

COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance



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16th – 20th 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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- ICCO DAILY COCOA PRICES
- LONDON (LIFFE) FUTURES MARKET UPDATE
- NEW YORK (ICE) FUTURES MARKET UPDATE
- FROM THE NEWS MEDIA

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)
16-Aug-10	2,025.47	3,063.41	2,047.33	2,921.00
17-Aug-10	2,015.70	3,056.16	2,049.33	2,922.33
18-Aug-10	2,006.08	3,042.96	2,038.67	2,906.00
19-Aug-10	2,008.12	3,041.09	2,031.67	2,914.00
20-Aug-10	1,985.78	2,994.53	2,015.33	2,866.00
Average	2,008.23	3,039.63	2,036.47	2,905.87

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

Monday 16-Aug 2010

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep-10	2106	2104	-5	2113	2073	1,724
Dec-10	2025	2033	-2	2036	2000	4,324
Mar 11	2039	2047	-3	2048	2014S	1,605
May 11	2054	2062	-3	2063	2029	822
Jul 11	2047	2071	-3	2068	2040	43
Sep 11	2079	2075	-5	2079	2050	22
Dec 11	2080	2080	-2	2080	2070	50
Mar 12		2067	-4			0
May 12		2067	-4			0
Jul 12		2071	-4			0
Totals		2068				8,590

Tuesday 17-Aug 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2108	2077	-27	2119	2073	1,911
Dec-10	2038	2034	1	2055	2020	4,725
Mar 11	2052	2049	2	2066	2030	1,284
May 11	2080	2065	3	2082	2046	699
Jul 11	2062	2074	3	2078S	2062S	371
Sep 11	2089	2080	5	2089	2069S	42
Dec 11	2069	2082	2	2075	2069	35
Mar 12		2069	2			0
May 12		2069	2			0
Jul 12		2073	2			0
Totals		2067				9,067

Wednesday 18-Aug 2010

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2080	2072	-5	2094	2068S	2,286
Dec-10	2039	2025	-9	2050	2020	3,978
Mar 11	2053	2039	-10	2065	2037	1,744
May 11	2067	2052	-13	2078	2050	438
Jul 11	2086	2063	-11	2087S	2069S	38
Sep 11	2094	2069	-11	2094	2067	50
Dec 11	2098	2074	-8	2098	2073	27
Mar 12		2063	-6			0
May 12		2063	-6			0
Jul 12		2067	-6			0
Totals		2059				8,561

Thursday 19-Aug 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2075	2066	-6	2085	2063	1,940
Dec-10	2025	2014	-11	2029	2005	4,763
Mar 11	2039	2034	-5	2044	2022	2,057
May 11	2051	2047	-5	2055	2036S	793
Jul 11	2058	2057	-6	2062	2047	143
Sep 11	2067	2062	-7	2071	2055S	96
Dec 11	2060	2062	-12	2060	2056	9
Mar 12		2050	-13			0
May 12		2050	-13			0
Jul 12		2054	-13			0
Totals		2050				9,801

Friday 20-Aug 2009

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep-10	2064	2061	-5	2073S	2037	3,039
Dec-10	2018	2000	-14	2030	1976	6,371
Mar 11	2038	2016	-18	2048	1995	3,607
May 11	2057	2030	-17	2058S	2007	2,049
Jul 11	2060	2043	-14	2060S	2020	224
Sep 11	2065	2047	-15	2066S	2030	301
Dec 11	2075	2050	-12	2075S	2040	1,313
Mar 12		2037	-13			0
May 12		2037	-13			0
Jul 12		2041	-13			0
Totals		2036				16,904

Average for the week		2,056				10,585
Total for the week						52,923

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

Monday 16-Aug 2010

Month	Open	Price	Change	High	Low	Volume
10-Sep	2878	2838	-16	2882	2827	8,398
10-Dec	2885	2889	4	2916	2853	14,252
11-Mar	2912	2917	5	2942	2882	1,372
11-May	2910	2936	1	2960	2908	127
11-Jul	2960	2952	0	2960	2960	7
11-Sep	0	2965	0	0	0	60
11-Dec	0	2983	4	0	0	128
12-Mar	0	3060	4	0	0	43
12-May	0	3065	3	0	0	12
12-Jul	0	3071	3	0	0	0
Totals		2968				24,399

Tuesday 17-Aug 2010

Month	Open	Price	Change	High	Low	Volume
10-Sep	2849	2838	0	2865	2810	4,639
10-Dec	2917	2898	9	2919	2865	9,334
11-Mar	2930	2928	11	2940	2897	2,176
11-May	2944	2950	14	2955	2920	1,559
11-Jul	2938	2965	13	2946	2938	21
11-Sep	2956	2979	14	2956	2956	77
11-Dec	0	2994	11	0	0	118
12-Mar	0	3074	14	0	0	189
12-May	0	3079	14	0	0	162
12-Jul	0	3089	18	0	0	0
Totals		2979				18,275

Wednesday 18-Aug 2010

Month	Open	Price	Change	High	Low	Volume
10-Sep	2845	2839	1	2876	2828	533
10-Dec	2895	2891	-7	2919	2870	6,579
11-Mar	2940	2919	-9	2949	2899	1,579
11-May	2948	2941	-9	2964	2931	498
11-Jul	2956	2958	-7	2969	2951	94
11-Sep	2969	2979	0	2987	2960	375
11-Dec	2991	2989	-5	2997	2972	96
12-Mar	0	3060	-14	0	0	0
12-May	0	3063	-16	0	0	0
12-Jul	0	3073	-16	0	0	0
Totals		2971				9,754

Thursday 19-Aug 2009

Month	Open	Price	Change	High	Low	Volume
10-Sep	2839	2849	10	2867	2833	57
10-Dec	2900	2892	1	2911	2871	4,373
11-Mar	2922	2920	1	2940	2902	1,148
11-May	2931	2938	-3	2957	2931	512
11-Jul	2955	2957	-1	2956	2955	8
11-Sep	2973	2974	-5	2974	2965	8
11-Dec	2988	2988	-1	2988	2974	26
12-Mar	0	3056	-4	0	0	0
12-May	0	3059	-4	0	0	0
12-Jul	0	3071	-2	0	0	0
Totals		2970				6,132

Friday 20-Aug 2009

Month	Open	Price	Change	High	Low	Volume
10-Sep	2846	2790	-59	2863	2781	80
10-Dec	2901	2827	-65	2902	2811	10,845
11-Mar	2929	2858	-62	2930	2842	1,709
11-May	2944	2878	-60	2945	2865	1,118
11-Jul	2895	2893	-64	2903	2895	81
11-Sep	2911	2911	-63	2923	2901	22
11-Dec	0	2923	-65	0	0	25
12-Mar	0	2991	-65	0	0	0
12-May	0	2994	-65	0	0	0
12-Jul	0	3007	-64	0	0	0
Totals		2907				13,880

Average for the week		2,959				14,488
Total for the week						86,928

Health and Nutrition

Chocolate a bitter pill for blood pressure patients

Irish Times - Claire O'Connell - Aug 16, 2010

A PRESCRIPTION of eating chocolate every day might sound appetising, but researchers in Australia found that some patients wouldn't swallow it as a long-term medicine. Dark chocolate is better at reducing high blood pressure than a placebo, according to the group at the University of Adelaide, which recently analysed 15 scientific trials published in the literature.

However, the researchers also published their own study last year of 36 people with prehypertension, finding that eating either flavonol-rich chocolate each day or taking a daily capsule of lycopene- rich tomato extract did not have a blood pressure lowering effect there. But what came out in the wash during that trial was that about half of the participants in the chocolate group found it difficult to eat 50g of dark chocolate each day for eight weeks.

Writing in a letter to the British Medical Journal last week, the Adelaide researchers pointed out that "... the practicability of chocolate as a long-term treatment is debatable. We found that 50g daily of 70 per cent cocoa chocolate was significantly less acceptable to participants as a long-term treatment for high blood pressure than one capsule daily of placebo or tomato extract."

Participants in the chocolate arm of the study, published in BMC's Complementary and Alternative Medicine, cited unacceptable taste, richness and concerns about fat content as reasons for their reluctance to eat the chocolate – although a follow-up three months after the trial had ended found participants were consuming more dark chocolate.

Dark chocolate bits may protect women against heart failure

USA Today - Amanda Gardner - Aug 18, 2010

Eating a small amount of high-quality dark chocolate one to three times a month may help stave off heart failure in women, a new Harvard study suggests. But if you ingest too much "good" chocolate, that protective effect goes away, according to the researchers who report their finding in the Aug. 17 issue of *Circulation: Heart Failure*. "At least for women, consumption of chocolate seems to be associated with a decreased risk of heart failure, but the protective effect was only seen with relatively small amounts of consumption, less than one serving a day," said senior study author Dr. Murray Mittleman. "With higher levels, the benefit appears to be lost and perhaps even (have) a detrimental effect."

While the redeeming health qualities of chocolate have been extolled before, other studies had not specifically looked at heart failure, Mittleman said.

The health benefits of chocolate

Arab News - Majed Islam - Aug 18, 2010

Most people avoid too much chocolate since it is high in calories. But the right kind of chocolate can be very good for your health. High cocoa content organic chocolate is anti-inflammatory and also lowers blood pressure. "Cocoa contains several substances that may help to prevent cardiovascular diseases such as myocardial infarction or stroke," says Dirk Taubert, who studies the effects of chocolate at the Department of Pharmacology at University Hospital in Cologne, Germany. "Even in low amounts, cocoa-rich chocolate can lower blood pressure." (Of course, eating enough to cause weight gain offsets any benefits, Taubert cautions.)

Chocolates' health benefits stem from polyphenols. These are organic molecules that are found in all fruits and vegetables, but are particularly high in cocoa. Some polyphenols are strong anti-oxidants that neutralize oxygen radicals. The bitterness and sharpness of high cocoa content chocolate is strongly influenced by these polyphenols.

According to American scientists speaking at the National Academy of Sciences in 2004, cocoa seems to keep down the blood pressure levels of the Kuna Indians living off the coast of Panama who eat lots of locally grown cocoa that is high in flavonoids.

In a study by the University of California, volunteers ate either 25 gm of semi-sweet chocolate, manufactured by Mars, while a control group had bread. Blood samples were taken from both groups before they ate and again two and six hours afterward and their platelet function was measured. Platelets are tiny cells in the blood, which help it clot if there is an injury. In this study, researchers looked at how long it took platelets to fully close an opening and found it took significantly longer in people who had eaten chocolate. Professor Carl Keen, of the University of California, Davis, told the British Association for the Advancement of Science last year that eating small amounts of chocolate could have the same anti-clotting effect as taking an aspirin and so might reduce the risk of deep vein thrombosis when flying.

Chocolate also cuts bad cholesterol. In another study, at Penn State University, which compared a diet low in flavonoids with one high in chocolate, the study found that people who ate lots of chocolate had higher anti-oxidant levels in their blood and lower levels of LDL-cholesterol — the type that is implicated in hardening of the arteries. Further research also found that a diet supplemented with chocolate reduced LDL levels.

Chocolate can aid the arteries and blood vessels. A study reported in New York to the American Society of Hypertension meeting showed that volunteers had less arterial stiffness after consuming 100g of good quality, plain chocolate. While Dr. Naomi Fisher, of Brigham and Women's Hospital in Boston, USA, believes that the flavonoids in cocoa act on an enzyme in the body called nitric oxide synthase, which helps the cocoa to dilate blood vessels, improve kidney function and lower blood pressure. In addition, Greek scientists reporting at the European Society of Cardiology conference in Berlin in 2004 said that in their study of 17 healthy young volunteers functioning of endothelial cells, which control the degree of stiffness in the blood vessels, was improved for three hours after eating dark chocolate.

So high quality dark chocolate, ideally 70 percent cocoa content, can be extremely beneficial for the health, and if you want to offset the fat content of the chocolate, I suggest having it with a glass of milk- the calcium will reduce the fat absorption in the body and also prove to be very complimentary and refreshing.

Chocolate IS good for women!

Sunshine Coast Daily - Nikkii Joyce - Aug 19, 2010

FEW people can put the terms “chocolate” and “moderation” into practice. But that has not stopped the release of another study which claims women who eat a moderate amount of chocolate had a 32% lower risk of developing heart failure. Moderate, meaning one to two servings per week and not per day as most of us mere mortals would like to believe. The high concentration of compounds called “flavonoids” in chocolate can lower blood pressure, among other benefits, but those who consume more than moderate amounts appear to become immune to the benefits.

The Daily sought someone who could reveal the trick to mastering moderation, and discovered Rebecca Purnell. The assistant manager of Queensland's only San Churro Chocolateria, located on the Sunshine Coast, has spent five days every week for the past 18 months surrounded by the rumoured aphrodisiac in all of its possible forms. “Like most women, before I worked here I could go through a whole block of regular chocolate in one sitting,” Ms Purnell said. “But when you change the chocolate you are eating or drinking to something of a higher grade, then you find that you only need a really small amount.”

Buderim's Sania Pearse, 28, like other regular customers, is one of many familiar faces for Rebecca. “There's something about getting your friends together and sharing chocolate,” Sania said.

Coolum Beach's Alicia Armstrong, 24, on the other hand likes nothing better than to settle in her booth with her book and a new tantalising temptation. “I like to try a bit of everything, you can't beat it,” she said with a guilty smile as she dug her spoon into a small piece of cake heaven.

Rebecca, a 31-year-old single mother, believes it is not always the eating of the chocolate that leaves people, in particular women, wanting more. “You should see this place on Valentine's Day, it's crazy with all the romantic gestures – you kind of just watch and sigh,” the clearly true romantic said. “But at the same time you will see women who come here to meet their girlfriends when they need a shoulder to cry on, and you see them when they leave that while they are still sad, they have this look that things are going to be okay.” And when she feels like a chocolate hit? “I've tried it all,” Rebecca says with a laugh. “I don't see the point of resisting something that your body is telling you, you want,” she says with a final smile as she heads off to take another order.

Does chocolate cut heart risk?

NHS Choices - Aug 17, 2010

"Eating just two small bits of chocolate a week can cut the risk of heart failure by up to a third," according to an article in the Daily Express. The news story is based on a study of whether chocolate affects the risk of heart failure in elderly and middle-aged women. Women who ate moderate amounts of chocolate (one-to-two servings a week or one-to-three servings a month) were found to be at lower risk of heart failure. This association was not found in women who ate three or more servings a week.

This was a large and well-conducted study, but it is not strong evidence that chocolate reduces the risk of heart failure. Problematically, chocolate intake was only assessed once, at the start of this nine-year study, and so any subsequent changes in diet or lifestyle have not been taken into account.

The study also relied on women recalling their precise intake of chocolate and other foods over a year, which is likely to introduce the risk of error, particularly when a "serving" can mean different things to different people. Many studies have looked at the potential health benefits of chocolate, but these are far from conclusive and further research is needed.

Where did the story come from?The study was carried out by researchers from Harvard Medical School and Harvard School of Public Health in Boston, and from the Karolinska Institute in Sweden. It was funded by the Swedish Research Council and published in the peer-reviewed medical journal, *Circulation: Heart Failure*.

The study was widely reported, with most papers correctly pointing out that the association between chocolate and a lower risk of heart failure only applied to eating chocolate in moderation. The Daily Express and the BBC included warnings from health experts about the fat and calories found in chocolate.

The BBC and the Daily Mirror both reported that dark chocolate can be good for the heart, when the study made no distinction between types of chocolate. The BBC's report goes on to say that while most of the chocolate consumed was milk, the concentration of cocoa solids in Swedish milk chocolate was equivalent to dark chocolate by UK standards. However, this is not correct; the study reports that approximately 90% of chocolate consumption in Sweden is milk chocolate, which contains approximately 30% cocoa solids; dark chocolate in the UK usually contains 70% cocoa solids.

The Express said "two small bits" of chocolate a week would cut the risk, but it is unclear what size the portions consumed in the study were.

What kind of research was this?This was a prospective cohort study of nearly 32,000 women, investigating whether chocolate has any effect on the risk of heart failure. The researchers point out that clinical trials have shown that chocolate can reduce blood pressure, which is a particularly strong risk factor for heart failure. In addition, observational studies have also found an inverse association between chocolate and cardiovascular disease. This is the first study to examine whether chocolate intake is associated with the risk of heart failure.

This is a cohort study, a type of study design that can be used to investigate whether certain factors (in this case, chocolate intake) are associated with health outcomes (in this case, heart failure incidence). However, on its own, a cohort study cannot be certain about cause and effect. A randomised controlled trial would provide firmer evidence of effect, but this study design is not always feasible.

What did the research involve?The study included 39,227 women from central Sweden, aged between 48 and 83. The women were all participants in a larger, ongoing study assessing the relationships between various lifestyle factors and the risk of certain chronic (long-term) diseases. The women were asked to complete a questionnaire on their health and lifestyle, including detailed questions about diet and chocolate intake. Women who failed to complete the questionnaire correctly or who had a history of heart failure, heart attack or diabetes or a previous diagnosis of cancer were excluded from the study, leaving data from 31,823 women available to use.

The questionnaire included a validated food frequency questionnaire that asked participants how frequently they had consumed 96 different foods and beverages over the previous year. This included whether they ate chocolate, with eight predefined responses ranging from never to three or more servings a day. The study did not seem to ask about the size of the servings, but the researchers say that diet records indicate that for Swedish

women, the average portion of chocolate would be 19-30 grams depending on age. Chocolate bars vary in size, usually from 25 to 50 grams.

The study makes no distinction between mild and dark chocolate, but points out that in Sweden in the 1990s, most chocolate consumed was milk chocolate and that this contains about 30% cocoa solids.

The women were followed up from 1998 through to the end of 2006. Hospitalisation or death from heart failure was recorded using national inpatient and cause-of-death registers.

The researchers then used standard statistical methods to examine whether chocolate intake had any effect on the incidence of heart failure. They took account of other factors that might affect this in their analysis, including the women's age, education, physical activity, smoking habits and alcohol intake, family history and self-reported history of high blood pressure and high cholesterol. They also examined the associations between chocolate intake, heart failure and milk consumption, as they claim that milk can inhibit the absorption of flavonoids, the substances in chocolate thought to have health benefits. They also analysed the women's intake of other snack foods.

What were the basic results? Over the nine years they were followed up, 419 women were hospitalised for the first time or died of heart failure, which corresponds to a rate of about 15 cases per 10,000 person years (the accumulated amount of time that all the women were being followed up).

The researchers found that compared to women who did not eat chocolate regularly, heart failure rates were:

26% lower among those eating one-to-three servings a month (95% CI 0.58 to 0.95) 32% lower in those eating one-to-two servings a week (95% CI 0.50 to 0.93) not significantly affected by consuming three-to-six servings a week (HR 1.09, 95% CI 0.74 to 1.62) or one or more serving a day (HR 1.23, 95% CI 0.73 to 2.08) The association was similar in both high and low dairy groups. The consumption of other high-fat snacks such as cakes and biscuits was not associated with heart failure.

How did the researchers interpret the results? The researchers say that moderate, regular chocolate intake was associated with a lower rate of heart failure. They suggest that the flavonoids in chocolate may have a beneficial effect on cardiovascular risk factors.

Conclusion

This study has strengths in its large size and that it had a relatively long follow-up period. However, it has several limitations, some of which are noted by the researchers:

Although they tried to take account of other lifestyle and medical factors that can affect heart failure risk, residual or unmeasured "confounding" cannot be ruled out. The researchers also relied on the participants reporting whether or not they had high blood pressure and high cholesterol. This introduces the possibility of error, as some women may have not answered this question correctly. Chocolate consumption, diet and other lifestyle factors were only measured once at the start of the study, so there is no information about how any changes in these factors might have affected heart failure risk. The questionnaire relied on the women recalling what they had eaten over the past year. This is a relatively long time and there is a good chance that some women misremembered what they had eaten. It is not clear how big the servings of chocolate were, so it is difficult to say exactly how much chocolate was consumed. A "serving" is likely to mean different things to different people. Only heart failure cases that resulted in hospitalisation or death were included in the analysis. Other cardiovascular outcomes such as heart attack and stroke were not assessed. A longer follow-up period may have produced different results since more women may have developed heart failure after the nine years of the study. As nutritional experts have pointed out, the flavonoids in chocolate can also be found in fruit and vegetables, but without the associated fat and calories.

Overall, this study cannot tell us for sure if chocolate reduces the risk of heart failure. Chocolate is high in fat, sugar and calories and if consumed excessively is a risk factor for obesity, which increases the risk of heart disease and diabetes. The current advice is to eat chocolate as an occasional treat, rather than a regular part of the diet.

Production & Quality

Cameroon cocoa output falls short of target

Wed Aug 18, 2010

By Tansa Musa

MUYUKA Cameroon (Reuters) - Cocoa output in No. 5 grower Cameroon fell nearly 4 percent in the 2009-10 season but exports are poised to rebound as unharvested trees begin producing again, cocoa officials said on Wednesday.

The lacklustre performance comes alongside shortfalls elsewhere in West Africa, a region accounting for two-thirds of the world's supply of the main ingredient in chocolate, that have exacerbated a supply crunch and buoyed prices.

Total cocoa output in Cameroon fell to 197,000 tonnes during the August-July season, below an official target of bettering the 205,000 tonnes produced the year before. The figure was announced at a news conference given by the National Cocoa and Coffee Board (NCCB) and the Cocoa and Coffee Interprofessional Board (CCIB).

CCIB President Apollinaire Ngwe told Reuters the shortfall was due to some trees being rested, and predicted that output would reach 200,000-205,000 tonnes in the coming season. "This drop is due to what we call 'repos vegetatif' of the trees," he said. "We think that by next year production will rise again to about 200-205,000 tonnes.

Cocoa markets have been closely watching West African output after a disappointing 2008-09 harvest helped push prices to 30-year highs in December 2009. Ivory Coast, the world's biggest cocoa producer, has not yet finished its October-September 2009-10 season but arrivals to ports as of early August were running about 2 percent below a year ago. Ghana, the world's second biggest grower, also finishes its season in September and exports there are running 6 percent below a year ago -- a decline the government blames in part on smuggling to Ivory Coast.

While West African cocoa output is on track for its worst season in years, governments are optimistic production can rebound and analysts predict a modest global supply surplus in 2010-11.

Rainfall Hampers SW Nigeria Cocoa Dry But Good For Crop-Traders

IBADAN, Nigeria, Aug 20, 2010 (Dow Jones Commodities News via Comtex) -- Sun drying of cocoa in southwestern Nigeria continues to be hampered by heavy rainfall, traders and exporters said Friday.

However, the rain over the past few days has fallen mainly at night, leaving the days sunny enough for farmers to sun dry their cocoa beans to some extent, a trader in Akure, capital of Ondo state, told Dow Jones Newswires.

The southwestern cocoa belt accounts for 70% of Nigeria's annual cocoa output of 250,000 metric tons.

Although the rains are interfering with sun drying, farmers, traders and exporters said they were good for cocoa development. "If the rainfall pattern continues the way it is now, we will have a good main crop harvest next season," said a trader in Ile-Ife, an important cocoa-growing and marketing town in Osun state. "The black pod disease has not affected cocoa in the Southwest in spite of the heavy rainfall."

Black pod disease thrives in humid and wet conditions on cocoa farms due to persistent rainfall without sunny weather.

Cameroon Regulators Trying To Determine Quality Of Cocoa

DOUALA, Cameroon, Aug 21, 2010 (Dow Jones Commodities News Select via Comtex) -- Cameroon's key industrial cocoa regulators are reflecting on ways to halt bulk shipment of cocoa beans in a bid to determine the true quality of the crop, the country's general manager of the National Cocoa and Coffee Board (NCCB), Michael Ndoping, told Dow Jones Newswires.

Ninety-nine percent of the total 172,177 tons of cocoa beans exported from Cameroon during the 2009-2010 season was classified as "fair fermented," thus of average quality, Ndoping said. "We believe quality was much better than what is declared by exporters. Exporters are increasingly engaged in bulk shipment of cocoa. The

high-quality cocoa is mixed and loaded either in containers or ship holes before being exported. So, we and the CCIB [Cocoa and Coffee Inter-professional Board] are reflecting on resolving the matter by halting the mixing of cocoa during shipment. We're to submit a proposal to that effect to the competent authorities," Ndoping said.

Since Cameroon had a history of producing low-quality cocoa in the early 1990s, exporting firms operating in the country sign contracts branding the cocoa as fair fermented as stipulated by the overseas buyers. Cocoa quality improvements over the years have not yet changed the reputation of the beans.

Eighty per cent the cocoa exported in the just ended season went to the Netherlands and the rest to Malaysia and Russia by the 20 exporting firms operating in Cameroon in the cocoa sector, according to the report.

UPDATE: Caterpillars Eating Cocoa leaves In Nigeria's Cross River State

IBADAN, Nigeria, Aug 20, 2010 (Dow Jones Commodities News via Comtex) --

Caterpillars are destroying the leaves of cocoa trees in Nigeria's Cross River state and production will be lower this year as a result, senior officials said Friday.

Gabriel Ufono, director of the Cocoa Development Unit, part of the state agriculture ministry, said caterpillars began eating cocoa tree leaves three weeks ago and insecticides have failed to combat the problem. Wide areas of cocoa plantations have been affected, he said. "A survey by the CDU showed the problem is serious and widespread in Cross River state," Ufono told Dow Jones Newswires by telephone from Calabar, the state's capital. He added that scientists from the Cocoa Research Institute of Nigeria have taken samples for tests.

Ufono couldn't say how many hectares of farmland were affected by the problem but said production this year will be "considerably lower" than in recent years. A survey to determine the extent of the losses is already underway, he said.

Cross River is the largest cocoa producer in Nigeria's southeast region and the second largest in the country after Ondo state, producing 50,000-60,000 metric tons of cocoa a year.

A senior CRIN official said the institute couldn't act on the problem because its workers were on a strike that began on Monday.

Barry Callebaut Cameroon Buys 20,738 Tons Cocoa Beans In 2009-10

MUYUKA, Cameroon, Aug 18, 2010 (Dow Jones Commodities News via Comtex) -- The Cameroon affiliate of Switzerland-based Barry Callebaut AG (BARN.EB) bought 20,738 metric tons of cocoa beans in the entire 2009-2010 cocoa season, down from 25,526 tons bought for grinding during last season, according to data released Wednesday by the Cocoa and Coffee Inter-professional Board, or CCIB.

Also locally known as Societe Industrielle Camerounaise, or Sic Cacao SA, with an annual grinding capacity of 30,000 tons of cocoa beans, the Swiss company owns 70% of Sic Cacao, while the remaining 30% belongs to the Cameroon government.

The data show that 2,448 tons of cocoa beans were bought by Sic Cacao in the month of July 2010. The corporation bought no cocoa beans for crushing in July of the previous season.

Ivory Coast Cocoa Arrivals To Aug 15 Seen Up 0.5% On Year

ABIDJAN, Aug 18, 2010 (Dow Jones Commodities News via Comtex) -- Arrivals of cocoa beans from Ivory Coast's farms at the ports from Oct. 1 to Aug. 15, the first 46 weeks of the 2009-10 season, are forecast at 1,118,000 metric tons, up 0.5% on the 1,112,023 tons that arrived in the same period last season, according to industry estimates obtained Wednesday. This marks the first time since March that this year's cumulative is above last season's, which was the worst season in five years.

Arrivals in week 46 were about 9,000 tons, up on the 2,022 tons calculated for the same period last season. In addition, an official correction to the figures this time last year meant week 46 in the 2008-9 season actually registered an overall drop of 7,978 tons.

Ageing cocoa orchards, a lack of investment, delayed sector reforms and the relative popularity of rubber trees are undermining production in the world's biggest producer.

Black pod disease spreads in Cameroon cocoa hub

Thu Aug 19, 2010

By Tansa Musa

MUYUKA (Reuters) - Black pod disease is spreading in Cameroon's top cocoa growing region, destroying beans in the No. 5 producer nation at the start of the 2010/11 season, according to farmers in the area who were polled by Reuters.

The southwest region, which accounts for about half of Cameroon's output of the raw ingredient in chocolate, has been hit hard by rain in recent weeks, which is undermining quality and making it difficult to truck supplies to port. "There is hardly any cocoa farm in the southwest that has not been attacked since last month by the disease," the president of the Southwest Farmers Cooperative Union (SOWEFCU) James Mosima told Reuters on Wednesday during a trip to Muyuka. "This is very sad because many farmers spent a lot of money to buy insecticides and pesticides to spray their farms. But once they do this, the rains come and wash down all the insecticides and pesticides," he said.

Black pod disease is a fungus that spreads rapidly on cocoa pods under conditions of excessive rain and humidity and insufficient sunshine. It can be contained by timely treatment with fungicides and by constant removal of infected pods. Farmers said they needed government help to combat the spread of black pod and maintain production. "We are pleading that the government, which has already done so much for us this year, should provide us more chemicals to treat our farms," said Folefack Forji, vice president of the Muyuka Central Area Farmers Cooperative. "If this is not done early enough, I am afraid we may lose many pods and consequently beans by the time we enter the peak harvest period," he said.

Cameroon recently ended its 2009/10 season, with output down about 4 percent from the previous year at 197,000 tonnes, a decline cocoa officials blamed on smuggling and inactive trees.

Other major West African cocoa producers, Ivory Coast and Ghana, are also poised to finish the 2009/10 season behind the previous year, although their harvests end in September.

Cameroon's Coffee and Cocoa Interprofessional Board said on Wednesday it expected output to rebound during the current August-July season to 200,000-205,000 tonnes.

Fon Acham, a farmer in the southwest locality of Ekona, said he and his family uprooted some 75 diseased cocoa trees in recent days to prevent black pod from spreading to the rest of his plantation. An outbreak of black pod disease in the 2007/08 season led Cameroon's government to provide fungicides to farmers.

Togo's 2010-11 Cocoa Harvest May Rise 43% on Fertilizer Use, Farmers Say

By Etonam Akakpo-Ahianyio -

Bloomberg - Aug 19, 2010

Cocoa production in Togo may increase 43 percent to 5,000 metric tons during the 2010-11 harvest after the government cut the price of fertilizer to increase use, a growers' association said.

Production during 2009-10 will rise to 3,500 tons before the season is over at the end of August, said Kodjovi Mgbayom, technical director of the Togolese Federation of Coffee and Cocoa Growers. The next season will open in September. "Farmers are starting to be more and more motivated," Mgbayom said in an interview from Kpalime, 120 kilometers (74.6 miles) northwest of the capital, Lome.

The Togolese government reduced the price for a 50 kilogram (110 pound) bag of fertilizer by 9 percent to 10,000 CFA francs (\$19.62) and made 1,000 tons available to farmers during the current harvest, Mgbayom said.

Togo, which borders Ghana, the world's second-biggest producer of the chocolate ingredient, received a grant from the European Union of 165.5 million CFA francs to help develop cocoa production, Patrick Spirlet, head of the delegation, said in a statement July 23.

The money was used to buy motorcycles and a van to "collect easily the harvest from the field" and speed up exporting times, Mgbayom said.

Cocoa for December delivery dropped \$9, or 0.3 percent, to \$2,882 a metric ton at 9:23 a.m. in New York.

Three of the world's four largest cocoa growers are the West African nations of Ivory Coast, Ghana and Nigeria, which together account for 58 percent of global production, or 2.1 million tons, according to the International Cocoa Organization.

Cameroon Exports 172,177 Tons Cocoa In 09-10 -CCIB Final Data

MUYUKA, Cameroon, Aug 18, 2010 (Dow Jones Commodities News via Comtex) -- Cameroon exported a total of 172,177 metric tons of cocoa beans in the just-ended 2009-2010 season, down from 178,608 in the previous season, according to final data for the season published Wednesday by the country's Cocoa and Coffee Inter-professional Board, the CCIB.

The figures, which were revised down, were released at the launch of the 2010-2011 cocoa season in the town of Muyuka in the country's chief cocoa-producing South-West region. The region accounts for at least half of Cameroon's more than 210,000 tons of yearly cocoa output.

Muyuka is situated some 400km southwest of Yaounde and is noted for its high quality cocoa beans.

The CCIB operates in tight collaboration with the National Cocoa and Coffee Board and the government. Earlier this month, CCIB put Cameroon cocoa bean exports between August 2009 and June 2010 at 172,506 tons, but amended the figure for the full season including July after consultation with the NCCB to give Wednesday's final total.

SW Cameroon Cocoa Prices Plummet As Crops Flood Markets -Farmers

MUYUKA, Cameroon, Aug 18, 2010 (Dow Jones Commodities News via Comtex) -- Farmers in Cameroon's key cocoa region of the southwest are being paid XAF1,300-1,400 (\$2.50-\$2.70) per kilogram of cocoa beans this week, a further drop from XAF1,300-1,420/kg, where the crop sold last week, several local farmers and traders told Dow Jones Newswires here Wednesday.

The farmers and traders were speaking while gathered in Muyuka town at the launching of the 2010-2011 cocoa season [August-July] by the country's minister of Trade Luc Magloire Mbarga Atangana. Located some 400km southwest of Yaounde, Muyuka is noted for its production of high-quality cocoa beans, considered to be the best countrywide. "We sold two tons of cocoa beans this [Wednesday] morning at XAF1,350 a kilogram before attending this cocoa-season-launching ceremony by the minister," said the vice president of the Muyuka Central Farmers Cooperative, or Mucefcoop, James Folefack Forji.

In the nearby prominent cocoa town of Ekona, traders paid XAF1,375 for a kilogram of cocoa beans, according to Abraham Abong, who is president of the Ekona Farmers Cooperative, or Ekonacoop.

The highest price was recorded in the chief cocoa-growing and trading Meme Division, where farmers and traders said a kilogram of cocoa beans sold at XAF1,400. Cameroon's southwest region accounts for at least half of the country's annual cocoa output of around 210,000 metric tons.

Due to the prolong rainfall, the humidity level of the cocoa has already hit 20%, which has caused some of the cocoa to be mold-infected, according to of the some farmers and traders. This has deterred some traders from buying the crop.

Ghana cocoa purchases 6.3 pct below yr ago

Thu Aug 19, 2010

ACCRA (Reuters) - Cocoa purchases in world No. 2 grower Ghana are 6.3 percent below last season, according to official data seen by Reuters on Thursday, a figure the government has said is skewed lower by smuggling.

Cocoa purchases declared by private buyers to Ghana's regulator Cocobod since the start of the year in October - the best reflection of output from the West African state -- hit 613,939 tonnes by August 5, according to Cocobod figures. That compares to 655,037 tonnes declared during the same period a year ago, Cocobod said.

Ghana officials have blamed smuggling for the shortfall in purchases volumes and Cocobod has said at least 60,000 tonnes had been taken illegally out of the country to Ivory Coast and Togo, where prices are higher.

Ghana's cocoa output since the light crop -- the slower portion of the full-year season -- began in June totalled 32,502 tonnes, up slightly from the 32,175 tonnes during the equivalent period last year, Cocobod said.

Ghana is considering cutting the light crop season short this year -- before the end of September -- to open the main crop of the 2010-11 season early, a source with knowledge of the plan said on condition of anonymity. "There are strong signs that the main crop will be very good and the strategy is to open it early," the source said.

Ghana produced about 705,000 tonnes of cocoa during the 2008-09 season and hopes to raise production to 1 million tonnes a year by 2012.

Cocoa Arrivals From Brazil's Bahia Region Rebounded by 11%, Hartmann Says

Bloomberg - Luzi Ann Javier - Aug 17, 2010

Cocoa arrivals from Bahia, Brazil's biggest growing region, rebounded after rain disrupted deliveries, analyst Thomas Hartmann said.

Arrivals climbed to 60,962 bags in the week ended Aug. 15, according to an e-mailed report from the Salvador, Brazil-based analyst. That's 11 percent higher than the 54,771 bags Hartmann reported for the previous week. Total arrivals from Brazil gained to 88,241 bags from 82,726 bags a week earlier, according to the report. A bag weighs 60 kilograms (132 pounds).

Cocoa for December delivery gained as much as 1 percent to \$2,919 a metric ton in New York yesterday, before closing at \$2,898. The most-active contract has lost 12 percent this year.

Bahia arrivals had "returned to the expected volume," Hartmann wrote in the report. "The main reason for last week's lower figure has been the bad condition of the dirt roads leading from many farms to the townships due to the rains."

Cameroon's 2009-10 Traded Cocoa Beans At 192,915MT -CCIB, NCCB Data

MUYUKA, Cameroon, Aug 18, 2010 (Dow Jones Commodities News via Comtex) -- Cameroon's total volume of cocoa beans exported and sold within the country during the just-ended 2009-2010 cocoa season totaled 192,915 metric tons, down from a record 205,233 tons in the previous 2008-2009 season, according to industrial statistics released Wednesday.

The data were released by the West African nation's Cocoa and Coffee Inter-professional Board, the CCIB, and the National Cocoa and Coffee Board, or NCCB, at the launch of the 2010-2011 cocoa season in Muyuka, a big cocoa-growing town in the country's chief cocoa-producing southwest Region. Both bodies operate in very close collaboration.

The cocoa season in Cameroon runs from August of each year through July of the subsequent year.

According to the figures, of the total 192,915 metric tons of cocoa beans in the 2009-2010 season, 172,177 tons were exported and 20,738 tons were bought for local crushing by the Cameroon affiliate of the Switzerland-based Barry Callebaut AG (BARN.EB).

The Market

MARKET TALK: ICE Cocoa Edges Down; Favorable Crop Development

Aug 16, 2010 (Dow Jones Commodities News via Comtex) -- 0907 EDT [Dow Jones] - ICE cocoa futures are slightly lower Monday morning, pressured by follow-through selling from recent losses and as beneficial weather supports crop development. Conditions remain favorable for the Ivory Coast main cocoa crop. Heavy rain in Nigeria is also boosting crop prospects, making up for unusually dry weather in July. The rains are making it difficult, however, for farmers to properly dry their mid-crop beans. ICE warehouse stocks fell 8,826 bags to total 3.732 million bags. Nearby September cocoa is down \$2, or 0.07%, at \$2,852 a ton. (TVS)

MARKET TALK: Sep Cocoa Ends Lower But Holds Chart Support

Aug 16, 2010 (Dow Jones Commodities News via Comtex) -- 1241 EDT [Dow Jones]--ICE cocoa futures fell Monday, pressured by follow-through selling from recent losses, though prices held chart support near \$2,800 a ton. Beneficial weather continues to bode well for crop development. Conditions remain favorable for the Ivory Coast main cocoa crop, while heavy rains in Nigeria are boosting crop prospects there, making up for an unusually dry month of July. While futures continue to decline, the market is technically oversold and due for a corrective bounce, says Sterling Smith of Country Hedging in St. Paul, Minn. Prices need to hold above \$2,800, however, to avoid further losses, he says. Volume is pegged at 23,654 contracts traded, with 326 calls and four put options traded. Nearby September cocoa lost \$16, or 0.56%, to settle at \$2,838 a ton. (TVS)

Cocoa Scrapes Lows As Prospects Brighten In Ivory Coast

LONDON, Aug 17, 2010 (Dow Jones Commodities News via Comtex) -- Cocoa prices sank to intraday lows Tuesday, plumbing depths not seen for nine months as improving prospects for the Ivory Coast's main crop scared funds out of the market.

Prices for NYSE Liffe's September contract hit Monday's low of GBP2,073 a metric ton, 24% lower than last month's high when prices soared to 33-year highs of GBP2,732/ton, and scraping depths not seen since November 2009.

Cocoa's fall from grace comes as prospects improve for the main crop in the Ivory Coast, the world's biggest cocoa producer, as sunshine and light rains allay fears that much of the crop has been damaged by heavy rain.

One influential analyst said he expected the main crop, due to be harvested at the end of September, to increase to 950,000 tons this year, while Ghana, another important producer, is expected to grow 175,000 tons. "There was a realization that the rally was not fundamentally driven and that had a dampening effect," said Kona Haque, commodities analyst at Macquarie. As such, "the consensus has shifted toward a more bearish stance" and scared many buyers out of the market.

Coffee Declines for Second Session in N.Y. as Dollar Rises; Cocoa Falls

Bloomberg - Debarati Roy, Claudia Carpenter - Aug 18, 2010

Coffee futures fell for the second straight day as the dollar stabilized, eroding the appeal of commodities as alternative assets. Cocoa also declined.

The greenback rose as much as 0.5 percent against the euro, driving the Reuters/Jefferies CRB Index of 19 raw materials down as much as 1.1 percent. Coffee touched a 12-year high of \$1.829 a pound on Aug. 16 as global supplies tightened. "The dollar is pushing some of the commodities down," said Rodrigo Costa, the vice president of institutional sales at Newedge USA LLC in New York. "Fundamentally, nothing has changed for coffee."

Arabica coffee for December delivery declined 0.5 cent, or 0.3 percent, to settle at \$1.778 at 2 p.m. on ICE Futures U.S. in New York. Prices earlier rose as much as 0.8 percent.

Supplies won't improve until the Central American harvests start in October, and "there is new concern that heavy rains in Colombia, the fourth-largest producer, may suppress production growth there," Kona Haque, an analyst at Macquarie Group Ltd., wrote in a report e-mailed today.

On the Liffe exchange in London, robusta-coffee futures for November delivery fell \$33, or 1.8 percent, to settle at \$1,753 a metric ton, dropping for the first time in six sessions.

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

Cocoa futures for December delivery decreased \$7, or 0.2 percent, to close at \$2,891 a ton at 12:07 p.m. in New York, after rising as much as 0.7 percent. In London, cocoa futures for September delivery fell 5 pounds, or 0.2 percent, to 2,072 pounds (\$3,235) a ton. Production in Cameroon, Africa's fourth-biggest cocoa producer, may increase by 3.6 percent to 205,000 tons during the 2010-2011 harvest as farmers use more fertilizer and revive aging trees, according to the nation's Coffee and Cocoa Interprofessional Board.

Cocoa Falls to Eight-Month Low in London on Increased Supplies

By Claudia Carpenter

Aug. 18 (Bloomberg) -- Cocoa fell to an eight-month low in London on signs of increased supplies even before new crops in West Africa that may be benefiting from good growing conditions.

Cocoa inventories in warehouses monitored by NYSE Liffe climbed 16 percent in four weeks ended Aug. 9, according to exchange figures. The September futures contract that is nearest to delivery is selling for a premium over later dated futures. "Warehouse stocks in Europe have been rising, as the price premium over the nearest positions have continued to attract additional physical stocks," Macquarie Group Ltd. analyst Kona Haque wrote in a report e-mailed today. "Recent reports of improving weather in West Africa have also been lending bearishness to the futures markets."

Cocoa for September delivery was little changed at 2,078 pounds (\$3,255) a metric ton at 10:52 a.m. local time on NYSE Liffe after earlier today dropping to 2,068 pounds, the lowest price for that contract since Nov. 20. The premium for the September contract was 43 pounds over the December contract, down from a peak of 197 pounds last month. In New York, cocoa for December delivery rose 0.4 percent to \$2,910 a ton on ICE Futures U.S. The Ivory Coast and Ghana, the world's largest growers, usually start the bigger of two harvests in October.

White, or refined, sugar for October delivery climbed 0.2 percent to \$552.60 a metric ton on NYSE Liffe, and raw sugar for October delivery fell 0.7 percent to 19.25 cents a pound on ICE.

Robusta coffee for November delivery increased 0.3 percent to \$1,792 a ton, the sixth consecutive gain and the longest advance since July 20, 2009. Arabica coffee futures for December delivery rose 0.6 percent to \$1.7945 a pound on ICE.

Cocoa May Extend Declines to Nine-Month Low in London: Technical Analysis

Bloomberg - Nicholas Larkin - Aug 18, 2010

The beans used to make chocolate have dropped 16 percent the past two months, partly on speculation of bigger harvests in the Ivory Coast and Ghana, the world's largest growers. Photographer: Jane Hahn/Bloomberg

Cocoa may extend declines to a nine-month low of 1,995 pounds (\$3,115) a metric ton in London in the coming weeks after falling through previous support levels, according to technical analysis by Commerzbank AG.

The attached chart shows cocoa fell below a one-year trend channel, its 200-day moving average and the March and April lows of 2,096 pounds and 2,100 pounds. The second chart shows the beans may slide toward the "psychological" level of 2,000 pounds and the November low of 1,995 pounds. "We are definitely bearish," Axel Rudolph, a technical strategist at Commerzbank in London, said in an interview. The March low "seems to be acting as resistance now. As long as we stay below it on a daily basis I wouldn't be surprised if we head down to the next target area and that is the November low" of 1,995 pounds and the 2,000 pound level, he said.

Cocoa for September delivery yesterday fell 0.2 percent to 2,072 pounds a ton on NYSE Liffe, the lowest closing price since Nov. 19. The beans used to make chocolate have dropped 16 percent the past two months, partly on speculation of bigger harvests in the Ivory Coast and Ghana, the world's largest growers. Farmers there usually start the larger of two harvests in October.

Cocoa may decline to a long-term trend line drawn from June 2009, currently at about 1,925 pounds, if prices drop below the 2,000 pound area, Rudolph said. The commodity may fluctuate near the March and April lows for a few weeks if prices close above the Aug. 17 high of 2,119 pounds, he said. "I'd be very surprised if it were to go up from here," Rudolph said.

In technical analysis, investors and analysts study charts of trading patterns and prices to predict changes in a security, commodity, currency or index.

MARKET TALK:ICE December Cocoa Hits 1-Yr Low; Speculative Sales

Aug 20, 2010 (Dow Jones Commodities News via Comtex) -- 12:43 pm EDT [Dow Jones]--ICE cocoa futures for December delivery fell to one-year lows Friday amid pressure from speculative selling, violating chart support and breaking the market out of its recent trading range. The contract fell to \$2,811, its weakest level since Aug. 18, 2009. "We held support for the longest time but now it's just getting tired" as traders who were

formerly long the market sold, says James Cordier, analyst and president of Liberty Trading Group in Tampa. Bullish traders had already been reducing long exposure to the market. Cocoa had already fallen on expectations for increased production out of top-grower Ivory Coast, owing to favorable weather. Friday's decline below key support at \$2,830 attracted chart-based selling, exacerbating the losses. A strong U.S. Dollar also encouraged selling in cocoa. The commodity indexes were weak as a result. London cocoa futures dipped 0.70% amid the weakness in New York but the losses were reportedly contained by arbitrage trading between the two contracts. Futures volume is pegged at 12,564 contracts, with 190 calls and 567 put options traded. Most active December cocoa fell \$65, or 2.3%, to \$2,827 a ton, near the session low of \$2,811.

Processing & Manufacturing

Ivory Coast eyes position as top cocoa grinder

SAN PEDRO, Ivory Coast, Aug 17 (Reuters) - Ivory Coast is on track to become the world's top cocoa grinder in the next few years as the West African state seeks more value from its raw materials exports. Investments in cocoa processing facilities in the country, already the No. 1 grower of the main ingredient in chocolate, have pushed its share of the global grind up sharply since 2008 and could allow it to overtake the Netherlands for the top spot as early as next season. "We're the world's biggest cocoa producer. We will also be the world's biggest grinder," said Ali Lakis, the director of cocoa export firm SAF Cacao, which handled a fifth of the beans arriving at the port of San Pedro so far this season.

Processing beans close to where they are grown is increasingly appealing to cocoa producers keen to cut costs. The government of Ivory Coast has set an initial goal of grinding half of the roughly 1.2 million tonnes it produces each year. "We have to grind 100 percent of our cocoa. It's the only logical step. In 5-10 years time, I'm sure we'll achieve this," said Lakis.

Ivory Coast ground 420,000 tonnes of cocoa in the 2008/09 season, only 20,000 tonnes behind the Netherlands, according to a World Bank report on the sector last December. Its total grinding capacity has been around 489,000 tonnes a year since SAGO-Barry Callebaut nearly tripled capacity at its San Pedro factory to 105,000 tonnes last year.

The SAF Cacao group has also just built a new grinding factory in San Pedro that will have an initial capacity of 32,000 tonnes when it opens next month. Ahmed Amer, director of the firm Choco-Ivoire, says it can be upgraded to 100,000 tonnes. On Tuesday Singapore commodity firm Olam International said it was building a \$43.5 million plant in Abidjan with a 60,000 tonne capacity. That would put Ivory Coast's total grinding capacity at around 580,000 tonnes, at a time when demand for chocolate is expected to rise, especially in Asia.

"STRONG INCENTIVES"

Ivory Coast has clear advantages as a process location. Its rich, well-watered fields supply 40 percent of the world market for raw beans. The government offers what cocoa traders say are some attractive tax breaks for grinders. And unlike many neighbours, it usually has enough electricity. "Strong incentives are definitely there to encourage grinding," said one Abidjan-based cocoa trader. But there are problems: energy and industrial inputs are costly, customs are riddled with corruption and roads are choked by racketeering police and soldiers who slow deliveries and drive up costs by extorting money from truckers.

Cocoa volumes are in decline and reforms needed to improve them have been held back by a political crisis that only long overdue elections stand a chance of resolving.

In a speech when an Oct 31 date for the polls was announced two weeks ago, President Laurent Gbagbo made a campaign pledge to "open discussions" with cocoa importing countries to get better terms of trade for semi-finished cocoa products. "It's not feasible that a big company installs itself here and builds nothing," Lakis said. "They have no factories, they hire everything, take no risk but still make money."

The SAF Cacao group's \$30 million factory was financed with loans from banks including Ecobank Cote D'Ivoire and a subsidiary of France's Credit Agricole. "We wanted something that the chocolate makers would see instantly is the same standard of processing as anywhere in Europe," Amer told Reuters during a visit to the new factory, a maze of brown and yellow rooms with machines for drying, treating and crushing up cocoa beans. "Ivory Coast can be competitive."

Kraft aims to stop chocolate melting

Aug 19 2010 by Jon Griffin, Birmingham Mail

NEW Cadbury owners Kraft reckon they may have come up with an answer to an age-old problem – how to stop chocolate melting. The US group, which took over the Birmingham chocolate maker in February in an £11.7 billion hostile deal, is aiming to develop hi-tech “thin film” packaging for its bars to “minimise melting” when the mercury rises.

US consultancy group NineSigma has issued a design tender on Kraft’s behalf and wants “proof of concept” designs within the next nine months.

The NineSigma tender says: “Kraft Foods seeks novel materials or approaches to packaging that can protect single serve chocolate bars from medium-term exposure to warm ambient conditions. “These products frequently experience multiple cycles of exposure to controlled and uncontrolled climates. “Products may be shipped in controlled and uncontrolled conditions, sold by the retailer in an air-conditioned setting and consumed some time later after having been carried on the person or in a handbag. “Although current technology can provide a solution to the problem, the resultant packaging is both cost-prohibitive and excessively bulky.”

NineSigma said it wanted to hear from design experts that would use “novel insulating materials, phase change materials and thin film approaches that can store energy and repurpose it”.

A spokesman for Kraft said: “We’re complementing our traditional research and development and actively looking for external partners. We’ve worked with outside partners to develop easy re-seal closures for Milka moulded bars. And our unique Snack and Seal resaleable packaging for Oreo and Chips Ahoy! was developed with the help of an outside supplier.” The new packaging could also prevent the white “bloom” discolouring that afflicts chocolate if it is stored in direct sunlight.

Kraft is at the centre of global chocolate research and development and earlier this year unveiled plans to make Bournville the heart of its worldwide R&D, with a global ‘Centre of Excellence.’

AAK spies ongoing growth in cocoa butter alternatives

ConfectioneryNews.com - Nathan Gray - Aug 18, 2010

Specialist fat supplier reports strong growth in cocoa butter alternatives, sustaining an increase in operating profits in spite of growing market uncertainty. The Swedish company which specialises in vegetable fats, reports “growth opportunities in all business areas”, on top of increased second quarter, and six-month operating profits.

AAK says that volumes for speciality products are expected to continue to increase in food ingredients as well as chocolate and confectionery fats, stating there is strong volume growth for cocoa butter alternatives. “The global recession has provided a strong incentive for our customers to reduce costs and to further drive the substitution of expensive cocoa butter”, said Arne Frank, President and CEO of AAK.

Growing uncertainty

However, the growth in cocoa alternatives has been offset by a reduction in confectionery consumption in recession-hit areas. During the recession, chocolate consumption in Western Europe and the US reduced by between 5 and 10 per cent. In Asia it seems to be stable, according to AAK, but in Eastern Europe the drop is over 10 per cent.

AAK stated: “Short term volume growth will not compensate for the consequent reduction in margins. A slow recovery in the chocolate consumption in Eastern Europe compared to the rest of the world continues to suppress growth.”

AAK added that a “general uncertainty” remains about the impact of surplus production capacity in the confectionary industry.

Positive results

AAK reports good development and positive results for Q2 of 2010, with all business areas “developing positively” compared to Q2 of 2009. It posted a second quarter operating profit of SEK 164m, up 12 per cent from last years SEK 146m.

Higher volumes, and more stable margins helped confectionery and fat products to see marginally increased operating profits over last years results, whilst food ingredients “successfully continued the specialisation strategy with good volume growth in speciality products”, seeing a 19 per cent increase in operating profits. Technical products and feeds increased by 16 per cent. “Food Ingredients continued to develop very well and we saw an acceptable result for Chocolate & Confectionery Fats”, said Frank.

Six month operating profits from January to June 2010 were SEK 342m, a 13 per cent increase from the SEK 303m reported during the same period in 2009.

Strong development

"Our health profile, speciality products... and our strong product development are relevant examples of the future potential for AAK," said Arne Frank.

On top of business growth, AAK are in line to report annualised cost savings of SEK 100m later this year, with an additional SEK 200m in savings due in 2011 - as part of long term rationalisation programmes.

“AAK is currently also executing a substantial cost reduction programme which will improve our competitive position. Further I see significant opportunities to strengthen the focus on sales and marketing. This, as well as a selective acquisition strategy based on a strong balance sheet, will move AAK forward and ensure a continued long-term improvement in profitability," added Frank.

Business and Economy

Cameroon: Cocoa Season Launched In Muyuka

AllAfrica.com -

Nkeze Mbonwoh19 August 2010

The event yesterday mobilised two government Ministers to the northern slope of Mount Cameroon, Muyuka in Fako Division, South West Region.

The Vice Prime, minister of Agriculture and Rural Development, Jean Nkuete, and the Minister of Trade, Luc Magloire Mbarga Atangana, made the journey to the cocoa producing base of Muyuka in Fako Division where the cocoa season for 2010-2011 was launched yesterday August 18, 2010 to run from August 1, 2010 to July 15, 2011. The host Governor of the South West Region, Koumpa Issa, and neighbouring Governor of the Littoral Region, Fai Yengo Francis, joined in the exercise.

While minister Luc Magloire Mbarga Atangana declared the season open at 12:53 pm, he announced that a project to rehabilitate cocoa drying ovens in the Country would begin in the South West Region soon. The minister enjoined all stakeholders to protect the cocoa sector that remains vulnerable to fraudulent exporters and quality tricksters who mix bad and good grains for quick market. The minister took note of farmers' demand for better road infrastructure to access the farms with pesticides. He said, "We need to make the cocoa sector a complete one" that produces and processes for local and export consumption. As such, the minister urged businesspersons of the cocoa sector to invest in the local processing of cocoa so that Cameroon can derive the ultimate benefit from the sector.

Speaking earlier, the Vice Prime minister, minister of Agriculture and Rural Development explained that the importance they attached to the cocoa sector was in line with President Paul Biya's instructions to revive the sector so as to boost production and improve on the living standards of the farmers. He said cocoa production had hit 200.000 tonnes in the previous seasons catapulting Cameroon to the fifth world-producing nation. Cocoa experts in the likes of Ngwe Appollinaire, president of the inter-professional cocoa and coffee Board (CICC) explained that the prices last season varied between CFA 850 and CFA 1,500 per Kilogramme. He said 20 exporters animated the market for 172,177,008 kilogrammes exported. Including the local consumption, the total production marketed in Cameroon last year stood at 190, 871132 Kg. Overall, 80 per cent was exported towards Holland and 5.36 percent of the produce was exported, to Malaysia. The General Manager of the Cocoa Board, Michael Ndoping, was worried that there was a drop in last year's production with highest prices registered in the Centre Region and the lowest in the East. The farmers present at the season's launch in Muyuka rejoiced that government had taken the engagement to better protect a sector that was their mainstay.

Cocoa Faces Export Ban

Aug 20, 2010 (Vanguard/All Africa Global Media via COMTEX) -- NIGERIA may be on the verge of losing out in the cocoa export business at the end of the year for failing to comply with the European Union's standard requirement of chemicals used in the production of the commodity.

Indeed, the nation stands the risk of its cocoa product being rejected at the international market due to the use of substandard chemicals in its cocoa plantations.

The International Cocoa Organisation - the United Nation's regulatory body for the commodity has said that Nigeria's cocoa export has been found to be of low standard due to the discovery of substandard pesticides used in its production.

Akin Gbadamosi, National Chairman, Cocoa Association of Nigeria, raised the apprehension at the one-day Nigerian Export Promotion Council (NEPC's) cocoa export development interactive session in Lagos, recently, adding however, that the Federal Government order the nation's security agencies, to take urgent steps to stop the continued importation of different substandard chemicals into the country, as a way of protecting the lives of the people, especially the farmers, who risk being out of jobs if the EU ban takes effect. He pointed out that the influx of chemicals used in the production of cocoa in the country may lead to Nigeria being rejected at the international market, saying that Nigeria was yet to comply with the international requirement standard.

The CAN boss said that most other countries in Africa such as Cameroun, Ghana, Cote d'Ivoire, and Togo were already 90 per cent compliance, but lamented that Nigeria was yet to commence the implementation process due to government apathy at stopping the importation of substandard chemicals.

On the effect of EU's ban, Gbadamosi said that the implication would affect adversely the growth of the nation's economy, stressing that agriculture contributes 41.48 per cent to the national Gross Domestic Product (GDP), of which cocoa contributes 27 per cent. He noted that his association was working with the Police, SSS, Customs and NAFDAC to sensitise farmers and fight fake chemicals in the market. He said the Cocoa Association of Nigeria took over the job of the former cocoa board when it was dissolved, except pricing. "When cocoa was banned in 1988, the association led a delegation to London to sign an agreement with cocoa producers in Europe to produce quality cocoa for the international market "with the permission of the federal ministry of commerce," he said, while also alleging that "today, government is frustrating our efforts at producing quality cocoa." He however, called on the federal government to restore the cocoa board and provide grants for cocoa farmers across the nation.

President of Cocoa Processor Association of Nigeria (COPAN), Mr Akin Olusuyi, said cocoa producers need grants from the federal government. He argued that Nigeria is the only cocoa producing country where there are no direct incentives from government to the manufacturers and processors of cocoa

India's cocoa export to international market increasing

Sify - Aug 20, 2010

India's exports of cocoa to the international market have reached 60 to 70 percent of the total output. More than 2,500 hectares of land is currently under cultivation in Tamil Nadu's Dharmapuri District. "Dharmapuri district is selected for implementing National Horticulture Mission. Under National Horticulture Mission, we are promoting various crops, fruits, flowers, vegetables and plantation crops. Under the plantation crop, we promote this cocoa," said Murugan, Assistant Director of the Horticulture Mission of Dharmapuri.

Cocoa fruits have great value as they are used in various processed foods and have medicinal value. "Major cocoa producing states in India are Karnataka, Andhra Pradesh, Kerala and Tamil Nadu. We export nearly 60 to 70 percent of the requirements. The cocoa is mainly cultivated for making chocolates, food products, beverages and to some extent, medicinal requirements," said Murugan.

The state government has recently signed a Memorandum of Understanding (MoU) with the chocolate firm Cadbury Dairy, India.

Cocoa growers are also happy as they can easily grow this seasonal crop between their coconut gardens and do not need separate plots of land. They also get a subsidy of Rs 20,000 per hectare from the Horticulture Mission. By S. Jaykumar(ANI)

Others

Smuggling behind Cameroon cocoa export decline: CCIB

Thu Aug 19, 2010

YAOUNDE (Reuters) - Shady operators smuggled about 10,000 tonnes of cocoa out of Cameroon during the 2009/10 season, accounting for all of the No. 5 grower's decline in official exports, a top cocoa official said.

The central African state announced on Wednesday output during the August-July season dropped to 197,000 tonnes, below a target of exceeding last year's 205,000 tonnes. "Our rough estimate is that these underground operators process about 10,000 tonnes of cocoa beans and smuggle a similar amount to neighbouring countries," Apollinaire Ngwe, president of the Coffee and Cocoa Interprofessional Board, told Reuters late on Wednesday.

"For this reason, the figures published today, we believe, do not reflect the real situation of the cocoa sub-sector because of the growing number of these unlicensed and illegal operators," he said.

Ngwe said Cameroon's government had asked the CCIB to help investigate the smuggling operations, which he said are likely to involve moving cocoa beans to parts of Nigeria, Congo Republic, and Gabon where selling prices are higher.

Cocoa officials said on Wednesday they hope output will rebound next year to 200,000-205,000 tonnes as trees that were "rested" -- or unharvested -- this year are brought back into production.

Cameroon's Trade Minister Luc Magloire Mbarga Atanga added on Wednesday the country was seeking to rehabilitate 10,000 drying ovens in the main southwest growing region, hard hit this year by rains that undermined bean quality.

Ivory Coast Boosts Cocoa Pesticides, Cuts Black Pod Fungicide Coverage

Bloomberg - Olivier Monnier - Aug 19, 2010

Ivory Coast, the world's biggest cocoa producer, has increased by 10 percent the amount of land it will treat with chemicals to prevent pests that hinder growth of the beans, the Fund for Developing and Promoting Coffee and Cocoa Activities said.

A total of 550,000 hectares (1.36 million acres) will be treated with "general pesticides" during the upcoming harvest, which begins Oct. 1, said Patrice Rox, a spokesman for the Abidjan-based fund.

The country has reduced by 28 percent the area it will treat for black pod rot to 225,000 hectares. The fungus spreads during times of heavy rainfall and minimal sunshine. "We decided to focus on general pesticides because all the regions are concerned, whereas the black pod disease threatens only a few areas," Rox said in an interview Aug. 17.

Brou Allatin, technical director of the fund, said yesterday that Ivory Coast conducted a survey in cocoa-growing regions, which determined that pests would pose a bigger problem than black pod rot during the upcoming harvest, Allatin said.

Jerome Ebah, a farmer based in Toumodi in the Lake region, 17 kilometers (11 miles) from the capital, Yamoussoukro, said he purchased his own pesticides to treat his farm instead of waiting for the government's spray. "For the first part of the treatment, I used my own resources, but it is very expensive," he said in a phone interview Aug. 17. "For the second part, I will use the chemicals distributed by the authorities."

Shipments of cocoa from Ivory Coast, which accounts for about 33 percent of the world's supplies, totaled 949,763 metric tons in the season to Aug. 4, according to an industry official with access to the confidential data.

GH¢15m Support For Cocoa Farmers

Source: Michael Donkor - Daily Graphic

The Government has set aside Gh¢15 million to support housing and social security schemes for cocoa farmers, the Minister of Agriculture, Mr Kwesi Ahwoi, has disclosed. He said the move was aimed at boosting agricultural production in the country and also making the sector attractive for the youth to venture into.

This was contained in a speech read on his behalf at a seminar on agricultural science in Accra yesterday. The seminar disseminated knowledge gained from a study conducted by the Agricultural Science and Technology Indicators (ASTI) on the recent developments in agriculture in the country.

Mr Ahwoi said the welfare of farmers had been at the centre of the government's policies and programmes. He said, for example, that the government had continued to support farmers' welfare as captured in the 2010 budget statement amounting to GH¢868,000. He urged farmers to continually come up with innovations in order to respond to the changing market demands and stay competitive.

Mr Ahwoi appealed to all stakeholders to support the government in addressing the challenges that the agricultural sector faced. He mentioned some of these challenges as inadequate laboratory facilities for some research work, a pool of ageing researchers, especially at the Centre for Scientific and Industrial Research (CSIR), and the restrictions on employing new researchers.

Mr Ahwoi gave the assurance that the ministry would do all it could to improve the research facilities and human resources to ensure that the agricultural sector maintained its momentum of growth.

Presenting the findings of a survey, the Head of Programmes of ASTI, Dr Nienke Beintema, said the involvement of non-profit organisations and private companies continued to be very small. She said the share of women in agricultural research staff was 17 per cent in 2008, similar to the 2001 level and lower than the regional average.