from a kiosk selling pesticides and fertilisers.

Poor farming practices are to blame for the worsening disease, said cooperative manager Christian Kre. Farmers are not spacing their cocoa trees enough or cutting off branches to let in sunlight and lower the humidity, plus trees are too old. Government plans to reform the cocoa sector have been held up by a political crisis, which only long-delayed elections, currently scheduled for October 31, can resolve.

Ivory Coast has some of the lowest yields of any growing country, less than 500 kg per hectare against 2 tonnes in Indonesia and 1.5 tonnes in Ghana. Rainforests are destroyed as farmers clear ever more forest just to keep output stable. "We destroyed 2 million hectares of forest in just over two decades for nothing," Kre said. In that time cultivated area has expanded fivefold, he said, but output has grown by only 50 percent.

The Market

ICE US Review: Cocoa weakens on strength of US dollar

AgraNet

Tuesday August 10 2010

COCOA was weak on Tuesday, as firmness in the US dollar brought futures down to an eleven and a half week low. Traders were fleeing for the safety of the US greenback, as reports out of China said that domestic consumption was slowing, as well as on concerns about a slowdown in US economic productivity, analysts said.

Cocoa goes lower as signs supply pressure may ease

By Jane Byrne , 10-Aug-2010

ConfectioneryNews.com

Cocoa fell to a three month low in London on signs that supplies in the world's biggest producer countries would be boosted by the better crop husbandry initiated over the past three years. Industry insiders also report that speculation about the potential for the upcoming harvest in the Ivory Coast saw New York cocoa futures for December delivery drop to a two week low.

Speaking to ConfectioneryNews.com last month, Laurent Pipitone, senior statistician at the International Cocoa Organisation (ICCO), said that the next crop output from top cocoa producer, the Ivory Coast, would most likely alleviate recent supply pressures. "All signs are that Ivory Coast cocoa supplies will recover from this season's deficit situation, and while a clearer picture on this will only be available in January 2011, a surplus is expected," he said.

In fact, ICCO director Jan Vingerhoets also predicted last month that cocoa production in the Ivory Coast would rise to 1.3 million metric tonnes in the year through September 2011 as higher prices have prompted growers to invest in their farms.

And Bloomberg reports that Ghana's 2010-2011 cocoa harvest may be between 700,000 and 750,000 metric tonnes of beans as farmers increase use of fertilizer and disease-preventing crop spray.

The Ghana Cocoa Board, which oversees the sector, is making insecticide and fungicide available to farmers and trying to speed up the rate at which it provides them with spraying machines, notes the article. Meanwhile, Ghana's drive to boost cocoa production to 1m tonnes by 2012, is being frustrated by smugglers, warned the Board last week. Up to 60 per cent of cocoa produced in the country's Western Region was smuggled out of the

country, said Abeka Ewusi, executive director of the Cocoa Swollen Shoot Virus Disease Control Unit (CSSVDCU) of the Ghana Cocoa Board.

Large quantities were smuggled into Ivory Coast rather than being sold to the Ghana Cocoa Board, Ewusi told local news agency Ghana Web. Attracted by large price differentials elsewhere, farmers have been warned that smuggled cocoa enriches the economy of only the destination countries.

Price increases cause Brazil to hold back cocoa supplies

AgraNet - Aug 11, 2010

BRAZIL's biggest cocoa producing region, Bahia, has witnessed a fall in cocoa arrivals by 11%, compared to the previous week. It is believed that merchants may be holding back supplies on speculation that prices may rise. Cocoa for December delivery lost 4.3% to USDD2 907 a tonne in New York on 10 August, before closing at USD2 930. The contract dropped 6% this month.

Sugar Falls as India May Export Supplies; Cocoa Declines; Coffee Rises

Bloomberg - Claudia Carpenter, Debarati Roy - Aug 11, 2010

Sugar futures declined on speculation that India, the largest user, may allow exports of about 590,000 metric tons stuck at ports for nine months. Cocoa also fell, while coffee gained.

India may produce 25.5 million tons in the season starting Oct. 1, up 57 percent from 18.8 million tons this year, after higher prices encouraged growers to plant more cane, according to the nation's sugar-mill association. Imports may total 5.3 million tons this season after a drought in 2009 ravaged crops, the association said. "This news from India has depressed the market," said Bruno Lima, a risk-management consultant at FCStone Group in Campinas, Brazil.

Raw sugar for October delivery declined 0.3 cent, or 1.6 percent, to close at 18.26 cents a pound at 2 p.m. on ICE Futures U.S. in New York. Prices have tumbled 32 percent this year. Refined-sugar futures for October delivery fell \$2.10, or 0.4 percent, to \$532.60 a ton on the Liffe exchange in London.

India may resell sugar from ports in Gujarat, a western state, where it has been stranded since last year because of a shortage of railroad cars, said two government officials. India last sold sugar in the 2008-2009 season.

Cocoa futures for September delivery fell \$49, or 1.7 percent, to close at \$2,881 a ton in New York at 12 p.m., dropping for the second straight session, on prospects of rising supplies from Ghana, the world's largest grower after the Ivory Coast. Ghana's harvest may be 23 percent larger in the year that begins Oct. 1 than the year before, according to government estimates this week. "Crop prospects in Ghana are good, as they are in the Ivory Coast," said Andreas Christiansen, the managing director of Hamburg Cocoa and Commodity Office GmbH, a brokerage and cocoa supplier in the German city. "To make a definite statement, one has to see one more month."

Cocoa futures for September delivery fell 17 pounds, or 0.8 percent, to 2,106 pounds (\$3,297) a ton on Liffe exchange in London. Earlier, the price dropped to 2,101 pounds, the lowest level since April 13. The five-day decline is the longest since April 9.

In New York, arabica-coffee futures for September delivery gained 1.05 cents, or 0.6 percent, to close at \$1.7235 a pound at 2 p.m. On Liffe, robusta-coffee futures for September delivery rose \$2, or 0.1 percent, to \$1,734 a ton.

Coffee Rises as Rains May Hamper Colombian Output; Cocoa Gains

By Yi Tian

Aug. 12 (Bloomberg) -- Coffee prices jumped the most in two weeks on speculation that excess rainfall may hurt output in Colombia, the world's second-largest arabica-bean producer, tightening global supplies. Cocoa also gained.

Persistent wet weather in Colombia may hamper a recovery from last year's 33-year production low by depriving plants of sunlight, Jorge Lozano, the head of the National Association of Coffee Exporters, said on Aug. 4. Inventories of arabica coffee in warehouses monitored by ICE Futures U.S. have dropped to the lowest level since May 2000. "Ideas of tight supplies for mild, washed arabica and the possibility of another poor

production year for Colombia and Central America still provide the reasons to buy,” Jack Scoville, a vice president at Price Futures Group Inc. in Chicago, said today in a report.

Arabica coffee for December delivery rose 5.25 cents, or 3 percent, to \$1.776 a pound at 10:33 a.m. on ICE Futures in New York. A close at that price would mark the biggest gain for a most-active contract since July 29. Before today, the commodity climbed 27 percent this year and reached \$1.815 on Aug. 2, the highest level since Feb. 6, 1998. On the Liffe exchange in London, robusta-coffee futures for November delivery gained \$29, or 1.7 percent, to at \$1,763 a metric ton.

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

Cocoa futures for December delivery climbed \$26, or 0.9 percent, to \$2,907 a ton in New York. In London, cocoa futures for September delivery added 14 pounds to 2,120 pounds (\$3,304) a ton in London.

ICE US Review: Cocoa rebounds from 3-month low

AgraNet - Aug 12, 2010

AFTER falling to 3-month lows on Wednesday, ICE cocoa futures rose on Thursday, as traders felt prices had declined enough and began buying, market watchers said. Analysts said cocoa was the beneficiary of widespread speculative buying Thursday in the softs markets as the US dollar stabilized after surging earlier in the week because of economic concerns.

Supply worries keep cocoa prices rising

By Mike Stones, 14-Jun-2010

ConfectioneryNews.com

As demand continues to outstrip supply, the world price of cocoa was more than 12 per cent higher at the end of last week compared with a year ago, according to the International Cocoa Organization (ICCO).

The ICCO daily prices for cocoa beans reached US\$3196 per tonne on Friday June 11, up 12.3 per cent on the price a year ago. The value is calculated from the average price of the quotations of the nearest active futures trading months on NYSE Liffe (London) and ICE futures US (New York) markets.

An ICCO spokesman told ConfectioneryNews.com: “Cocoa prices have been following an upward trend since about October 2006 due to cocoa supply deficits. Some chocolate companies have modified their recipes, including less cocoa, and/or reduced the size of the portions and/or increase the price of the products.”

Forecast deficit

The ICCO Secretariat envisages a supply deficit of cocoa beans of 69,000t for the current 2009/10 cocoa year running between October 2009 to 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, the world’s two largest producers, could be hit by high moisture contents.

Too much moisture, following high rainfall, could cause mold in the crop which would adversely affect quality, according to trade sources.

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

World production

Meanwhile, the ICCO’s latest review of the cocoa market, its Quarterly Bulletin of Cocoa Statistics published in May forecast world production of cocoa beans to remain practically unchanged in the 2009/2010 cocoa season with output up by 3,000t to 3.596m tonnes; a rise of 0.1 per cent compared to the previous season.

But production is expected to fall by 2 per cent in Africa; down by 51,000t to 2.469m tonnes. Africa is expected to remain by far the largest cocoa producing region, accounting for almost 69 per cent of world cocoa output in 2009/2010.

Ivory Coast's cocoa output is forecast to fall to 1.190m tonnes in 2009/2010, nearly 3 per cent lower than the 1.223m tonnes production recorded for the previous season. Lower production is attributed to lower than normal rainfall during the summer of 2009.

Processing & Manufacturing

Chocolate category proving winner for Nestlé in India

AP-foodtechnology.com - Aug 12, 2010

Nestlé chocolate products recorded double-digit growth in emerging markets, driven partly by the performance of the lowest priced products in its portfolio, said the group as it posted gains of 7.5 per cent in net profit for the first six months of the year.

The company said revenue climbed 5.9 per cent to CHF55.34bn from CHF52.27bn on the same period a year ago, noting strong performances for the group in the South Asia region, including India, Vietnam and Thailand, in Indonesia and China as well as gains in the Central/West Africa region. But growth in Oceania and Japan was flat, it added.

In its trading statement released yesterday, Nestlé pointed to the success of its éclairs brand in India in particular but Jonathan Thomas, principal market analyst at Leatherhead Food Research, told ConfectioneryNews.com that the Swiss group's growth figures are unsurprising, given the recognized buoyancy of the chocolate markets in certain markets within the developing world: "The Indian market has been growing by up to 18 per cent per annum in recent years, while growth of up to 12 per cent is being observed in China."

Other markets

According to the Nestlé results, its chocolate products also had a strong start to the year and a successful Easter season in Latin America, particularly in Brazil and Mexico, as well as in smaller markets. In Europe, its KitKat brand performed well across the region but the Swiss food giant said that in Russia, while it had good performances in many categories, ice cream and confectionery remained soft.

The company stated that in terms of its North American confectionery sales, the Wonka extension into chocolate continued to drive growth.

Cadbury reigns in India

But Thomas said that Nestlé still trails Cadbury by some margin in India – the latter remains the market leader with a 70 per cent share. According to the analyst, Cadbury's Indian business has grown by around 20 per cent per annum in recent years, and this remains one of its key growth markets - a situation, he maintains, is likely to remain following its acquisition by Kraft.

And the confectioner with the leading position in the developing Chinese chocolate market is Mars, continued Thomas, which has a share of 15 per cent. "The company remains strong as a result of the success of its Dove brand, although some feel the sugar content should be lowered to adapt to the local palate. Other multinationals – such as Hershey – have been less successful in China," he added.

The road ahead

Nestlé commented that organic growth and EBIT margin in the first half, combined with the positive effect of its continued investment in the business, enables the group to reconfirm its earlier full-year guidance for the food and beverages category, for which it predicts organic growth of around five per cent and an EBIT margin improvement in constant currencies over last year.

Andrew Wood, senior research analyst at US based Bernstein Research, looking ahead said that expectations were for another strong quarter for Nestlé, which would lead to excellent year end financial results for the company, and he said the Swiss group again showed "its ability to deliver strong and balanced operating performance."

Analyst sees 2011 recovery as European cocoa grindings rise

By Jane Byrne , 14-Apr-2010

ConfectioneryNews.com

European cocoa grindings in the first quarter of 2010 rose 8.1 per cent on the year, the biggest first-quarter gain in four years, according to data from the European Cocoa Association (ECA) but an industry insider claims a double-digit hike would have lent recovery hopes more weight.

The ECA groups the major companies involved in the cocoa bean trade and processing, in warehousing and related logistical activities in Europe, with its members representing two-thirds of Europe's cocoa beans grinding, half of Europe's industrial chocolate production and 40 per cent of global cocoa liquor, butter and powder output.

And, reflecting the overall European trend, the association of German confectionery producers, BDSI, revealed yesterday that Germany's cocoa grind in the first three months of 2010 reached 88,688 tonnes, which marked a 10.31 per cent rise on the year.

Cocoa grinding data is an indicator of demand and this increase in the figures for the first quarter of 2010 was expected by industry analysts following sharp declines in cocoa prices in recent weeks, subsequent to their reaching a 33-year high in December 2009 in London due to a poor main crop in West Africa and heavy speculative buying. But one market analyst, who did not want to be identified, told ConfectioneryNews.com that a 10 per cent increase on the year in Europe wide grindings would have been a more constructive marker that recovery for the global chocolate market in 2010 was ensured.

He said though that predictions now were for a much lower deficit in cocoa supply for 2009/2010 than the originally touted 200,000 tonnage, with a good cocoa crop expected based on yields emerging as a result of the recent high prices filtering down to the growers coupled with good weather conditions. "Some analysts are even expecting a surplus," said the Netherlands-based trader.

The 2010 European figures contrast sharply with cocoa grinding data for the first-quarter of 2009, when demand was hit by the global recession. A percentage of chocolate producers then decreased their chocolate bar size rather than pass on prices to consumers, and cocoa consumption also decreased as a result of consumers purchasing less high-quality chocolate.

According to the industry analyst, cocoa processors are far less cautious now and recent months have seen a hike in cocoa liquor, butter and powder purchases as a result. And he expects festive purchasing at Halloween and Christmas to help significantly with 2010 earnings for chocolate manufactures.

However, the confectionery sector insider claims that it will be 2011 before a real recovery will kick in for the industry.

Meanwhile, according to Reuters, truckers involved in transporting the Ivory Coast's cocoa supplies today joined a strike against fuel price hikes.

Cocoa markets are sensitive to signs of disruption. However, a three-day strike by a union of cocoa cooperatives last October did not have a great impact on supplies from the top cocoa producer.

Business and Economy

Bitter harvest for those who fail challenges

Financial Times - Haig Simonian - Aug 9, 2010

With cocoa bean prices soaring, the world's biggest maker of chocolate wants urgent action to boost quality and supply. Jürgen Steinemann, chief executive of Barry Callebaut, the Zurich-based company that supplies many of the world's leading food and chocolate groups, says only drastic measures can tackle the long-term challenges facing the industry. "We need to increase volume and quality," he tells the Financial Times, in an interview almost a year to the day after taking office and as some observers fear a squeeze on the cocoa market by financial speculators. Cocoa prices in London hit £2,732 a tonne last month, the highest level since 1977.

Mr Steinemann, formerly a top executive at Nutreco, the Netherlands-based animal nutrition group, says there are two solutions: squeezing higher yields from existing sources, and developing new supplies. Neither will be

easy, he acknowledges. More than one-third of the world's cocoa comes from one country – Ivory Coast – where output and quality have been falling as older trees have not been replaced and growers have moved to other, less taxing or more profitable, crops.

But with new sources limited, given the exacting climatic conditions required to grow cocoa and the time required for a tree to mature, “Ivory coast will remain the most important source for years to come”, he says. He sidesteps debate about corruption or maladministration by the Ivorian authorities, to focus on the practical measures his company is taking to encourage farmers – predominantly smallholders – to invest.

Like other big participants, such as Nestlé or the ADM trading group, Barry Callebaut has been working locally to train farmers, improve local health and education, boost infrastructure and plant new trees.

Refuting the view of some critics, who belittle such initiatives as insignificant compared with the scale of the problem, Mr Steinemann says: “Whatever you do is good, however small. Because if you do nothing, you’re dead.” But he makes no pretence at being a do-gooder: “We’re investing in our corporate social responsibility programmes to ensure farmers earn more money. But you can’t sustainably make improvements unless there’s some advantage in terms of profitability for us.”

Consistency of supply is crucial for Barry Callebaut, which made almost 1m tonnes of chocolate in the first nine months of its 2009-10 financial year. That means a myriad of micro-measures to boost links with farmers and local co-operatives and cut out sometimes corrupt or short-termist middlemen. “A closer relationship with growers helps us secure raw material, in terms of volume and quality, and ensure sustainability and traceability,” Mr Steinemann adds. Importantly for Barry Callebaut, closer contacts also improve the group’s ability to read the market.

In spite of the pressures on the sector, Mr Steinemann is confident his group can meet its ambitious targets to increase sales and earnings by 6-8 per cent a year, although world demand for chocolate is expected to rise by only 2-3 per cent, and has been stagnant at best for the past 18 months because of the downturn.

That strategy turns on internal improvements and securing more outsourcing deals. Within the company, Mr Steinemann stresses operating efficiency as the priority. “You must be the lowest cost producer,” he says.

Innovation and emerging markets are his other two hopes. Mr Steinemann says that Barry Callebaut already has a strong reputation for novel ideas. On new markets, he points to big investments in production in Russia, China and South America. The priority now, he says, is to “fill what we have”.

Outsourcing contracts with big customers, such as Nestlé, have been the other contributor to outgrowing the market. But after a series of long term supply agreements in 2007, including, in certain cases, an undertaking to produce certain branded products, outsourcing seems to have dried up. “I am very relaxed. The arguments are just too powerful. The pipeline has not gone,” responds Mr Steinemann. He says Barry Callebaut has signed further, albeit smaller, contracts. However, the transactions have been kept confidential, as is sometimes stipulated by the food companies concerned, in order to retain the impression that a branded item is fully produced by them. He is equally unconcerned about industry consolidation threatening future outsourcing deals. Mr Steinemann says business has not been affected by the takeover of Cadbury by Kraft. “We have long run outsourcing deals with Cadbury and they are not affected. And we have a long-standing relationship with Kraft.”

“My impression is that global food groups will always want to talk to partners that are also global. In the long term, that can only be positive for us.”

Coffee and cocoa growers in PNG to benefit from World Bank fund

Radio New Zealand International - Aug 10, 2010

Coffee and cocoa growers in Papua New Guinea will benefit from a 25 million US dollar project funded by the World Bank group. The newspaper, The National, says the fund was approved under the World Bank’s productive partnerships in agriculture project, which it aims to improve the livelihoods of rural PNG communities.

The World Bank says the funds are purposely for rural development projects in the agriculture sector, particularly coffee and cocoa production by small holder growers in rural communities.

It acknowledged that over 80% of Papua New Guineans lived in rural areas who are largely dependent on agriculture for livelihood and that supporting rural populations was imperative to both social development and economic growth.

Cocoa Crisis Passes as Quickly as it Began - Analyst

Source: Reuters

Aug 10 - The Great Cocoa Crisis that pushed prompt London futures to a record high last month on worries about rising demand and diseased trees, and sparked complaints from some processors, appears to have passed.

Tightness in the market has disappeared as fast as it emerged.

NYSE Liffe's July futures contract expired at a record 2,713 pounds (\$4,272) per tonne -- a big premium to both the next-to-deliver September contract and the equivalent cocoa futures traded in New York. But since then, prices for nearby cocoa contracts have been falling even as forward prices have held steady, erasing much of the backwardation and restoring a more normal relationship between prompt prices and those for deferred delivery.

Prices for September 2010 delivery have fallen 10 percent from 2,419 pounds at the time of the July expiry to 2,185 pounds at yesterday's settlement and are being offered lower again in trading today. Prices for December 2010 delivery have dropped 142 pounds (6 percent) to 2,111.

Meanwhile, prices for December 2011 have come off by just 71 pounds (3.2 percent). Prices for December 2011 futures have traded in a relatively tight range of just 280 pounds all year and are now almost exactly back where they started in January.

Compare that with the 380 pound trading range for September 2010 futures and the 580 pound range for the July 2010 contract. While forward prices have been very steady and appear firmly anchored in fundamentals, nearby prices have been much less well behaved and show strong speculative influences.

As prompt prices have eased, the whole forward price structure has flattened, with the curve reverting to a clear and consistent contango beyond the end of 2010. The premium for September (old and scarce crop) over December (post-harvest, new crop) futures has shrunk from 313 pounds per tonne to just 65 pounds and continues to trend lower.

Scarcity premiums for September futures have continued to evaporate, even though more than 60,000 contracts are open for (potential) delivery in a month's time, indicating most market participants with short positions are confident about being able to deliver, close out their contracts or roll them forward without too much difficulty.

Continued weakness in the nearby spreads suggests many traders and investors are long and trying to job out of the positions gently without crushing the price too much. It is still possible prompt prices and nearby spreads will tighten in the run-up to expiry. But for the past month the market has felt soggy and long.

West Africa Could See Record Main Cocoa Crop

Source: Reuters

Aug 12 - Early signs show the world's largest cocoa producing region, West Africa, could produce a record 2010/11 main crop, following several years of disappointing output, Gerry Manley, managing director of cocoa at Olam International, said on Thursday. "We're seeing the very early potential for a record main crop from West Africa, which would give a sizeable world 2010/11 cocoa surplus," Manley said.

However, the company warned that the long-term trend for declining supply from Africa had not been reversed. "The majority of African cocoa trees are around 30 years old, and trees start declining in productivity from around 20 years of age," said Manley, adding that only a small amount of African trees are part of re-planting and rejuvenation programs.

Olam is one of the top four buyers of beans in the global cocoa trade alongside Barry Callebaut, ADM and Cargill [CARG.UL] and is the largest in terms of origination and supply.

Manley said the world's largest producer Ivory Coast's 2009/10 mid-crop, which runs from May to September, was expected at around 350,000 tonnes, up from 270,000 tonnes in 2008/09 as better husbandry and more frequent harvesting boosted output.

Ivory Coast cocoa exports are not yet reflecting this rise in production but Manley said Olam expects export figures will catch up over the next six to eight weeks. "We've seen record prices in most of West Africa and we believe strongly that has helped to increase supply during the mid-crop season by something like 15-20 percent," said Manley.

Liffe cocoa futures prices hit a 32-year high in July to trade at 2,465 pounds a tonne before slipping back. Liffe benchmark December cocoa futures traded up 14 pounds at 2,043 pounds a tonne as at 1304 GMT.

Indonesia, the world's third largest cocoa producer, has also seen a rebound in production with Olam estimating 2009-10 output at 600,000 tonnes, versus 490,000 tonnes in the previous crop year.

Olam expects a small 2009/10 global surplus of between 30,000 tonnes and 50,000 tonnes of cocoa after several consecutive years of deficits.

RECOVERING DEMAND

Demand is expected to continue to recover from the recession-related dip in 2008-09, with Olam forecasting global 2010 cocoa grindings to rise 4 percent on the year, although Manley noted consumption in mature markets was "sluggish."

Olam estimates Liffe cocoa futures prices to trade between 1,850 a tonne and 2,050 a tonne over the West Africa main crop period which runs from October to April. "If cocoa prices drop too much below 1,800 pounds a tonne... that could start to cause disinterest, lack of inputs, and continuing the supply problem that we've seen," said Manley. The higher West African production is expected to alleviate tight European stocks in the fourth quarter, Manley said.

Nearby premiums soared in the build up to the expiry of the July contract which saw commodities firm Armajaro take the largest delivery against a futures contract in 14 years. Some physical players who use the NYSE Liffe futures exchange for price risk management complained to the exchange about the extent of speculation in the July futures contract.

Liffe's July futures contract expired with a premium near 300 pounds a tonne over September cocoa as those short of the market and unable to deliver were caught out.

Manley said it is unlikely the premium on the September contract would widen to the same extent, despite the tight stocks.

Liffe's September contract traded at a 63 pounds a tonne premium over December as at 1304 GMT.

African Markets - Factors to watch on Aug 13

Aug 13 | Fri Aug 13, 2010 (Reuters) -

WEST AFRICA COCOA

Early signs show the world's largest cocoa producing region, West Africa, could produce a record 2010/11 main crop, following several years of disappointing output, Gerry Manley, managing director of cocoa at Olam International (OLAM.SI), said on Thursday.

Promotion & Consumption

Tanzania: U.S. Firm Picks Country as Cocoa Sourcing Point

12 August 2010

Tanzania Daily News (Dar es Salaam)

Dar Es Salaam — THE US chocolate making company, Askinosie Chocolate, has chosen Tanzania as its sourcing destination where they would buy cocoa beans for making special chocolates. The Askinosie Chocolate founder, Mr Shawn Askinosie said Tanzania was picked over cocoa producing countries such as Liberia, Ghana and Ivory Coast following its high quality and unique flavour. "Tanzania produces organic cocoa beans as

opposed to other countries," Mr Shawn noted, when he met Tanzania Investment Centre (TIC) officials yesterday in Dar es Salaam.

While in the country, Mr Shawn and his team would visit and have a direct contact with the cocoa bean producers in Tenende village, Kyela District in Mbeya Region.

Mr Shawn works directly with farmers so that he can ensure the quality of cocoa beans and customers would know exactly where their chocolate comes from.

Mr Shawn led, in the visit, a select group of 25 students from Central High School in Springfield, Missouri and Drury University in the US who are part of an 18-month co-operative learning project under the Cocoa Honors Programme.

The programme seeks to understand the cocoa industry within the context of the history, culture and economy of Africa. "If there is one world we would like to describe our visit here in Tanzania is 'Kujengana'," Mr Shawn said, adding that they would like to be a part of positive changes in Kyela and Tanzania at large.

The word 'Kujengana' means to build each other. Mr Shawn said that as part of service project to Tenende village, they would like to bore a well worth USD 15,000 that would provide potable water for around 2,000 Tenende residents.

The US entrepreneur explained that a plan is underway to send some Tanzanian cocoa farmers to the US for them to learn chocolate production so that they would, in the future, be able to produce chocolates themselves and do away with selling the commodity only. He added the world's cocoa market is huge and that means a lot to Tanzanian farmers and the government.

The TIC Director of Investment Promotion, Mr Raymond Mbilinyi described the visit as a result of President Jakaya Kikwete's economic efforts who appointed Mr Doug Pitt a Goodwill Ambassador of Tanzania.

Mr Pitt is now credited to have drummed up the name of Tanzania and her potentials to the US chocolate making company.

Mr Mbilinyi said that this visit comes at an opportune time especially when Tanzania is making efforts to revamp her agricultural sector through an ambitious Kilimo Kwanza initiative. "This would help cocoa farmers in Tanzania they would now have ready market," he said.

The chocolates produced by using Tanzanian cocoa beans would be branded and make the name of Tanzania known in world market. Western Africa countries of Ghana and Ivory Coast produce over half of the world's cocoa beans needs.

Environmental Issues

Fair trade goes mainstream

Cadbury brings fair-trade Dairy Milk chocolate bar to Canada -- without charging a premium price

Vancouver Sun

BY TERRENCE BELFORD, POSTMEDIA NEWS AUGUST 12, 2010

In the highlands of Guatemala, coffee farmers in 11 villages now receive \$2 a pound for their green beans instead of the 30 cents they were paid previously. Equally important, their village cooperatives receive \$6.50 a pound to use for schools, wells and other village improvements.

In Ghana, thousands of cocoa growers are guaranteed prices that will finally raise them well above subsistence level. Their villages, too, are prospering from their share of cocoa revenues.

In factories in Asia, workers sewing soccer balls know they will take home enough money to feed their families and not be forced to labour under impossible sweatshop conditions.

And it's all thanks to fair trade.

Fair trade, the idea that first-world countries can use their spending power to help third-world countries, is gaining in both acceptance and scope, experts say.

What started with ethically minded small groups of consumers in North America and Europe willing to pay a premium for products whose growers got a fairer share of trade profits is now moving into the mainstream.

In a groundbreaking move three years ago, giant chocolate maker Cadbury PLC of England announced that its bestselling bar, Dairy Milk, would be made only from fair trade cocoa. Last year, those bars went on the market in Australia, New Zealand and Hong Kong. This summer they are coming on to the market in Canada.

Cadbury will not charge a premium for fair-trade chocolate bars. "We made a business decision to absorb the extra costs," says Alison Ward, who was Cadbury's head of corporate social responsibility when the initiative was launched. "It goes back to our Quaker roots. We believe in doing well by doing good."

The range of fair-trade products seems to grow every day. Anyone shopping at the Loblaws chain in Central Canada, for instance, will find a range of fair-trade coffees on the shelves. Indeed TransFair Canada, the national organization that certifies fair-trade products now says certified fair-trade commodities and goods are available in a dozen categories. "The movement really started with motivated individuals and small health-food and specialty shops, but now it is being embraced by major retailers," says Michael Zelmer, director of communications at Trans-Fair Canada in Ottawa. "Consumers are starting to demand fair-trade goods."

"Europe is well ahead of us in this respect," he adds. "In Switzerland, for example, 50 per cent of the bananas sold are fair-trade."

Fair trade is based on the concept that farmers or workers should get a fair share of the eventual selling price of products and not be exploited by manufacturers, commodity brokers or middle men. That share should be enough to let them support their families and invest in the necessary equipment, fertilizers and other goods necessary to keep their fields productive. But in many cases, fair trade goes well beyond basic economics, says Ann Armstrong, director of the Social Enterprise Initiative at the Rotman School of Management in Toronto. "There are often social issues involved such as the organization of co-ops, which in turn invest in local improvements such as schools, wells to supply clean water and local health care clinics."

Fair trade may also involve ensuring no child labour is involved in production. In sum, it is a form of aid that shifts decision-making power from the aid sponsors to the aid recipients. "It essentially allows those in developed countries to use their spending power as consumers to help struggling farmers and workers in Third World countries," says Dirk Matten, Hewlett-Packard chair in corporate social responsibility at the Schulich School of Business in Toronto. But, he notes, fair trade has been slow to gain strength in Canada. "Here it is only 10 per cent of what it is in the United Kingdom and Europe," Matten says.

"In Europe its roots lie, I think, in an ethical and religious base. In Europe and Britain there is a fair amount of guilt associated with the colonial past. Trade patterns have also been quite different there."

There is also a world view in the U.K. and Europe quite different from that in Canada, he adds. "Canadians are by nature more introspective. I believe only 20 per cent of the population has passports. There has just not been much interest in what happens in developing countries."

Yet all the experts agree fair trade seems to be coming into its own. As giant multi-nationals get behind the movement, niche products quickly become mainstream products, and the advertising and marketing dollars devoted to mainstream fair-trade products help raise awareness. Consumers begin to understand they can help improve the lives of people still struggling to survive in disadvantaged countries. "I think having major companies get behind fair trade may mean a very big difference in the success of the movement," Matten says. "Especially if they do not charge a premium for fair-trade products. That will mean that consumers can make choices based on ethical considerations not financial ones."

Others

Ghana Cocoa Smuggling May Slow by Half Next Season After Security Boosted

By Moses Dzawu - Aug 9, 2010

Bloomberg

The amount of cocoa smuggled from Ghana may fall to around 50,000 metric tons during the next harvest, half the rate of the 2009-2010 season, after border patrols were increased, the national farmers' group said.

The Cocoa, Coffee and Sheanut Farmers' Association joined with the industry regulator, the Ghana Cocoa Board, to send guards to border areas and report smuggling in the world's second-biggest grower of the chocolate ingredient, said Nana Adjei Damoah, deputy president of the association.

Declining cocoa purchases from farmers, including in the Western region that borders Ivory Coast, the world's top cocoa producer, "can be attributed to the activity of smuggling," Damoah said in an interview Aug. 6 at Essam, near the Ivorian border, 200 kilometers (124 miles) northwest of the capital, Accra.

The state-run cocoa board estimated as many as 80,000 tons of beans had been smuggled from the West African nation during the current harvest, Chief Executive Officer Tony Fofie said June 14.

Damoah said the total may be "more than" 100,000 tons. Cocoa farmers in Ghana, where fixed prices are paid for beans, seek higher earnings in markets without controls, especially Ivory Coast.

Public officials allegedly involved in cocoa smuggling before court

Accra, Aug. 10, GNA - Fourteen public officials who were re-arrested for their alleged involvement in smuggling of cocoa on the Ghana/Cote d'Ivoire border appeared before an Accra Circuit Court on Tuesday. They have been freshly charged with conspiracy and attempt to commit crime to wit unlawful exportation of cocoa.

All the accused persons pleaded not guilty and admitted to GHc20, 000 bail each with two sureties to re-appear on September 7. The court granted them bail after their counsels had prayed the court for bail saying the facts presented by the prosecution were in contrast to the instructions given to them by their clients.

The officials are Gabriel Dimado, Collection Assistant I, William Festus Yawson, Collection Assistant II, Quaye Sowah Steven, Junior Collection Assistant II, and Prosper Edze, Junior Collection Assistant II.

The rest are Adolf Nii Armah, Junior Collection Assistant III, James Dzamesi, Junior Collection Assistant III, Rockson Eric Appeadu, Assistant Grade III and Paul Dzamesi, Assistant Collection III.

Constable Isaac Kwaku Asare Darko and Constable Samuel Kwasi Ekpeagba are operatives from the National Security.

The other officers are Michael Mate Korle, Assistant Immigration Officer Grade II, Frederick Kofiably, Assistant Immigration Officer Grade II, Kofi Aboagye Assistant Immigration Officer Grade II and a Police Constable J.K. Appiah Boakye.

Prosecuting, Mr Rexford Anthony Wiredu, Principal State Attorney, said it would lead evidence to show that the accused persons made no reference to the station diary. He said in December 2009, an investigative journalist, Anas Aremeyaw Anas, on receipt of information from Ghana Cocoa Board (COCOBOD) he and his team went to the western frontier of the Ghana/Cote d'Ivoire border with undercover gadgets to capture security personnel who were allegedly facilitating the smuggling of cocoa and fertilizers to Cote d'Ivoire.

The investigative team proceeded to Elubo, Ellanda Warf, Omanpe, Sefwi Wiawso, Debiso, Kwame Nkrumah and secretly recorded activities of the accused persons. He said they received monetary consideration to assist people smuggle dried cocoa beans from Ghana to Cote d'Ivoire.

Mr Wiredu said the journalists conducted an initial investigation into the information and referred it to the Ghana Police Service for further investigations.

GCMA retrieves 80 percent of assets from competitors

Myjoyonline.com - Aug 11, 2010

The Ghana Cooperative Marketing Association has retrieved over 80 percent of its assets, mostly cocoa sheds which were occupied by competitors.

Government restored the association's cocoa buying licence in 2006 and directed the COCOBOD to release all confiscated assets to the group.

The Association bounced back to participate in the 2008 light crop season to compete with other Licensed Buying Companies (LBCs). But the farmer-based group has had to deal with high cost of renting storage facilities, while its cocoa sheds were occupied by competitors.

General Manager, Anthony Yaw Yeboah tells Luv FM the group is now better positioned to compete in the internal cocoa trade as most of the sheds have been retrieved. He however says "some of the tenants are proving to be recalcitrant. They don't want to go away despite the fact that they all agree the assets have been returned to us. And because we don't want to meet them with any violent behavior, some of them who are not cooperating will be taking to court".

The GCMA has already filed suits against some LBCs and individuals occupying the sheds, whilst negotiating with others to pay rent.

Mr. Yeboah is excited most cocoa farmers are returning to the GCMA fold. The group was involved in the payment of bonuses to cocoa farmers.

The GCMA was established by the country's peasant farmers in 1928 and has in years past controlled over 40 percent of Ghana's total cocoa purchases.

Cocoa Farmers Cry For Mercy As F.C Cut Down Cocoa Trees

Peace FM Online - Aug 13, 2010

Source: Emmanuel Akorli/peacefmonline.com/Ghana

Cocoa farmers in Aboduabo in the Bibiani Anhwiaso-Bekwai District in the Western have appealed to government to halt the cutting down of their cocoa trees by the District Forestry Commission on the ground that they (the farmers) have encroached on the Tano Suraw extension Forest Reserve.

The farmers made the appeal during a media tour of some cocoa growing Communities in the Bibiani-Anhwiaso-Bekwai district. Green earth organization (an NGO) organized the tour for a group of journalists from Accra and the Ashanti region to enable the journalist learn about problems faced by the cocoa farmers and the level of degradation being caused to forest reserves in the district.

The farmers admitted that they have encroached on the forest reserve but said the cutting down of their cocoa trees and the destruction of their food crops, is seriously affecting their livelihood and making it difficult to finance their children's education. They said no compensation has been paid to them.

Some farmers expressing their plight. However, the DCE of Bibiani Anhwiaso-Bekwai Mr Moses Armah told the media that the exercise to halt encroachment of the forest reserve will continue and not compensation will be paid to the farmers because of the encroachment.

Nigeria needs agriculture for sustainable development

Vanguard - Moses Nosike - Aug 13, 2010

THE diversification of the economy through refocusing on agriculture is a good point for a sustainable economic development. This refocusing will not only impact positively on micro, but also the small and medium enterprises sub-sector. It's a globally endorsed engine for economic growth and development.

Chief Executive officer, Lead Consultant, Mr. Young Okezie, an expert in small and medium scale enterprises, stated that to obtain economic growth and development in the country, it is advisable that every state and the Federal Capital territory be encouraged to have a strong, vibrant and implementable agricultural policy. He said, agriculture in Nigeria is much more than a means of livelihood. It's a way of life, particularly for the rural dwellers. Agriculture in Nigeria plays multiple roles, a source of employment and about 70 percent provides food for the populace, core livelihood for most Nigerians and provides raw materials for the local agro-based

industries. According to him, in 1960, agriculture and crude oil exports contributed about 89 percent and 2.7 percent respectively to Nigeria's foreign exchange earnings. Today it's a dismal reversal that has exposed Nigeria's inability to absorb economic shocks, brought in food insecurity and made the economy fragile.

Okezie said, federal government's renewed attention to agriculture in general, Cocoa and other cash crops in particular is a welcome development and to ensure the sustainability of this, govt should ensure that there is a strong public private partnership to drive this programme.

The FG has set up a committee on Cocoa and may also set other committee for the cash crops where all the stake holders will be involved.

Nigeria Cocoa In Old Ghana Sacks

Source: The Ghanaian Times

13-Aug-2010

Nigeria is bagging cocoa into jute sacks embossed with the name, 'Ghana Cocoa Board' for export. A Nigeria newspaper, The Guardian has reported that the jute sacks abandoned in 2006 by the Ghana Cocoa Board (COCOBOD) because they did not meet international standards, have found their way to Nigeria through smuggling.

This development was exposed by the Centre for Cocoa Development Initiative, a Nigerian NGO, who has, in a statement, asked stakeholders in cocoa marketing, particularly those in Nigeria to wake-up to the challenge posed by the sub-standards sacks.

A press statement by the NGO's Chief Operating Officer, Robo Adhuze, in the Guardian said the use of COCOBOD's embossed bags in the packaging of cocoa beans was unacceptable and capable of causing major embarrassments for Nigeria. "For Nigeria, this could lead to loss of credibility on the international market as beans originating from Nigeria may be rejected due to the presence of hydro-carbon and other forms of contamination," Mr. Adhuze said.

The statement said the use of hydrocarbon jute bags in packaging of cocoa beans had since 2006 been banned all over the world. "Food grade, a new hydrocarbon free jute bags, was introduced to replace the old hydrocarbon jute bags for health reasons" he said in the report.

According to Mr. Adhuze, the banned jute bags were implicated in health issues by chocolate consumers due to contamination which led consumers in Europe and America to use only food grade jute bags in producing countries.

Mr. Adhuze cautioned that the bags which are no more in use for packaging in Ghana were not safe for use by farmers, either in farms, during conveyance or storage. Reacting, Alhaji Dramani Egala, Deputy Chief Executive of Ghana Cocoa Board in charge of operations, said the COCOBOD embossed sacks to sell in some countries in West Africa." He said "the situation looks like Ghana is feeding those West African countries with quality hydrocarbon free jute bags imported from Bangladesh."

In its attempt to curtail the trend, COCOBOD has decided to deface the sacks it uses as soon as the beans are emptied into the ships' compartments for mega-bulk exports. Alhaji Egala said factories operating in Ghana will also be asked to deface their sacks and also ensure that the empty sacks are well protected from smugglers. As to fears that the practice could affect Ghana, Alhaji Egala assured that there was no cause to panic since all export of beans has to be accompanied by a certificate of origin showing where the beans are originating from.

He said Ghana has a well established international market and solid institutional capacity to ensure that the grade of beans from Ghana meets the trust of its international buyers. "Any fake representation at the world market will be easily identified."

Dr. Ahmed Yakubu Alhassan, Member of Parliament for Mion Constituency and chairman of Parliamentary Select Committee on Food, Agriculture, and Cocoa Affairs was surprised by the news. He suggested that steps should be taken to address the issue immediately saying "if necessary, COCOBOD should stop embossing any sacks until they are ready to be used." Dr. Alhassan said further steps should be taken to locate and retrieve the rejected hydrocarbon jute sacks in Ghana before any more could be smuggled outside.