



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 281

28<sup>th</sup> April – 2<sup>nd</sup> May 2008

Cocoa Producers' Alliance

## ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (#/tonne)	New York futures (US\$/tonne)
28 <sup>th</sup> April	1723.48	2808.85	1453.00	2763.00
29 <sup>th</sup> April	1713.27	2784.99	1456.00	2732.67
30 <sup>th</sup> April	1714.94	2784.69	1444.00	2740.00
1 <sup>st</sup> May	1617.52	2627.84	1367.33	2590.33
2 <sup>nd</sup> May	1629.26	2641.07	1380.00	2591.00
<b>Average</b>	<b>1680.00</b>	<b>2729.00</b>	<b>1420.00</b>	<b>2683.00</b>

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Do your health a favour, drink Cocoa everyday

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

**Monday 28th April 2008**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
May 2008	1480	1492	15	1504	1480	1,497
Jul 2008	1502	1505	3	1523	1493	3,400
Sep 2008	1450	1437	-2	1455	1430	1,481
Dec 2008	1428	1417	-2	1434	1412	871
Mar 2009	1402	1388	-1	1404	1385	1,647
May 2009	1404	1393	-1	1404	1399	8
Jul 2009		1402	0			0
Sep 2009		1412	0			0
Dec 2009		1422	0			0
Mar 2010		1422	0			0
<b>Totals</b>		<b>1429</b>				<b>8,904</b>

**Tuesday 29th April 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2008	1483	1493	1	1500	1474	3,878
Jul 2008	1495	1508	3	1513	1486	4,368
Sep 2008	1430	1439	2	1445	1420	2,344
Dec 2008	1414	1421	4	1426	1406	1,140
Mar 2009	1383	1391	3	1401	1377	1,246
May 2009	1399	1396	3	1404	1385	100
Jul 2009	1405	1406	4	1405S	1405S	1
Sep 2009	1412	1416	4	1412	1412	2
Dec 2009		1426	4			0
Mar 2010		1426	4			0
<b>Totals</b>		<b>1432</b>				<b>13,079</b>

**Wednesday 30th April 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2008	1483	1477	-16	1494	1470	2,167
Jul 2008	1497	1495	-13	1508	1483	4,011
Sep 2008	1420	1427	-12	1440	1418S	2,035
Dec 2008	1401	1410	-11	1422	1401S	2,539
Mar 2009	1378	1382	-9	1395	1378S	2,185
May 2009	1390	1390	-6	1391S	1387	30
Jul 2009		1400	-6			0
Sep 2009		1409	-7			0
Dec 2009	1422	1419	-7	1422	1422	2
Mar 2010		1419	-7			0
<b>Totals</b>		<b>1423</b>				<b>12,969</b>

**Thursday 1st May 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2008	1483	1396	-81	1499	1387	1,449
Jul 2008	1501	1413	-82	1519	1401	7,408
Sep 2008	1434	1353	-74	1447	1343S	3,103
Dec 2008	1415	1336	-74	1429	1328	2,596
Mar 2009	1394	1308	-74	1402	1309S	585
May 2009	1360	1315	-75	1360	1330	49
Jul 2009		1323	-77			0
Sep 2009		1333	-76			0
Dec 2009		1343	-76			0
Mar 2010		1343	-76			0
<b>Totals</b>		<b>1346</b>				<b>15,190</b>

**Friday 2nd May 2008**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2008	1395	1407	11	1408S	1363S	1,799
Jul 2008	1407	1423	10	1430	1375	8,156
Sep 2008	1340	1367	14	1372	1069S	2,969
Dec 2008	1322	1350	14	1357S	1310	1,754
Mar 2009	1303	1324	16	1331	1289S	1,916
May 2009	1312	1330	15	1330S	1306	662
Jul 2009	1325	1339	16	1338S	1322	37
Sep 2009		1348	15			0
Dec 2009		1359	16			0
Mar 2010		1358	15			0
<b>Totals</b>		<b>1361</b>				<b>17293</b>

<b>Average for the week</b>	<b>1348</b>					<b>13487</b>
<b>Total for the week</b>						<b>67,435</b>

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

**Monday 28th April 2008**

Month	Open	Price	Change	High	Low	Volume
May 2008	2793	2864	11	2864	2793	19
Jul 2008	2770	2799	11	2824	2758	5,971
Sep 2008	2760	2760	10	2785	2725	901
Dec 2008	2753	2731	13	2755	2694	595
Mar 2009	2709	2701	18	2711	2675	291
May 2009	2694	2701	19	2710	2691	38
Jul 2009		2700	19	2700	2700	1
Sep 2009		2720	19	2720	2720	0
Dec 2009		2736	14	2736	2736	1
Mar 2010		2760	17	2760	2760	0
<b>Totals</b>		<b>2734</b>				<b>7817</b>

**Tuesday 29th April 2008**

Month	Open	Price	Change	High	Low	Volume
May 2008	2888	2870	6	2888	2870	2
Jul 2008	2779	2775	-24	2799	2733	5624
Sep 2008	2783	2737	-23	2783	2699	718
Dec 2008	2713	2703	-28	2713	2668	154
Mar 2009	2678	2673	-28	2686	2643	85
May 2009	2675	2676	-25	2685	2648	11
Jul 2009		2676	-24	2676	2673	1
Sep 2009		2691	-29	2691	2691	0
Dec 2009	2683	2716	-20	2716	2683	1
Mar 2010		2731	-29	2731	2731	0
<b>Totals</b>		<b>2725</b>				<b>6596</b>

**Wednesday 30th April 2008**

Month	Open	Price	Change	High	Low	Volume
May 2008						
Jul 2008						
Sep 2008						
Dec 2008						
Mar 2009						
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Mar 2010						
<b>Totals</b>		<b>#DIV/0!</b>				<b>0</b>

**Thursday 1st May 2008**

Month	Open	Price	Change	High	Low	Volume
May 2008	2750	2721	-161	2772	2700	2
Jul 2008	2789	2617	-159	2797	2590	6,596
Sep 2008	2750	2588	-151	2768	2567	1,228
Dec 2008	2727	2575	-138	2736	2557	772
Mar 2009	2695	2559	-127	2706	2539	112
May 2009	2696	2560	-131	2696	2556	20
Jul 2009	2707	2561	-131	2707	2561	2
Sep 2009		2581	-121	2581	2581	0
Dec 2009	2600	2612	-117	2612	2599	11
Mar 2010		2625	-116	2625	2625	0
<b>Totals</b>		<b>2600</b>				<b>8743</b>

**Friday 2nd May 2008**

Month	Open	Price	Change	High	Low	Volume
May 2008	2715	2740	19	2740	2715	23
Jul 2008	2617	2621	4	2630	2555	16,928
Sep 2008	2575	2593	5	2600	2530	2,627
Dec 2008	2563	2572	-3	2575	2522	683
Mar 2009	2537	2550	-9	2550	2495	244
May 2009	2500	2552	-8	2552	2500	31
Jul 2009		2553	-8	2553	2553	7
Sep 2009		2558	-23	2558	2558	0
Dec 2009		2592	-20	2592	2592	26
Mar 2010		2617	-8	2617	2611	0
<b>Totals</b>		<b>2595</b>				<b>20569</b>

<b>Average for the week</b>	<b>2576</b>					<b>10931</b>
<b>Total for the week</b>						<b>43,725</b>

**Spot Prices [US\$ per tonne]**

	28 <sup>th</sup> April	29 <sup>th</sup> April	30 <sup>th</sup> April	1 <sup>st</sup> May	2 <sup>nd</sup> May
Main Crop Ghana, Grade 1	3247	3223	3224	3065	3069
Main Crop Ivory Coast, Grade 1	3099	3075	3076	2917	2921
Main Crop Nigerian, 1	3087	3063	3064	2905	2909
Superior Arriba	3122	3098	3099	2940	2944
Sanchez f.a.q.	3176	3152	3153	2994	2998
Malaysian 110	2779	2755	2756	2597	2601
Sulawesi f.a.q.	3027	3003	3004	2845	2849
Ecuador Cocoa Liquor	4693	4653	4654	4388	4395
Pure Prime Press African Type Cocoa Butter	7707	7641	7643	7205	7216
10/12% Natural Cocoa Press Cake	1120	1110	1110	1047	1048

Source: Cocoa Merchants' Association

# News

## Health and Nutrition

### Diabetic women test power of chocolate

guardian.co.uk, UK

Sarah Boseley, health editor

April 28 2008



Special chocolate created for the trials. Photograph:  
University of East Anglia/PA

In the interests of science and public health, 150 women with type 2 diabetes are being recruited to do something they may currently only dream of - eat a chocolate bar a day. It will taste like chocolate, says Professor Aedin Cassidy, of the University of East Anglia (UEA), it will look like chocolate, and it will be made by an upmarket Belgian chocolatier, but this chocolate bar will be special. It will contain high levels of flavonoids, which have been shown to reduce the risk factors for heart disease.

Cocoa, the main ingredient of chocolate, is naturally rich in a flavonoid called epicatechin, but most commercially available chocolate bars don't contain much of it - even the high-end 70% cocoa variety. And in milk chocolate, the flavonoids are swamped by milk and sugar. Cassidy and colleagues have recruited a Belgian chocolatier to produce a bar that contains three and a half times more flavonoids than the best dark chocolate. The bar contains soy as well, which is rich in flavonoids.

The object of the study is to find out whether high levels of flavonoids in food will protect women with type 2 (obesity-related) diabetes from heart disease, which presents a high risk to them. "But there is a public health issue," acknowledges Cassidy, a professor of diet and health at UAE. "A 50g bar of chocolate contains 15g of fat and over 200 calories - a significant proportion of energy and fat."

The challenge was to produce a portable and palatable food that the volunteers could consume every day of the year, whether at home or on holiday. Given that cocoa has such good flavonoid content, a chocolate bar was the obvious answer. But there was no way to cut out the sweetness, Cassidy says: "The problem you get with flavonoids is that they are very bitter. It is critical to have the sugar content there, though we have used caramel flavouring."

Half the women in the study will randomly be assigned the flavonoid-rich bars and the other half will get ordinary chocolate. The bars are small, weighing 30g, and are intended to replace some other snack or treat. "They will be given advice. We don't want any weight gain," Cassidy says.

The women in the study, which is being funded by Diabetes UK, must be post-menopausal and have been on cholesterol-lowering medication (statins) for at least a year. They will be screened and checked for heart disease five times during the 12-month study and will keep diaries of the food they eat.

The hard part comes at the end of the study, when they will have to give up the chocolate.

Cassidy says they are not looking to develop a commercial product. If the trial is successful, the results will be used to advise women on ways to include flavonoids in a normal healthy diet. Anyone interested in taking part should call the study nurse Andrea Brown or the coordinator Dr Peter Curtis on 01603 288570 or email [flavo@uea.ac.uk](mailto:flavo@uea.ac.uk).

## Dark chocolate is good for pregnant women: study

AFP

April 28 2008



WASHINGTON (AFP) — A daily snack of quality dark chocolate is healthy for pregnant women and protects them from possible high blood pressure problems, a medical study said Monday. By biting into rich, dark chocolate, there is a 69 percent less chance of contracting preeclampsia, a major pregnancy complication with cardiovascular manifestations such as hypertension that affects up to eight percent of pregnancies, said Dr. Elizabeth Triche.

The associate director at the Yale Center for Perinatal, Pediatric & Environmental Epidemiology, at Yale University, co-authored the 1996-2000 study of 2,291 women published in the May issue of Epidemiology. The study method measured the density of theobromine -- a chemical in chocolate -- in the arterial cord blood extracted from the umbilical cord at delivery. The primary effects of theobromine include diuresis, myocardial stimulation and vasodilatation. Other chemicals in chocolate include magnesium, which lowers hypertension, and flavanoids, which are potent antioxidants, the study said.

"Quantifying self-reported chocolate and cocoa consumption is extremely difficult due to considerable variation in the cocoa content of chocolate products," Triche said.

"The darker (the chocolate) is, the better it is. The more highly processed, the more fat and sweet it is, the less it contains theobromine," she said, adding that theobromine concentrations in chocolate vary from 0.15 percent to 0.46 percent.

"In this prospective cohort of pregnant women, we observed that chocolate consumption, as measured by cord serum levels of the biomarker theobromine, was associated with lower risk of preeclampsia," the study concluded.

"It's like eating a good quality chocolate bar every day," said Triche.

## Treats are choc full of goodness

The Sun, UK

By EMILY PAYNE

28 Apr 2008



**Tuck in ... are healthy chocs too good to be true?**

CHOCOLATE is the ultimate mood-booster - and now boffins say it might even save your life! Scientists have created a new bar of chocolate, which is packed with nutrients to prevent heart damage.

The new chocs will be packed with antioxidants which are known to fight illness and extra soy to boost health even further. But with the average bar of chocolate containing over 200 calories and 10g of fat, do the so-called benefits of healthy chocs mean we can munch our way through all the choc we like? Until this healthy chocolate hits the shops, take a look at the calories and fat in

your favourite bars, right.

And read on for Fit Squad nutritionist Amanda Ursell's guide to healthy chocolate.

"Chocolate is actually a low GI food," says Amanda.

"So if you stick to pure chocolate bars, such as Yorkies, Green & Black's bars and Cadbury's Dairy Milks you will feel fuller for longer.

"Once you start adding biscuit or sugar coating, your blood sugar levels shoot through the roof and you are more likely to eat more.

"Darker chocolate, with a higher percentage of cocoa is healthier as it contains antioxidants, but milk chocs contain magnesium, which many studies show to be beneficial to women suffering from PMS.

"No one has really tested to see if chocolate is actually addictive, but if you feel that you are hooked, try having one Green & Blacks small individually wrapped 70 per cent cocoa pieces of chocolate.

"Break the little square into quarters and put each piece one after the other under your tongue and keep it there until it dissolves (chocolate is the only food that melts at body temperature so it will dissolve if you can resist chewing it).

"This process gives a really intense chocolate hit and makes a little square with just 25 calories go a very long way.

"Guilt-free chocolate: Naturally Gorgeous chocolate comes in 35g bars and contains a natural appetite suppressant so you won't be going back for more."

## **Production and Quality**

### **Australia sweet for chocolate**

The Age, Australia

Garry Barker

April 28, 2008



Exploring the science of chocolate in the Cocoa Farm lab. Picture: James Boddington.

A consortium of biotechnology scientists and food experts, with a state of the art processing company in Melbourne, is aiming to carve a niche for Australia in the \$75 billion a year world chocolate market. The scientists have set up Horizon Science, the wholly owned subsidiary of which, Cocoa Australia, is running a trial plantation of 1200 cacao trees on a 20-hectare plantation in Mossman, in far north Queensland. The trees, now four years old, have begun to yield.

Nearly three-quarters of the world's cocoa production comes from West Africa, which has the right climate for cacao trees. But similar temperatures, rainfall and soil types exist in northern Queensland and, according to Janice Falzon, chief executive of Farm by Nature, the Melbourne-based chocolate-making company associated with Horizon Science, bean production here is better than in West Africa.

Horizon Science was founded by Dr David Kannar and Dr Barry Kitchen, two scientists well known in the Australian biotechnology and food industries. Dr Kitchen spent 21 years working with chocolate for Cadbury. They were joined in the Horizon Science venture by Ross Dobinson, a Melbourne businessman specialising in technology start-up companies. Their aim with Horizon Science is to conduct research and develop new food ingredients in the sugar, chocolate and dairy industries.

Test production of chocolate has begun in a small milling plant on the Mossman site but soon all of the cocoa bean production will go to Farm by Nature, which has invested millions of dollars on a state of the art chocolate production and packaging plant in Scoresby.

Production began in Scoresby in December using cocoa products from larger companies such as Cadbury, and already lavishly packaged bars of wine-infused chocolate, under the Cocoa Farm label, have been exported to Britain and Germany and sold through wineries and wine shops around Australia. About half the production has been exported. "We're aiming very much at the prestige end of the market," says Ms Falzon. Cocoa Farm's production so far has centred on wine-infused chocolate bars and coated muscat berries, using a patented process that Ms Falzon says is unique - "a world first that was difficult to perfect".

Cocoa Farm also has chocolate flavoured with lime and chilli, the latter a growing taste among aficionados of a food not only high in the antioxidants beloved of the health-food set, but also said to contain an enzyme that fosters love in the human mind. Since the time of the conquistadores, it has been known as an aphrodisiac.

Chocolate is said to have originated in the Amazon more than 4000 years ago and cacao trees were first farmed by the Mayans on the Yucatan Peninsula 1500 years ago. The Aztecs accorded it mystical properties and believed that the seeds of the cacao tree were brought to them by the god Quetzalcoatl riding to earth on a beam of light from the morning star. The Mayans and



Aztecs used the bitter paste of ground cacao seeds to make a thick, cold, unsweetened spicy drink called xocoatl, from which the English word chocolate comes.

Spanish buccaneer Hernando Cortez, who brought the beans to Spain in 1528, disliked the bitterness and added sugar, vanilla, nutmeg, cloves and cinnamon. Spanish nobility embraced sweet chocolate and its aphrodisiac reputation. High-quality chocolate is growing in importance as a healthy food, Ms Falzon says. It contains more antioxidants than green tea or blueberries, although the downside is that it also carries more calories.

#### **News conference on cocoa today**

Trinidad News, Trinidad and Tobago

April 28 2008

Agriculture minister Arnold Piggott will have another opportunity to outline Government's plans to boost domestic agriculture and curb rising food prices when he addresses a news conference about the Second Roundtable On Sustainable World Cocoa Economy today at the Kapok Hotel at 1.30 pm.

The purpose of the conference is to announce this country as the venue for the second roundtable in 2009. TT is already hosting the Fifth Summit of the Americas in April 2009 and the Commonwealth Heads of Government summit in November 2009. The roundtable brings together over 200 participants from 25 countries and includes representatives of cocoa farmers, traders, manufacturers, governmental and non-governmental organizations.

Other speakers at today's news conference will include International Cocoa Organization Dr Jan Vingerhoets and TT Cocoa and Coffee Industry Board chairman Jacqueline Rawlins. Last week in the Senate, Legal Affairs Minister Peter Taylor updated the population about Government's plans to deal with rising food prices. Prime Minister Patrick Manning has maintained that combating rising food prices remains a top priority for Government.

#### **Archer Daniels delays ethanol, cocoa plants**

Reuters

(Reporting by Lisa Shumaker, editing by Gerald E. McCormick)

Apr 29, 2008

CHICAGO, April 29 (Reuters) - Archer Daniels Midland Co (ADM.N: Quote, Profile, Research) said on Tuesday that the opening of its new ethanol plants, a cocoa plant and other projects will be delayed until 2009 and 2010 due to weather and delayed steel shipments.

Total project costs are expected to remain fairly steady at \$2.6 billion, compared with initial estimates of \$2.5 billion, the company said on a conference call with analysts.

#### **Ivorian cocoa arrivals up**

Reuters

April 30 2008

ABIDJAN (April 30 2008): cocoa arrivals at Ivory Coast's ports reached around 1,088,000 tonnes from October 1 to April 27, up over 10 percent year on year, shippers estimated on Tuesday, as the mid crop gathered pace despite quality concerns. The figure compared with 985,188 tonnes in the same period of the previous season, according to the weekly estimate obtained from major exporters in the world's top grower.

They estimated around 12,000 tonnes of beans were delivered to the West African country's Abidjan and San Pedro ports between April 21 and 27, up from 10,189 tonnes in the previous week and 8,498 tonnes in the same week a year ago. "You can't really say the mid crop has properly started yet, but we are seeing more beans arriving each week." said the director of a large European exporter in Abidjan.

"When we reach 20,000 tonnes per week the season will really have begun. That should be next week or the week after, because according to our information, farmers are harvesting now and curing their beans," he said. Ivory Coast's mid crop runs from April to September. Ivorian cocoa bean shipments are recorded on arrival at the ports whether they are destined for immediate export or to be processed by local grinders.

This season's export registrations are also up, with 990,186 tonnes of cocoa beans registered for export in the 2007/08 season by April 4, up from 912,210 tonnes by the same stage a year earlier, according to BCC data seen by Reuters on Tuesday.

SMALL BEANS: But despite the higher volumes compared with last season, exporters said they were concerned about poor bean quality due to low rainfall in the early part of 2008. "This year, the problem with the mid crop will be quality. The bean count is up, and acid levels are high a little too often," said the director of the European exporter.

Bean size is measured by the number of beans per 100 grams, with a maximum bean count of 100 during the main crop, although smaller beans are permitted during the mid crop. "The bean count at the moment is not great - we are getting some deliveries as high as 140 (beans per 100 grams). That's too high, and that will cause us problems because our clients require quality and a good bean count," said the commercial representative for an international shipper based in Abidjan.

## **The Market**

### **DJ Liffe Softs: Cocoa Rises, Coffee Falls, Both Rangebound**

Trading Markets (press release), CA

By Lisa Kallal, Dow Jones Newswires

April 29, 2008

LONDON, Apr 29, 2008 (Dow Jones Commodities News via Comtex) -- -- Liffe cocoa futures rose early Tuesday to stay within striking distance of recent range highs. Robusta coffee futures are slightly lower.

Both markets lacked a clear direction and neither was able to break out of the ranges traded Monday, as of 1138 GMT. Fund involvement in the Liffe soft markets has waned after the flurry seen at the start of the year.

#### **COCOA**

May cocoa is up GBP1 at GBP1,493 a metric ton with 1,215 lots moved. July is up GBP3, or 0.2%, at GBP1,508/ton with 1,754 contracts traded, as of 1139 GMT. Prices were higher despite some calls for a weaker trend and lower ICE cocoa futures, as a drop back in the British pound versus the U.S. dollar offered support for the London market.

On Monday front-month May rose to a seven-week-high of GBP1,504/ton, but due to a lack of fundamental news failed to test the contract high of GBP1,525/ton.

July continues to gravitate around the GBP1,515/ton level, failing to test the recent range high of GBP1,526/ton.

A broker said the London market remains technically well-supported following the recent upward trend, especially after buying from one trade house helped boost prices.

#### **COFFEE**

May robusta coffee was down \$9, or 0.4%, at \$2,220/ton with 2,971 lots moved, as of 1140 GMT. July was down \$6, or 0.4%, at \$2,273/ton with 5,305 contracts moved.

Both contracts have been trapped in a narrow, sideways trading range for the last month. "The most sensible trade at the moment in to continue trading the range with stops in place in case of a break out," said the Sucden daily report.

Export prices for Vietnam's robusta coffee have risen slightly over the last week. Traders in Vietnam estimated that only about 10% of Vietnam's 2007-08 coffee crop remains left in the hands of local growers and exporters. However flows from Indonesian coffee harvest is expected to peak in late May.

### **DJ ICE Cocoa Review: Drops; Funds Liquidate on Firm US Dollar**

Trading Markets (press release), CA

By Holly Henschen, Dow Jones Newswires

May 01, 2008

NEW YORK, May 01, 2008 (Dow Jones Commodities News via Comtex) -- -- ICE Futures U.S. cocoa settled sharply lower Thursday as the firming U.S. dollar sent prices spiraling to the downside while speculators and funds bailed out of long positions.

Traders expect the market to slide back from recent gains while the U.S. dollar remains resilient. Most-active July cocoa settled \$159 lower at \$2,617 a metric ton. The nearby May contract settled down \$161 at \$2,721.

The July contract opened on the upside and hit the session high in early trading. Futures held just below \$2,800 resistance until mid session. The U.S. dollar firmed rapidly, sending July cocoa plummeting from \$2,792 to \$2,579, its lowest price point since April 18. Futures trimmed losses slightly to settle lower on the day.

"Cocoa was primed for a fall," said Rob Kurzatkowski, futures analyst at optionsXpress in Chicago. The market was overbought and vulnerable as funds were ready to sell their large stake in cocoa, Kurzatkowski said. Losses in gold and crude weighed additionally on prices, he said.

The volume of fund liquidation was significantly heavier than the market's runup through the month of April, likely leading to follow-through selling, Jack Scoville, vice president of Price Futures Group, said. With no outstanding fundamental news to guide it, cocoa futures will trade inversely with the U.S. dollar in the short term, Scoville said.

Prices could drift toward support at \$2,475-\$2,500 basis July, Scoville said. However, the rapid sell off could invite some value buying near \$2,581, and again at \$2,470, said Kurzatkowski. Cocoa could also see interest from traders that want to stay long in commodities as metals and energies markets have taken recent hits, Kurzatkowski said.

Liffe July cocoa futures settled down GBP82 at GBP1,413 ton and July settled GBP81 lower at GBP1,396.

ICE cocoa open interest increased by 693 positions Wednesday to total 139,099 contracts, the exchange reported.

Volume was estimated at 17,996 contracts, according to exchange data. In options, approximately 398 calls and 634 puts traded.

Close Change Range May \$2,721 -\$161 \$2,750-\$2,772 Jly \$2,617 -\$159 \$2,597-\$2,797 Sep \$2,588 -\$151 \$2,585-\$2,768

"There are enormous quantities of small beans due to the lack of rain, which meant the pods have not grown," he said. Hot, dry weather in early 2008 led the October-March main crop harvest to tail off more rapidly than usual and stoked serious concerns among farmers and exporters over the mid crop.

However, plentiful rains since late February have raised hopes for a good mid crop. A consensus estimate of exporters' forecasts calculated by Reuters in early April predicted a mid crop of some 320,000 tonnes. Ivory Coast has produced main crops averaging around 1 million tonnes in recent years, with a further 300,000 tonnes or so from the mid crop.

## **Processing & Manufacturing**

### **Barry Callebaut Successfully Closes transaction with Kuala Lumpur Kepong Berhad Cocoa in Malaysia**

Source: Barry Callebaut AG

30/04/2008

Zurich, Switzerland, April 30, 2008. - After receiving the necessary approval of the Ministry of International Trade & Industry of Malaysia, Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products, announced today the closing of its acquisition of a 60%- stake in KLK Cocoa in Malaysia from Kuala Lumpur Kepong Berhad.

KLK Cocoa will now change its name to Barry Callebaut Malaysia Sdn Bhd. The experienced management team of KLK Cocoa, under the leadership of BY Ng, will transfer to Barry Callebaut Malaysia. The acquisition of a stake in KLK Cocoa gives Barry Callebaut a strong basis to further expand its footprint in Asia-Pacific, a region offering significant growth potential.

## **Business & Economy**

### **Launch campaign against cocoa smuggling - Gov't told**

Modern Ghana, Ghana

By GNA

26 Apr 2008



Government has been urged to launch a nationwide campaign against the smuggling of cocoa from the country to neighbouring countries.

The Ghana Cocoa, Coffee and Sheanut Farmers' Association has also been asked to assist the government in flushing out the smugglers.

Mr Emmanuel Duah, Birim Central Municipal Best Farmer, gave the advice in an interview with the Ghana News Agency (GNA), on Friday in Akim Oda in the Eastern

Region. He said the association was considering planning a tour of major cocoa growing areas in the country to educate farmers on the effects of smuggling to the economy.

Mr Duah advised cocoa farmers at the border communities and villages, especially at the Western and Brong Ahafo Regions against smuggling cocoa out of the country and urged the farmers to form task forces to check smuggling of the produce.

### **High tariffs frustrate cocoa trade**

Joy Online, Ghana

Source: Daily Guide

28 April 2008

Ghana's efforts to promote cocoa trade with emerging industrial giants such as China and India are being undermined by trade tariffs applied to developing producers, industry regulator Cocobod has said.

Cocobod Chief Executive, Isaac Osei stated that developing countries such as Ghana and Ivory Coast face higher tariffs on cocoa imports to China and India than less developed producers such as Benin, Guinea, Haiti, Togo or Uganda. "For us, it discourages investment in the cocoa sector here," he told a meeting of the Cocoa Producers' Alliance (COPAL) at the just-ended U.N. Conference on Trade and Development (UNCTAD) meeting in Accra.

Membership of COPAL, which accounts for 76 percent of total world cocoa production, includes Brazil, Cameroon, Ivory Coast, Dominican Republic, Gabon, Ghana, Malaysia, Nigeria, Sao Tome and Togo. Delegates from Indonesia and Tanzania, both cocoa producers but non-COPAL members, also attended the meeting to discuss the world cocoa economy. Discussions centered on the fact that the cost of imports, including manufactured goods and oil, has outpaced commodity export prices despite a recent boom.

Mr Osei said strengthening Ghana's cocoa sector is key to the country's quest to attaining middle-income status by 2015. The cocoa industry in Ghana employs around one million people and is a major contributor to government revenue. It earned about \$1.2 billion last year.

Ghana's Finance Minister, Kwadwo Baah-Wiredu said there is an imbalance in the cocoa pricing system and urged COPAL members to join forces to increase their share. "The current cocoa/chocolate value chain is characterised by an imbalance where the manufacturing and processing end is well positioned at the high value end, compared to the cocoa producers who receive a low share of the final price," he said.

### **DJ SW Nigeria Cocoa Trees Carrying 2008-09 Main Crop Flower**

Trading Markets (press release), CA

By Obafemi Oredein; Dow Jones Newswires

May 03, 2008

ILE-IFE, Nigeria, May 03, 2008 (Dow Jones Commodities News via Comtex) -- -- Cocoa trees in Nigeria's southwest region are now carrying flowers that will develop into the main crop for the 2008-09 season, farmers said Saturday. "The outlook for the next main crop cocoa is looking good. Flowers for the crop are coming out already due to the good rainfall of the past two weeks," said Ademola Kuti, a farmer at Ifetedo area of Osun state.

Kuti said the first main crop flowers appeared on cocoa trees last month. It takes five and half months for the flowers to develop into matured pods before harvest. "We expect the first harvest of the main-crop cocoa in mid-September provided the rainfall is good during the rainy season which has started in the southwest," Olu Akinmolayan, a farmer at Idanre in Ondo state, said. Main crop cocoa harvest usually starts in the southwest cocoa belt in September/October and ends in January or February.

Tunde Babalola, a trader in Ile-Ife, Osun state said "the early development of the flowers means an early harvest and marketing of the main crop cocoa in the 2008-09 season." He said the current rains would help the flowers develop into cherelles (tiny pods) but warned that excessive rains could also damage several flowers. "If the rains are too heavy and continuous the flowers could be knocked off the trees. So we need moderate rains while the flowers are developing into cocoa pods," Babalola added. The southwest cocoa belt accounts for 70% of Nigeria's annual cocoa production of 242,000 metric tons.

## Labour Issues

### **Think about chocolate slaves**

Chilliwack Times, Canada

Amy Fedrau, The Times

April 29, 2008

There was no doubt where the children in Mali, Africa were disappearing to. The police stand silently, looking at the empty train station thinking about how on this hot, humid day, the children were persuaded into leaving their homes for Ivory Coast.

Ivory Coast is the leading supplier of cocoa, according approximately 50 per cent of global production. The low price of cocoa and lower labour costs force farmers to use children on their farms. Ivory Coast in West Africa has children working as slaves under "the worst forms of child labour" on cocoa farms.

More than 200,000 children are slaves in West and Central Africa. More than 109,000 children are slaves to Ivory Coast's cocoa industry. The neighbouring countries of Ivory Coast have people luring children to come with them where they promise them they'll have a shelter, food, good pay, and even advantages like a bicycle.

Children go with them, but never get anything they were promised. Instead, they suffer frequent beatings, long intense hours in the melting sun and are forced to work with dangerous tools and poisonous pesticides. When they fall down carrying sacks of cocoa beans, they are whipped until they start working again. What lottery did we win, that we aren't slaves?

Ivory Coast is the major cocoa supplier for Nestlé. When Nestlé sells their chocolate, it doesn't cross the customers' mind that their treat was made by slaves.

The United States spends about \$13 billion per year on chocolate, with an average of 12 pounds per person per year. That's a lot of chocolate, which means there is an exceeding number of slaves working to give everyone their delicious treat.

Nestlé signed the "Cocoa Protocol" in 2001, to ensure that cocoa was being grown responsibly. By 2005, the company had failed to fulfill it's promise. The chance of freeing these slaves had disappeared.

Many people think of slaves and child labour as something of the past. What they don't realize is that reports show slavery in the 21st century is the highest it has ever been. Two of five children in Africa are working under 15 years old. Ivory Coast is no exception. People use the excuse, "it's so far away" to try to justify the guilt in their minds that they can't do anything about this problem.

When Charlie and the Chocolate Factory was being filmed, extra chocolate bars were needing to be produced. They were challenged to make slave free chocolate, but Nestlé didn't like the idea. Child labour is not a fad given any importance in the media, which everyone cares about for a few days, and then is totally forgotten. It's an ongoing problem of children suffering until we stand up and do something about it.

This hidden problem is a secret well kept by Nestlé, but is the first step we can all take to stopping this child labour. Next time someone is seen eating Smarties, ask them if they know how their chocolate is made or what they'd think if Nestlé's chocolate had a label reading "made by slaves." Should this be treated as a problem one day, but forgotten the next because we don't want to admit we can do something about child labour on the Ivory Coast? - *Amy Fedrau is a Grade 11 student at Sardis secondary.*

### **International Cocoa Verification Board Selects Verifiers of Certification of Labor Conditions in West African Cocoa Production**

*NGO, Industry, and Government Representatives Gather for Robust Dialogue on Cocoa Verification*

CSRwire.com (press release)

5.01.2008

(CSRwire) May 1, 2008 - The International Cocoa Verification Board (ICVB) provisionally selected the two organizations which will be charged with verifying the certification of labor conditions in cocoa production in Ghana and Côte d'Ivoire, a critical element towards implementation of the Harkin-Engel Protocol.

The selected organizations will conduct an independent verification of the data and methodology utilized in the surveys conducted by the Governments of Ghana and Côte d'Ivoire. After the verification, the organizations will present their findings in an uncensored report to the public and make recommendations based on findings to strengthen future remediation efforts.

In order to select the verifiers, the ICVB scored each application based on its demonstrated grasp of child-centered methodologies, understanding of the cultural conditions in both Ghana and Côte d'Ivoire, and capacity to carry out both field research and data analysis, among other qualifications. The Request for Proposals is available in full at the ICVB's beta-site, [www.cocoaverification.net](http://www.cocoaverification.net). The shortlisted candidates were then invited to present their qualifications at the April ICVB meeting.

During the meeting, the full ICVB questioned the applicants for detailed information regarding each organization's knowledge specific to cocoa production and their data gathering methods (particularly regarding children). The selected organizations exhibited comprehensive understanding of the challenges surrounding verification and expertise in data analysis. Each potential verifier was required to have local partners to ensure that they could efficiently and appropriately engage with cocoa-producing communities on the ground.

The Board was guided in this process by the results of Verité's March 31st NGO-Industry Consultative Meeting "Why Verify? Making Cocoa Verification Count." The NGO, industry, and government representatives who participated in this meeting engaged in robust dialogue about how best to ensure a transparent and effective verification process. These suggestions were presented to the ICVB prior to their meeting. The names of the selected verifiers will be released pending the final approval of their contract with the ICVB.

Other ICVB accomplishments during the meeting included the selection of the Board Chairs, Treasurer, and Secretary and Committee Chairs and Alternates, as well as creating a work plan for each committee to accomplish in the months following the meeting.

#### About the ICVB

The International Cocoa Verification Board (ICVB) was convened in December, 2007. This multi-stakeholder body includes nine representatives from NGOs, academia, trade unions and industry. The nine Board members are: Anthony Fofie, Ghana Cocoa Board; Amouan Assouan Acquah, Special Counselor to the Prime Minister (Côte d'Ivoire); Stephen Ayidiya, University of Ghana-Legon; Andrews Addoquaye Tagoe, General Agricultural Workers Union (Ghana); Alice Koiho Kipre, Afrique Secours et Assistance (Côte d'Ivoire); Diane Mull, International Initiative on Exploitive Child Labor (USA); John Trew, CARE International (USA); Jeff Morgan, Mars, Inc. (USA); and Isabelle Adam, European Cocoa Association (Belgium). [www.cocoaverification.net](http://www.cocoaverification.net).

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## **Others**

### **US: Hershey announces retirement**

[just-food.com](http://just-food.com) (subscription), UK

28 April 2008

US confectioner Hershey has announced that John Long, vice president, corporate social responsibility, will retire on Wednesday (30 April) after over 22 years with the company.

Long will continue his work with Hershey as a consultant, continuing to "lead the company's efforts in cocoa sustainability and responsible cocoa growing". "John has played a leading role in Hershey's efforts to make a positive difference," said David West, president and CEO. "I'm very pleased that Hershey will continue to draw on John's expertise in responsible cocoa growing."

Long joined Hershey 1986 as director, public relations, before becoming director, consumer and public relations, in 1989. In 2005 he was named vice president, corporate affairs and then vice president, corporate social responsibility, in 2007.

# TIT BITS

(Source: Business Recorder – [www.brecorder.com](http://www.brecorder.com))

## **US MIDDAY: cocoa and coffee down**

NEW YORK (April 30, 2008): cocoa and arabica coffee futures on ICE Futures US fell in early trade Tuesday as the dollar rebounded and attention turned to a rate decision expected by the US Federal Reserve Wednesday. July arabica contract was down 1.20 cents at \$1.333 per lb at 9:19 am (1319 GMT), trading \$1.3275 to \$1.348. The rest down 1.25 to 1.55 cents.

## **New York cocoa futures up**

NEW YORK (April 30, 2008): US cocoa futures settled higher on Monday, in choppy trade marked by light volume and day trading after fund buying provided an initial boost, dealers said. "We were having these really erratic swings like \$15 higher, \$20 lower. No volumes to back it up at all, one trader said.

## **Ivorian cocoa arrivals up**

ABIDJAN (April 30, 2008): cocoa arrivals at Ivory Coast's ports reached around 1,088,000 tonnes from October 1 to April 27, up over 10 percent year on year, shippers estimated on Tuesday, as the mid crop gathered pace despite quality concerns. The figure compared with 985,188 tonnes in the same period of the previous season, according to the weekly estimate obtained from major exporters in the world's top grower.

## **US MIDDAY: coffee eases, cocoa little changed**

NEW YORK (May 01, 2008): Arabica coffee futures trading on ICE Futures US crept lower in early trade Wednesday, ahead of an expected rate cut by the US Federal Reserve, while cocoa was little changed on two-sided investor interest. July arabica contract was down 0.05 cent at \$1.3525 per lb at 9:20 am (1320 GMT), trading from \$1.346 to \$1.364.

## **London cocoa eases, coffee edges up**

LONDON (May 01, 2008): London cocoa eased slightly, coffee edged up and sugar remained little changed as soft commodity markets bided their time on Wednesday ahead of the outcome of a key US Federal Reserve meeting, dealers said. The Fed was due at 1815 GMT to announce its decision on US interest rates at the end of a two-day policy meeting.

## **New York cocoa settles weaker**

NEW YORK (May 01, 2008): US cocoa futures settled lower on Tuesday in thin trade as commodities staged a retreat in the face of a rebounding dollar, dealers said. "The pound is down, the dollar's strong. The volume has been very light," one trader said. Market participants shifted their focus on the expectation for the US Federal Reserve to announce a small interest rate cut Wednesday, dealers said.

## **London cocoa, sugar and coffee plummet**

LONDON (May 02, 2008): A stronger dollar helped spark widespread fund selling in soft commodity markets on Thursday, with sell-stops hit as declines gathered pace, dealers said. Coffee and white sugar futures in London tumbled to the lowest levels for three and four months respectively while cocoa prices also fell sharply.

## **US MIDDAY: coffee, cocoa tumble**

NEW YORK (May 02, 2008): US cocoa and arabica coffee futures on ICE Futures US fell sharply in early trade Thursday, pressured by general commodity weakness as the dollar rallied and many countries were on holiday. July arabica contract was down 3.40 cents or 2.5 percent at \$1.319 per lb at 9:30 am EDT (1330 GMT), trading from \$1.303 to \$1.355.

## **New York cocoa settles little changed**

NEW YORK (May 02, 2008): US cocoa futures settled barely changed on Wednesday in two-sided investor trading that kept the market moving sideways ahead of the expected interest rate cut by the US Federal Reserve later in the day, dealers said. "Across the board, everyone's waiting for the Fed announcement. cocoa's bouncing back after staying above \$2,700," one cocoa trader said.