



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 237

25<sup>th</sup> – 29<sup>th</sup> June 2007

Cocoa Producers' Alliance

## ICCO Daily Cocoa Prices

	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
25 <sup>th</sup> June	2049.10	1063.67	1981.67
26 <sup>th</sup> June	2106.53	1095.00	2030.33
27 <sup>th</sup> June	2109.80	1094.67	2041.00
28 <sup>th</sup> June	2103.69	1088.33	2035.33
29 <sup>th</sup> June	2143.11	1110.33	2064.67
<b>Average</b>	<b>2102.00</b>	<b>1090.00</b>	<b>2031.00</b>

## Up-coming Events

- ✓ Improving Cocoa Quality Workshop, CAISTAB Building, Abidjan, Cote d'Ivoire, 16<sup>th</sup> Julv 2007.

## In the News (from Newspapers worldwide)

### Production & Quality

- ✓ Ghana on course for cocoa production target
- ✓ Tamil Nadu Govt, Cadbury ink pact on cocoa farming
- ✓ ICCO Revises Down Global Cocoa Deficit in 2006/07

### Business & Economy

- ✓ Softs - Cocoa steady in quiet trade on strong pound; coffee, sugar extend losses
- ✓ Papua New Guinea firm exports cocoa to Singapore
- ✓ Indonesia gears up to meet rising cocoa demand
- ✓ Nigerian Cocoa Trade Resumes Slowly After Strike
- ✓ Malaysia Aims to Triple Cocoa Output to 100,000T by 2015
- ✓ Callebaut looks to sell struggling U.S. unit

- ✓ UPDATE 1-Callebaut looks to sell struggling Brach's unit
- ✓ Barry Callebaut Delivers Strong Growth
- ✓ Nigeria: Govt to Produce Blueprint On Cocoa Production
- ✓ London cocoa hits 4-year high after Ivory Coast attack
- ✓ Ghana's cocoa
- ✓ Indonesian Cocoa Council set up
- ✓ China Cocoa Grinders Aim to Lift Quality, Shed Image

### Others

- ✓ Chocolate Fake
- ✓ FDA May Change The Definition Of Chocolate
- ✓ FDA Proposes Allowing Non-Cocoa Chocolate
- ✓ High Cocoa Prices May Sink as Crops Rebound

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- ✓ TIT- BITS
- ✓ **ORDER FORM - 14<sup>TH</sup> INTERNATIONAL COCOA REASEARCH CONFERENCE**

**TRIBUTE OF THE COCOA PRODUCERS' ALLIANCE (COPAL) TO LATE DR. BEATRICE PADI, FORMERLY OF CRIG, GHANA WHO PASSED AWAY ON JUNE 1<sup>ST</sup> 2007**

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

**Monday 25th June 2007**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2007	1045	1044	1	1055	1042	850
Sep 2007	1064	1066	-2	1078	1064	3148
Dec 2007	1061	1062	-2	1074	1061S	880
Mar 2007	1065	1063	-2	1075	1062	254
May 2008	1076	1070	-2	1082S	1069	74
Jul 2008	1086	1077	-2	1090	1082	169
Sep 2008		1084	-2			0
Dec 2008	1101	1093	-2	1108	1101	198
Mar 2008		1102	-2			0
May 2009		1110	-2			0
<b>Totals</b>		<b>1077</b>				<b>5,573</b>

**Tuesday 26th June 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1044	1080	36	1087	1044	6154
Sep 2007	1069	1099	33	1104	1066	9995
Dec 2007	1063	1094	32	1100S	1063	2806
Mar 2007	1067	1092	29	1099S	1067	1468
May 2008	1080	1100	30	1103S	1080	287
Jul 2008	1088	1107	30	1111S	1088S	122
Sep 2008	1106	1115	31	1119	1106	67
Dec 2008	1124	1124	31	1124	1124S	1
Mar 2008		1136	34			0
May 2009		1144	34			0
<b>Totals</b>		<b>1109</b>				<b>20,900</b>

**Wednesday 27th June 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1083	1079	-1	1083	1059	3198
Sep 2007	1100	1097	-2	1103	1089	5883
Dec 2007	1096	1094	0	1100	1085S	2562
Mar 2007	1093	1093	1	1096	1084S	786
May 2008	1100	1100	0	1102S	1094S	348
Jul 2008	1105	1108	1	1108	1102S	1571
Sep 2008	1112	1115	0	1119	1112	256
Dec 2008		1124	0			0
Mar 2008		1136	0			0
May 2009		1144	0			0
<b>Totals</b>		<b>1112</b>				<b>14,604</b>

**Thursday 28th June 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1075	1063	-16	1079	1060	827
Sep 2007	1097	1088	-9	1103	1085	4576
Dec 2007	1095	1088	-6	1101	1084	2248
Mar 2007	1093	1089	-4	1100	1086	659
May 2008	1105	1096	-4	1105S	1097	42
Jul 2008	1109	1103	-5	1112S	1107	34
Sep 2008	1114	1110	-5	1114S	1114S	1
Dec 2008	1126	1119	-5	1126	1126	1
Mar 2008		1131	-5			0
May 2009		1139	-5			0
<b>Totals</b>		<b>1103</b>				<b>8,388</b>

**Friday 29th June 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1064	1091	28	1103	1064S	3651
Sep 2007	1086	1113	25	1118	936S	10,789
Dec 2007	1088	1109	21	1114	1086	3,438
Mar 2007	1086	1109	20	1113	1086	842
May 2008	1096	1116	20	1120	1096S	298
Jul 2008	1118	1124	21	1127S	1118S	202
Sep 2008	1130	1132	22	1136	1129	113
Dec 2008	1142	1141	22	1145	1139	30
Mar 2008		1153	22			0
May 2009		1161	22			0
<b>Totals</b>		<b>1125</b>				<b>19,363</b>

<b>Average for the week</b>		<b>1133</b>				<b>13766</b>
<b>Total for the week</b>						<b>68,828</b>

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

**Monday 25th June 2007**

Month	Open	Price	Change	High	Low	Volume
Jul 2007	1942 <sup>B</sup> 1989 <sup>A</sup>	1952	-6	0	0	19
Sep 2007	1970 1972	1951	-4	1974	1947	5688
Dec 2007	1990 <sup>B</sup> 1995 <sup>A</sup>	1976	-3	1989	1983	1309
Mar 2008	0 0	2000	-3	2015	2015	875
May 2008	0 0	2014	-3	0	0	66
Jul 2008	0 0	2032	-3	0	0	0
Sep 2008	0 0	2049	-3	0	0	0
Dec 2008	0 0	2066	-4	0	0	310
Mar 2009	0 0	2086	-4	0	0	0
May 2009	0 0	2106	-4	0	0	0
<b>Totals</b>		<b>2023</b>				<b>8267</b>

**Tuesday 26th June 2007**

Month	Open	Price	Change	High	Low	Volume
Jul 2007	1952 <sup>B</sup> 2005 <sup>A</sup>	2022	70	2010	2005	107
Sep 2007	1975 1978	2017	66	2025	1970	15795
Dec 2007	0 2002 <sup>A</sup>	2040	64	2050	2010	3066
Mar 2008	0 0	2062	62	2040	2035	785
May 2008	0 0	2077	63	0	0	227
Jul 2008	0 0	2094	62	0	0	29
Sep 2008	0 0	2111	62	0	0	68
Dec 2008	0 0	2128	62	0	0	42
Mar 2009	0 0	2147	61	0	0	0
May 2009	0 0	2166	60	0	0	0
<b>Totals</b>		<b>2086</b>				<b>20119</b>

**Wednesday 27th June 2007**

Month	Open	Price	Change	High	Low	Volume
Jul 2007	0 0	2022	0	2030	2011	28
Sep 2007	2011 2017	2022	5	2029	2010	7615
Dec 2007	0 0	2046	6	2049	2040	1667
Mar 2008	0 0	2070	8	0	0	343
May 2008	0 0	2083	6	0	0	42
Jul 2008	0 0	2100	6	0	0	58
Sep 2008	0 0	2117	6	0	0	328
Dec 2008	0 0	2135	7	0	0	126
Mar 2009	0 0	2154	7	0	0	0
May 2009	0 0	2173	7	0	0	0
<b>Totals</b>		<b>2092</b>				<b>10207</b>

### Thursday 28th June 2007

Month	Open	Price	Change	High	Low	Volume
Jul 2007	2010 0	2002	-20	2033	2010	39
Sep 2007	2022 2026	2010	-12	2030	2005	7811
Dec 2007	2048 0	2034	-12	2049	2032	1155
Mar 2008	0 0	2056	-14	2070	2066	221
May 2008	0 0	2071	-12	0	0	33
Jul 2008	0 0	2087	-13	0	0	10
Sep 2008	0 0	2103	-14	0	0	0
Dec 2008	0 0	2122	-13	0	0	0
Mar 2009	0 0	2140	-14	0	0	0
May 2009	0 0	2158	-15	0	0	0
<b>Totals</b>		<b>2078</b>				<b>9269</b>

### Friday 29th June 2007

Month	Open	Price	Change	High	Low	Volume
Jul 2007	2025 <sup>B</sup> 2075 <sup>A</sup>	2054	52	0	0	29
Sep 2007	2055 2060	2062	52	2069	2044	9826
Dec 2007	2073 <sup>B</sup> 2083 <sup>A</sup>	2086	52	2093	2070	2010
Mar 2008	0 0	2110	54	0	0	438
May 2008	0 0	2124	53	0	0	40
Jul 2008	0 0	2140	53	0	0	31
Sep 2008	0 0	2156	53	0	0	117
Dec 2008	0 0	2177	55	0	0	257
Mar 2009	0 0	2195	55	0	0	0
May 2009	0 0	2213	55	0	0	0
<b>Totals</b>		<b>2132</b>				<b>12748</b>

<b>Average for the week</b>	<b>2156</b>				<b>15153</b>
<b>Total for the week</b>					<b>60,610</b>

### Spot Prices (US\$ per tonne)

	25 <sup>th</sup> June	26 <sup>th</sup> June	27 <sup>th</sup> June	28 <sup>th</sup> June	29 <sup>th</sup> June
Main Crop Ghana, Grade 1	2354	2420	2427	2415	2467
Main Crop Ivory Coast, Grade 1	2253	2319	2335	2323	2375
Main Crop Nigerian, 1	2233	2299	2314	2302	2354
Superior Arriba	2668	2734	2769	2757	2809
Sanchez f.a.q.	2238	2304	2309	2297	2349
Malaysian 110	1963	2029	2024	2012	2064
Sulawesi f.a.q.	2024	2090	2113	2101	2153
Ecuador Cocoa Liquor	3642	3765	3842	3819	3918
Pure Prime Press African Type Cocoa Butter	5638	5829	5877	5842	5994
10/12% Natural Cocoa Press Cake	871	901	876	871	894

Source: Cocoa Merchants' Association

# News

## **Production & Quality**

### **Ghana on course for cocoa production target**

Source: GNA

26-Jun-2007

The Executive Director of the Cocoa Research Institute of Ghana, Dr. Yaw Ampomah, has said that the country is on course to meet its production target of one million tonnes by the year 2010. He said good agronomy practices and enhanced research put the country in a good position to attain the production target. "Barring any unforeseen circumstances and taking into account the level of activities, the country could realise between 800,000 and 900,000 tonnes next year," Dr Ampomah said at training programme for purchasing clerks of Cocoa Merchants Ghana Limited. Ghana achieved a record cocoa production of 740,458 tonnes in the 2005/06 season.

The training programme on the theme: "Enhancing Performance for better and Efficient Delivery," was to equip the purchasing clerks with skills to enable them offer efficient services at the various centres. Dr. Ampomah asked the clerks to maintain the integrity of the beans at all times to ensure that the premium quality was not compromised. He expressed satisfaction with the training and said it was necessary to educate purchasing clerks so that they in turn could help pass on some of the results of extension work done at CRIG to the farmers.

Nana Amo Adade Boamah, Managing Director of Cocoa Merchants Limited, said the company purchased 20,000 tonnes of cocoa during the main crop season, which started October 2006 and ended in May this year. The figure was an improvement over the 2005/2006 season in which the company purchased 15,000 tonnes of cocoa. Nana Boamah attributed the good performance to the hard work of the purchasing clerks and urged them to continue with the good work.

However, he was unhappy with the dishonest behaviour on the part of some purchasing clerks, poor record keeping at local level, misreporting, cheating of farmers and the use of unapproved weighing scales as well as the purchasing of poor quality cocoa. Nana Boamah said the company was prepared to work with staff, who would accept the change and with support from management perform better. The company, which employs about 2,000 people made up of purchasing clerks, accountants and managers, operates in 36 districts spread over the cocoa growing areas. It also has relationship with 2,000 cooperative societies.

Mr. Lawrence Ayisi Botwe, Operations Officer of Cocoa Merchants, said the company could only win the competition with the right mix of manpower resources. The three-day seminar would take participants through quality checks, proper handling and care of company property, management and proper utilization of funds, worst forms of child labour in the cocoa industry and redenomination of the cedi.

### **Tamil Nadu Govt, Cadbury ink pact on cocoa farming**

June 30, 2007

Tiruchirapalli, (UNI) --- Tamil Nadu's Department of Agriculture today signed a Memorandum of Understanding (MoU) with Cadbury India Limited, one of the leading cocoa and chocolate manufacturers in the country, for enhancing cocoa cultivation in the state. The MoU was signed by Horticulture and Hill Crops Commissioner Jagmohan Singh Raju and Cadbury India Limited (CIL) Associate Vice President K P Magudapathy in the presence of State Agriculture Minister Veerapandi S Arumugham here.

Talking to newsmen, Mr Arumugham said objective was to promote cocoa as an inter-crop in the coconut fields, since it grew best in coconut groves. The average yield of coconut was stagnating at 4,590 nuts per acre leading to a low income of Rs 15,000 per annum in the state. Cultivation of cocoa was expected to yield about 1,000 kg of beans per hectare. Even if it was sold at Rs 60 per kg, the farmers could get additional income of Rs 60,000 per hectare and a net profit of Rs 40,000.

He said as per the MoU, the Commissionerate of Horticulture would identify the clusters and farmers for cultivation of cocoa, render certain financial and technical assistance under various government schemes and through CIL, arrange for technical assistance and institutional credit for the farmers.

## **ICCO Revises Down Global Cocoa Deficit in 2006/07**

Source: Reuters

28/06/2007

Nusa Dua, Indonesia, June 27 - The chief of the International Cocoa Organization (ICCO) revised down the 2006/2007 (September-October) global cocoa deficit to between 100,000 and 125,000 tonnes and expected global output to rebound in the next crop year. "It turns out to be a little less than we've expected before," executive director Jan Vingerhoets told Reuters on Wednesday ahead of an international cocoa conference on the island resort of Bali. "At the moment, I would expect it to be about, say, a 100,000 to 125,000 tonne deficit. It's revised down. That's my best estimate," he said.

The London-based ICCO estimated a global cocoa deficit of 125,000 to 150,000 tonnes earlier this month. It estimated a global cocoa surplus of 192,000 tonnes in the 2005/06 crop year. "If the weather is good next year, we would expect a strong recovery of production. I would not expect a deficit for next year, unless we would have a very strong increase in grindings next year. That's always possible but grindings have been doing very well in the past five, six years," he said.

Dealers said dry weather from late 2006 until the first few months of 2007 had harmed development of cocoa crops in West Africa. In Southeast Asia, heavy rains have damaged the crop in Indonesia, the world's third-largest producer after Ivory Coast and Ghana. "There's been dry wind blowing from the Sahara. And there was a bit of a dry spell, and that together had a negative impact on production," said Vingerhoets, referring to the crop in West Africa.

Cocoa futures in London have been riding high on worries of tight global supply and robust demand. LIFFE September contract <LCCU7> ended up 33 pounds at 1,099 pounds after rising to 1,104 pounds - a four-year high for the second position.

But Vingerhoets said global cocoa production could rebound to 3.8 million tonnes in 2007/08 in line with an expected recovery in production in the world's cocoa growing countries. "We expect the total world crop to reach 3.8 million next year if the weather is good," he said, adding that global output dropped to 3.45 million tonnes in 2006/07 from 3.68 million tonnes in the previous crop year on bad weather. "I expect the recovery to happen everywhere. Not only in West Africa but also in Indonesia," he said.

## **Business & Economy**

### **Softs - Cocoa steady in quiet trade on strong pound; coffee, sugar extend losses**

AFX News Limited

06.25.07,

LONDON (Thomson Financial) - Cocoa futures were steady as the strength of the pound against the dollar dampened enthusiasm for trade, with reports of falling exports from the world's main cocoa exporter Ivory Coast lending some support. At 2.14 pm cocoa for September delivery was flat from Friday's close at 1,068 USD a tonne on the Euronext Liffe.

Trade was light in London as the strong pound dampened enthusiasm for cocoa, which is priced in sterling. Strength in the pound makes the commodity more expensive for buyers holding other currencies. The pound rose back above the all-important 2 USD mark again this morning as the UK currency benefited from expectations that the Bank of England will raise interest rates more aggressively than previously thought.

Reports this morning that exports from Cote d'Ivoire, the world's largest producer of cocoa for chocolate manufacture, declined year-on-year in the week to June 24 have lent some support to the market, analysts said, although the effects were largely priced in. 'Some smaller speculators may be buying into futures on the back of this news, but most of the bigger players will have known about it already,' said one trader.

Meanwhile Robusta coffee futures continued to ease this morning after dropping from a nine-month high on Friday as investors took profits in quiet trade, though they remain near historically high levels. 'People were expecting, and maybe hoping for, more activity after prices broke through their (previous) 1,940 high on Friday,' said one analyst. 'In the follow-through some weakness ensued and that is what we are continuing to see this morning.'

Robusta coffee for September delivery edged down to 1,901 USD a tonne on the Euronext Liffe against 1,902 USD at the close Friday. However, prices are not likely to ease far from its previous highs, the analyst added. 'There are a lot of people looking to protect this market,' he said. 'Ultimately, we may see a re-test of those highs.' Robusta hit 1,945 USD in intraday trade Friday, its highest level in nine months, but fell back in later trade. Robusta futures in London have risen around 20 pct since January, while the European coffee inventory has fallen 12 pct in the same period, said the Euronext Liffe last week. Elsewhere, white sugar for October delivery also eased from Friday's close to 312 USD a tonne on the Euronext Liffe exchange, against 315 USD.

#### **Papua New Guinea firm exports cocoa to Singapore**

Radio New Zealand International

© RNZI 2004

25 June, 2007 UTC

A cocoa export company in Papua New Guinea's East New Britain province is now looking to expand its overseas markets. Tradewell Limited spokesperson, Levi Viliran, told The National newspaper that since venturing into the trade, the company has exported more than 90 tonnes of dried cocoa beans to overseas markets, including Singapore. The company is now looking into markets in Europe and the U.S.

Mr Viliran says it wants to provide farmers with a better return and hopes to increase its export volume when more cocoa farmers come to them with their produce. He says Tradewell decided to get into cocoa exporting after the success of its merchandising and retailing business operations.

#### **Indonesia gears up to meet rising cocoa demand**

By Karen Willmer

26/06/2007 - Indonesia is expecting an increase in the country's cocoa production, despite recent poor crops, according to local news media. The increase in supplies could help meet the world's rising demand for cocoa, and ease the pricing pressure on processors.

In its latest report on the market the International Cocoa Organisation forecast that the global cocoa deficit would be 145,000 tonnes in the current growing season, compared with the 192,000 tonne surplus in the 2005-2006 season.

Antara News said Indonesia was currently the world's third largest cocoa producer, after the Ivory Coast and Ghana, but had the potential to become the world's second largest cocoa producer by 2012. Halim Abdul Razak, chairman of the Indonesian Cocoa Association (Askindo), told Antara News last week that the country's production reached 590,000 tonnes a year, compared to Ivory Coast's 1.3m tonnes, and Ghana's 650,000 tonnes. He expected its cocoa production to reach one million tonnes by 2012, with 2006 world cocoa production reaching 3.3m tonnes. "The world's increasing demand for cocoa at present serves a good condition for increasing the country's cocoa productivity," Razak said.

This comes as Ghana announced it wants to boost its output to 1m tonnes by 2010, according to a report last week by Reuters. According to Reuters, Ghana's industry regulator Cocobod has subsidised fertiliser for sale to growers to help improve production. Both countries have announced that production will be lower this year because of a lack of rainfall. With this downfall in production, prices have generally been higher as people have rushed to buy the crop. However, Ghana anticipates a strong start to the 2007/2008 crop due to later rain, according to Reuters.

Last month, the International Cocoa Organisation forecasted the global cocoa deficit to be 145,000 tonnes, compared with the 192,000 tonne surplus in 2005-2006. The ICCO expected global production to fall, while demand for dark chocolate in Asia was growing along with increasing sales in Western Europe and the US. "It should be noted that the cocoa markets tend to be very volatile at the beginning of the summer period and this year is not expected to be an exception," reported the ICCO May report. "The market shows that demand is relatively strong and market participants are willing to pay a premium to obtain cocoa sooner rather than later." There were fears in Europe earlier this week over the supply of cocoa beans from Nigeria, after cargo ports in the country closed due to a four-day strike over the price of fuel. Nigeria is the world's fourth largest cocoa grower.



### **Nigerian Cocoa Trade Resumes Slowly After Strike**

Source: Reuters

26/06/2007

Lagos, June 25 - Nigerian cocoa trade restarted slowly on Monday after unions called off a four-day general strike that had closed the country's general cargo ports, exporters said. The strike in protest against an increase in fuel prices had stalled exports of cocoa from the world's fourth largest grower and raised fears that beans due for delivery to Europe this month might be delayed. "The ports have re-opened, but there are so many cargoes in the queue and things are moving very slowly," said one exporter.

Traders expected the supply of beans from the bush to Lagos, Nigeria's main export route, to resume after a brief interruption. Transport nationwide was crippled during the strike, partly because of a separate protest by tanker drivers that caused an acute scarcity of fuel and raised transport costs. "Business has resumed and beans from upcountry should begin to arrive from today, though it will take some time for things to return to normal," another international trader said. Traders and farmers estimate Nigeria's annual cocoa output at around 200,000 tonnes, but the government thinks the country produces double that.

### **Malaysia Aims to Triple Cocoa Output to 100,000T by 2015**

Source: Reuters

28/06/2007

Nusa Dua, Indonesia, June 28 - Malaysia aims to triple its cocoa output to 100,000 tonnes by 2015 from around 32,000 tonnes in 2007 to meet demand from the country's grinding sector, a senior industry official said on Thursday. "We are quite ambitious. Whether we achieve it or not is a different story," Azhar Ismail, director-general of the Malaysian Cocoa Board, told Reuters on the sidelines of an international cocoa conference on the island resort of Bali. "We are targeting about 100,000 tonnes by 2015. We are expecting our grinding to reach 360,000 around 2010," he said.

Malaysia is Asia's largest cocoa grinder but it depends on imported beans mainly from neighbouring Indonesia because of a lack of domestic supply. The country was a main bean producer with output reaching as high as 247,000 tonnes in 1990, but production has since declined as more areas converted into oil palm, dealers said. Malaysia is the world's largest palm oil producer. The country's cocoa grindings are expected to reach around 270,000 tonnes. Malaysia's cocoa output was expected to rise slightly to 32,000 tonnes in 2007 from 30,000 tonnes in 2006 as a rehabilitation programme was under way, said Ismail. "It takes a few more years before they are in full bearing. It's not replanting but you do side grafting," said Ismail, referring to a technique of gradually replacing old branches with new shoots. In addition to the rehabilitation programme, the government also aimed to increase productivity and encourage more players to enter the cocoa industry so that the output target of 100,000 tonnes could be achieved, he said.

Ismail denied speculation that more and more cocoa farmers have shifted to palm oil, whose prices reached record-highs this year. "The trend is more in the estates but not small holders. Cocoa right now is basically a side income for the farmers. Cocoa farmers are not solely depending on cocoa as the source of income," he said. Global cocoa prices have also reached multi-year highs on the back of supply worries in West Africa and robust demand.

London cocoa futures traded very close to Tuesday's four-year high of 1,104 pounds a tonne, reaching a session high of 1,102 pounds on Wednesday. September closed down 2 pounds at 1,097 pounds. Cocoa is mostly grown in the state of Sabah on the Malaysian side of Borneo island.

### **Callebaut looks to sell struggling U.S. unit**

By Katie Reid

Reuters

Thursday, June 28, 2007;

ZURICH (Reuters) - Switzerland's Barry Callebaut AG, the world's largest chocolate maker, said it wants to sell underperforming U.S. candy maker Brach's and warned that higher cocoa prices would burden the full-year results. The company posted a 4.1 percent rise in group sales to 3.29 billion Swiss francs (\$2.7 billion) for the first nine months of its 2006/07 fiscal year, below the range of 3.32 to 3.51 billion francs forecast by analysts.

Barry Callebaut supplies chocolate to makers of better known brands like Nestle, Hershey Co. and Cadbury. "Brach's is suffering from strong competition and the fact that the candy market in the USA is not growing ... If we decide to sell, the process would last more than six to eight months," the group said in a statement. The

company said it was looking at a joint venture or a partial or full sale of the Brach's business, which makes products such as fudge nut goodies and peanut butter clusters, and that a sale would be the most favorable outcome. "We have received nearly a dozen statements of interest," the group said. Shares in the group, which have gained some 60 percent so far this year, opened 2 percent lower at 953.00 francs.

#### *RISING RAW MATERIAL PRICES*

The group said it expected higher cocoa prices in the medium term and that demand for dark chocolate was growing globally as consumers become aware of the health benefits of chocolate with a higher cocoa content. "We are expecting higher cocoa prices in the medium term. The demand for chocolate globally is growing, demand for dark chocolate is particularly high," the firm said. Poor weather was likely to hit the cocoa mid-crop, Barry Callebaut said.

The company said it was confident it would reach its financial targets for the three-year period ending in the 2007/08 financial year but reiterated higher commodity prices would weigh on the outcome. "Higher raw material prices will have a negative impact on our financial results in fiscal year 2006/07. The deterioration of the combined (cocoa) ratio is expected to have a negative effect of around 25 million Swiss francs," the company said.

The combined cocoa ratio measures sales prices of cocoa butter and cocoa powder relative to the cocoa bean price. "Higher milk prices will also weigh, but are expected to be partly offset by price increases," the company said. The group has three-year financial targets of annual top-line growth of 3 to 5 percent, operating profit growth of 8 to 10 percent and net profit of 12 to 15 percent for the period 2005/06 to 2007/08. Barry Callebaut also said it was planning to issue a 350 million euro bond to increase financial flexibility. The group said that it wanted to concentrate on organic growth.

#### **UPDATE 1-Callebaut looks to sell struggling Brach's unit**

Thu Jun 28, 2007

ZURICH, June 28 (Reuters) - Switzerland's Barry Callebaut (BARN.S: Quote, Profile , Research) said it is looking to sell U.S. candy maker Brach's, which weighed on nine-month sales growth, and repeated that higher commodity prices would burden the full-year results.

The world's largest maker of chocolate posted a 4.1 percent rise in group sales to 3.285 billion Swiss francs (\$2.67 billion) for the first nine months of its 2006/07 fiscal year, below the range of 3.317 to 3.51 billion francs forecast by analysts. "The continued unsatisfactory performance of Barry Callebaut's North American consumer business prompted the company to put the business unit under strategic review," the group said in a statement.

The company said it was looking at a joint venture or a partial or a full sale of the Brach's business and that a sale would be the most favourable outcome. The company said it was confident it would reach its three-year financial targets for the period ending in the 2007/08 financial year but reiterated higher commodity prices would weigh on the outcome. "Higher raw material prices will have a negative impact on our financial results in fiscal year 2006/07. The deterioration of the combined (cocoa) ratio is expected to have a negative effect of around 25 million Swiss francs," the company said.

The combined cocoa ratio measures sales prices of cocoa butter and cocoa powder relative to the cocoa bean price. Higher milk prices will also weigh, but are expected to be partly offset by price increases," the company said. The group has three-year financial targets of annual top-line growth of 3 to 5 percent, operating profit growth of 8 to 10 percent and net profit of 12 to 15 percent for the period 2005/06 through to 2007/08.

Barry Callebaut has recently won a series of outsourcing contracts from Nestle (NESN.VX: Quote, Profile , Research), Hershey Co. (HSY.N: Quote, Profile , Research) and Cadbury (CBRY.L: Quote, Profile , Research). The group also said it was planning to issue a 350 million euro bond to increase financial flexibility.

#### **Barry Callebaut Delivers Strong Growth**

Food Ingredients First.com

28/06/07

Cocoa and chocolate supplier Barry Callebaut has delivered dynamic growth in the first nine months of the current fiscal year as sales volumes rose to 838,349 metric tonnes, which corresponds to an organic growth rate of 6.0% – more than twice the growth rate of the global chocolate market. Volumes were driven by an excellent

performance of the Food Manufacturers business unit, especially in Europe, as an increasing number of previously fully integrated food manufacturers began to outsource their chocolate needs to specialized partners. Sales revenue rose by 4.1% to CHF 3,285.0 million. A part of this increase was due to exchange rate effects, primarily the appreciation of the Euro against the company's reporting currency, Swiss franc. Excluding the Brach's consumer business in North America, sales volumes rose 7.4% and sales revenue 6.1%. The company intends to launch a EUR 350 million Fixed Rate Note to improve its financial flexibility and average maturity of its debt profile and to benefit from currently favorable capital market conditions.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "I am very pleased that Barry Callebaut continued on its growth path and was again able to substantially outpace the growth of the global chocolate market in the first nine months of the current fiscal year. During this period, we won three major supply contracts with prestigious international consumer goods companies Nestlé, Hershey and Cadbury. Thanks to our global presence from the bean to the shelf and our innovative strength, we have been able to establish ourselves as the outsourcing partner of choice in the chocolate industry."

The Industrial business segment recorded sales volumes of 586,947 tonnes, which represents an organic growth of 10.8% compared to the same prior-year period. Sales volumes of Cocoa products sold to third-party customers amounted to 107,495 tonnes, which is a plus of 12.1%. Volumes were pushed to compensate for the margin decline caused by the deteriorating combined (cocoa) ratio.

Sales volumes in the Food Manufacturers business unit reached 479,452 tonnes, representing a 10.5% rise over the same period in the previous fiscal year. The business unit benefited from higher outsourcing volumes as an increasing number of integrated consumer goods companies shift their focus towards sales and marketing and are seeking to source liquid chocolate from third parties. As a global industry leader, Barry Callebaut is well positioned to further benefit from this trend.

Barry Callebaut expects to sign the final agreements with Nestlé and Hershey soon and will start to supply both companies in the next few months. Sales revenue recorded in the Industrial business segment achieved growth of 10.1% to CHF 1,891.1 million, compared to CHF 1,717.4 million for the same prior-year period. Sales revenue in the Cocoa business unit rose by 7.5% to CHF 379.8 million, up from CHF 353.3 in the prior year, as a result of higher sales volumes, despite the afore-mentioned lower average sales prices resulting from the lower combined (cocoa) ratio. The Food Manufacturers business unit achieved sales revenue growth of 10.8% to CHF 1,511.3 million, up from CHF 1,364.1 million for the same prior-year period, driven by higher sales volumes.

Looking ahead, CEO Patrick De Maeseneire said: "An increasing number of previously fully integrated food manufacturers are beginning to outsource their chocolate needs. Our supply agreements with Nestlé, Hershey and Cadbury confirm the accelerating outsourcing trend in the industry, both in Europe and in the United States. Barry Callebaut is well positioned to further benefit from this market development. We continue to shape our company through geographic expansion, cost leadership and innovation. The planned launch of a bond will give us the necessary flexibility to continue on our successful growth path. As already mentioned earlier this year, higher raw material prices will have a negative impact on our financial results in fiscal year 2006/07. The deterioration of the combined (cocoa) ratio is expected to have a negative effect of around CHF 25 million. Higher milk prices will also weigh, but are expected to be partly offset by price increases. Despite these developments, we are confident that we will reach our 3-year financial targets through 2007/08 and are on a steady growth path for the future."

### **Nigeria: Govt to Produce Blueprint On Cocoa Production**

This Day (Lagos)

29 June 2007

Edo

Edo government said it is drawing up a blue print to further boost cocoa production. The Deputy Governor, Chief Lucky Imasuen, made the disclosure yesterday in Benin when the executive members of the Cocoa Association of Nigeria paid him a courtesy visit. He told his guests that agricultural development was very dear to the present administration and that necessary attention would be paid to the sector.

Imasuen directed the Ministry of Agriculture to study the issues raised by the association and make recommendations to enable the government achieve set goals. Earlier in his address, the Chairman of the association, Mr Aghedo Bob, said there was need for sustainable cocoa production and quality control in the business. He called for the scrapping of double taxation and haulage fees imposed by some local government authorities.

Bob disclosed that the association recently recorded a feat by winning the best female cocoa farmer and the best male cocoa farmer competition held in Ibadan. He, however, said that the association was worried about poor quality control due to the activities of inexperienced buying agents and solicited government's intervention in that direction.

### **London cocoa hits 4-year high after Ivory Coast attack**



**Guillaume Soro (Apr 2007)**

Fri, 29 June 2007,

LONDON (Reuters) - London benchmark September cocoa futures hit a fresh four-year high of 1,118 pounds per tonne basis second month on speculative buying after news of a rocket attack on the Ivorian Prime Minister. Ivory Coast is the world's top cocoa producing country.

London cocoa futures had been rising before news of the attack and then the rise in prices accelerated. "The news (from Ivory Coast) is helping, though the market had been going up before the headline," a trader said. September later eased back slightly to stand at 1,113 pounds, up 25 pounds or 2.30 percent in above-average volume of 6,356 lots in early afternoon trading.

Ivory Coast Prime Minister Guillaume Soro, the leader of rebel forces controlling the country's north, came under rocket fire as he arrived at the airport in the rebel stronghold Bouake on Friday, aides said. A Reuters witness later saw Soro arrive unharmed at the rebel headquarters in the town, although other members of his entourage had visible injuries.

### **Ghana's cocoa**

NUSA DUA

(June 29 2007):

Ghana's cocoa production may not exceed 620,000 tonnes in the crop year ending September 2007 because of dry weather, Isaac Osie, chief executive of Ghana Cocoa Board, told Reuters on Thursday. "It's not more than 620,000 tonnes. That's the maximum," Osie said on the sidelines of an international cocoa conference on the island resort of Bali. "Last year's was 740,000 tonnes. So we are losing about 120,000 tonnes. It has to do with the weather conditions, the lack of rains. The prognosis is not good for the year," he said

### **Indonesian Cocoa Council set up**

06/30/07

Denpasar, Bali (ANTARA News) - The setting up of Indonesian Cocoa Council was declared at the closing function of the International Cocoa Conference in Nusa Dua, Bali on Friday evening. Trade Affairs Minister Mari E Pangestu, when attending the function hoped to increase the quantity and quality of Indonesia's cocoa in a bid to meet the market demand.

The Indonesia's cocoa production only reached 590 thousand tons per year, much lower compared with that 1.3 million tons produced by the Ivory Coast and Ghana's 650 thousand tons. The fact that Indonesia has higher potentials to produce the commodity, especially in terms of land area and number of workers, Halim Abdul Razak, general chairman of the Indonesian Cocoa Producers Association (Askindo) said. (\*)

## **Processing & Manufacturing**

### **China Cocoa Grinders Aim to Lift Quality, Shed Image**

Source: Reuters

29/06/2007

Nusa Dua, Indonesia, - Cocoa grinders in China are striving to improve quality as consumers turn their backs on their products because of the high use of cocoa shells, a senior industry official said on Friday. "Demand for

cocoa products from China is falling because of the bad image," Guo Wei Ping, manager for cocoa division at the state-run China Tea trading firm, told Reuters on the sidelines of a conference on the island resort of Bali. "Even chocolate makers import cocoa powder into China. They do not trust Chinese cocoa powder," he said.

Dealers said instead of using beans, many Chinese grinders have been using cocoa shells to make powder, which is used for coating in chocolate making, beverages and ice cream. Good quality powder is made from cocoa beans rather than shells, which dealers say may contain bacteria and acids.

Officials data showed China's cocoa shells imports jumped more than 80 percent to 35,867 tonnes in 2003 from the previous year. Imports have since dropped but dealers said China was struggling to shake off its image a source of low quality cocoa products. Cocoa shell imports dropped to 7,531 tonnes in 2006 from 10,916 tonnes in 2005. "The reputation has been spoilt. That is something that we want to refute in the near future," said Guo, without elaborating.

China is one of Asia's largest grinders and is an emerging market for chocolate, with locals buying for occasions from Valentine's Day to Christmas. Chocolate is also replacing traditional sweets at weddings, said dealers. "The Chinese people are getting richer. They are trying to get good-flavoured chocolate," said Guo, adding that the shift in taste was also the reason why powder imports had dropped. There are six grinders in China, with a total installed capacity of 70,000 tonnes a year. When processing cocoa beans, grinders also get butter, a key ingredient for chocolate. China's butter ratio was steady at 2.5 times London futures, said Guo. China's imports of chocolate and cocoa products rose 95.4 percent to 1,111 tonnes in January to May of 2007, customs data showed.

## **Others**

### **Chocolate Fake**

By MORT ROSENBLUM

June 25, 2007

Paris

CHOCOLATE, sweet as it is, has set off bitter conflict since even before the conquistadors found Aztecs killing one another over cacao beans. It split families and estranged friends in the candy business to such a degree that when a Cadbury walked into a funeral for a rival he had done wrong, the widow shouted across Westminster Abbey, "Get out, devil!"

The Hershey and Mars dynasties fought legendary wars — internecine and with each other — for much of the 20th century. Now what big-time candy men had hoped would sneak by as a simple rule change has erupted into a food fight that will go far to define how America values culinary pleasure.

Real chocolate is made from crushed cacao beans, which provide not only solid cocoa mass but also cocoa butter that is vital to texture because, quite literally, it melts in your mouth. Industrial confectioners have petitioned the Food and Drug Administration to be able to replace cocoa butter with cheaper fats and still call the resulting product "chocolate." The reason: the substitution would allow them to use fewer beans and to sell off the butter for cosmetics and such.

Advocates of substitution claim Europeans already do this. That comparison, whether a misunderstanding or an effort to mislead, is absurd. When European companies tried to cut cocoa butter, the debate dragged on for a decade. In 2003, the European Union ruled that substitution had to be limited to 5 percent and only by a few specific oils that chemically resemble cocoa butter. This faux chocolate is clearly labeled "contains vegetable fats in addition to cocoa butter" — and is shunned by purists. The French like to call it "cocholat," an epithet derived from their word for pig, cochon.

In America, the Food and Drug Administration can act swiftly to change rules based on what it calls a citizen's petition. Last year, "citizens" like the Grocery Manufacturers Association added new guidelines for chocolate onto an omnibus petition covering more than 200 foods that called for, among other things, altering food standards to "permit maximum flexibility in the food technology used to prepare the standardized food" and to allow "any alternative process that accomplishes the desired effect."

This could have sweeping effects on food manufacturing overall; for chocolate in particular, the guidelines provide for no effective limit on how much cocoa butter can be substituted nor restrictions on what fats can be



used. There is no attempt to mimic the real thing. This might have passed unnoticed had a California chocolate maker, Gary Guittard, not banged the alarm. He rallied opposing forces; the F.D.A. extended its comment period to today. The agency says it isn't making any immediate decision.

As word of the chocolate petition spread in Europe, Old World masters reacted predictably. They had watched Americans finally catch on to the wonders of cacao, and are appalled at the idea that this could all be lost. As Jacques Genin, whose unmarked one-room Paris factory is a holy site for connoisseurs, said, everyone has a right to the joy of chocolate — and if most chocolate on the shelves is fake, only those who can afford creations like Mr. Genin's will know how wonderful it is. His fears are echoed among chocolatiers in France, Belgium, Italy and Spain as well as in the United States. And those fears are real.

The proposal would widen the gap between good and awful. Industrial food companies could sell their waxy chocolate for less. But purveyors of the real thing have no corners to cut. While discerning chocoholics will fork over whatever it takes, those who can't pay will never know chocolate. Proponents cloud the issue with dubious claims. Some say, for instance, the change would help growers and African children who toil for a pittance in cacao fields, without explaining exactly how. But in fact, it would lower the demand for beans.

When Americans learned to love olive oil, growers improved quality. In the same way, a chocolate revolution put a premium on better beans. But 90 percent of cacao farmers barely scratch by. They would suffer from lower demand, and so would their product. Too much of what we eat is already ersatz-virtual, like "farm-fresh" Frankenstein produce or "home-baked" chemical cookies. No one who has savoured real chocolate can be eager to see our beloved Theobroma cacao, the elixir of the gods, suffer this fate. *Mort Rosenblum is the author of "Chocolate: A Bittersweet Saga of Dark and Light."*

#### **FDA May Change The Definition Of Chocolate**

Pat Ciarrocchi reporting

Jun 25, 2007 -- US/Eastern

(CBS 3) PHILADELPHIA If you love chocolate the real, old fashioned cocoa butter-type of chocolate the Food and Drug Administration needs to hear from you on Monday. Time is running out for public opinions on a proposal to change the definition of what makes chocolate, chocolate. Chocolate doesn't get more luscious than the old-fashioned goodness of Shane's Candies on Market Street, the nation's oldest candy store.

At Shane's, their chocolate is the real thing, full of cocoa beans, cocoa butter, and some sugar. And nothing artificial is added, Barry Shane said. His grandfather bought the business in 1911. "People love the dark chocolate especially because it's healthy for you," owner Barry Shane said.

Now the FDA is considering a petition from big candy companies to allow the label "chocolate" on candy made from vegetable oils. "The problem is that it's much cheaper obviously with the palm kernel oil than the cocoa beans which is about half the price of real chocolate," Shane said. It's also unhealthy, though, because of the artery-clogging trans fats the processing creates. Shane, 64, who spent his whole life as a kid in the candy store, believes that if a label said 'chocolate,' it should be real chocolate. "I think it's really wrong. Why put something on it that you know isn't really true?" Shane said.

Well, Monday is the deadline to tell the FDA what you think. If you're going to spend your daily calories on chocolate, and you want to be sure it's the real thing, Shane said the FDA needs to hear from you. You can share your sweet opinions with the FDA just click on the links to the right of this story.

#### **FDA Proposes Allowing Non-Cocoa Chocolate**

KYW's John Ostapovich

Monday, 25 June 2007

*Chocolate lovers, alert!*

The public comment period ends Monday on a proposal by the FDA to change the definition of chocolate. "Everybody thinks about chocolate with cocoa beans. If you're not using cocoa beans, it seems kind of wierd. How can it be chocolate?"

That, in a chocolate-coated nutshell, is Barry Shane's complaint about the proposal. And Shane ought to know. As owner of Shane's Candies (above), near Front and Market Streets in Old City Philadelphia, he says he only uses cocoa-based products but he understands that the vegetable-based ones are both cheaper and easier to mold

into fancy shapes: "Some of these lower priced chocolates, if you go to the grocery store, you wonder, how can they make this candy and have it so cheap? Well, it's because they don't use real chocolate."

He acknowledges that many consumers may not notice what to him is a dramatic difference in taste. He also thinks the change is likely to occur. "The cost with the vegetable base is half the price with cocoa beans." Shane says that although he won't use anything but the cocoa base, he sees the tide going the other way and many consumers will still get their "choco fix" from the other kind: "You can definitely tell the difference. Anybody in the (candy) business would know the difference, whether it's real cocoa-based or vegetable-oil-based. But some of the average consumers say, 'Oh, it's good enough,' and they go with it."

### **High Cocoa Prices May Sink as Crops Rebound**

Source: Reuters

28/06/2007

London, June 28 - Cocoa prices set four-year highs in London and New York this week on a global supply deficit but may fall back later this year as crops, hit by drought, recover. "It is too early to tell about the next main crop but rainfall has been adequate so far. I think production could be back on (the long-term upward) trend," a UK-based analyst who declined to be identified said.

Investment bank Fortis forecast in a report on Thursday that the cocoa market would move to a surplus of 98,000 tonnes in 2007/08 from a deficit of 236,000 tonnes in 2006/07. Africa produces about two-thirds of the world's cocoa and crops this year have been hit by drought. Rains arrived in April too late to have much impact of this year's production but provided vital soil moisture for the next main crop.

Fortis estimates Africa's cocoa production next year will rise to 2.67 million tonnes, up 11.5 percent from 2.32 million in 2006/07 and even above the 2005/06 crop of 2.61 million. "If there's no weather problem, we've probably overpriced these levels and we'd see cocoa drop more closely to, say, \$1,750," Pamela Thornton, an executive from the Board of Cocoa Merchants of America told Reuters.

The benchmark September New York contract rose to a peak of \$2,029 a tonne on Wednesday, the highest level for more than four years while in London prices rose to a four year high of 1,104 pounds on Tuesday, basis second position.

### **CONSUMPTION GROWTH**

Production has also fallen by about seven percent in Indonesia, the largest cocoa producer outside Africa, while in Brazil cocoa arrivals were reported this week to be down 32 percent from a year earlier. Analyst said rising consumption had contributed to the climb in prices, although it was a less significant influence that the drop in production. "Strong fundamentals are in place and I tend to think it is more supply than demand," VM Group analyst Gary Mead said, attributing the rise in prices mainly to a production shortfall.

Barry Callebaut, the world's largest chocolate maker, said demand is rising. "We are expecting higher cocoa prices in the medium term. The demand for chocolate globally is growing, demand for dark chocolate is particularly high," the group said. Dark chocolate requires a larger proportion of cocoa liquor and so a growth in its consumption is supportive for the commodity. The rise has been linked to health benefits. Analysts said, however, that the growth in dark chocolate demand was partly offset by a reduction in portion size in some mature markets. "We are only seeing slow growth (in chocolate demand) in mature markets," one analyst said.

**TRIBUTE OF THE COCOA PRODUCERS' ALLIANCE (COPAL) TO  
LATE DR. BEATRICE PADI**

DEAR DR. PADI,

At this moment when you definitively leave us, we would, in the name of Cocoa Producers' Alliance, like to tell you how much we appreciated your great contributions towards the resolution of problems facing cocoa culture in Africa especially in the area of insect pests.

All along your long and illustrious career as Entomologist working on cocoa, you spared no efforts to generate and disseminate knowledge on the Biology of some of these insect pests of cocoa and methods destined towards their effective control.

Your numerous publications have left an indelible mark as far as scientific contributions are concerned. We would like to particularly salute you for your active participation in the 9th and 14th International Cocoa Research Conferences during which you presented two papers as main author and the *other* as co-author.

You understood the importance of these scientific conferences that COPAL organizes regularly to offer an opportunity for researchers to meet and exchange ideas as well as bring themselves up to speed with research activities carried out all over the world in cocoa. Your numerous pertinent interventions during debates are witness to this.

We equally would like to salute your active contribution towards the creation of the Scientific Research Committee, the Technical organ of COPAL.

COPAL therefore says thank you for everything and may the Peace of the Good Lord be with you.

See you again on Resurrection Morning!



HOPE SONA EBAI  
SECRETARY GENERAL  
COCOA PRODUCER'S ALLIANCE



## **TIT BITS**

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

### **New York cocoa lower**

NEW YORK (June 27, 2007): US cocoa futures settled a shade lower on Monday, after touching a one-month high, on pressure from weak sterling and profit-taking during a quiet session, traders said. "In the short term, you did get a little bit of profit-taking on the upside," one trader said.

### **New York cocoa jumps to 4-1/4 year peak**

NEW YORK (June 28, 2007): US cocoa futures surged ahead to a 4-1/4 year high as speculative buying and a lack of selling interest triggered buy-stops, dealers said. "We just saw some fund and spec buying here today," one trader said. "It's mainly technicals right now, no real news behind this rally today."

### **Malaysia aims to triple cocoa output by 2015**

NUSA DUA (June 29, 2007): Malaysia aims to triple its cocoa output to 100,000 tonnes by 2015 from around 32,000 tonnes in 2007 to meet demand from the country's grinding sector, a senior industry official said on Thursday.

### **Ghana's cocoa**

NUSA DUA (June 29, 2007): Ghana's cocoa production may not exceed 620,000 tonnes in the crop year ending September 2007 because of dry weather, Isaac Osier, chief executive of Ghana cocoa Board, told Reuters on Thursday.

### **New York cocoa hits new 4-1/4-year peak**

NEW YORK (June 29, 2007): US outcry cocoa futures settled higher on Wednesday after reaching a fresh 4-1/4-year peak for the second day in a row. "I think we followed the London market today, but it was relatively quiet, to be honest," one trader said. "cocoa's reacting to a very strong technical picture here."

### **ICCO revises down cocoa deficit**

NUSA DUA (June 30, 2007): The chief of the International cocoa Organisation (ICCO) revised down the 2006/2007 (September-October) global cocoa deficit to between 100,000 and 125,000 tonnes and expected global output to rebound in the next crop year.

### **Malaysia aims to triple cocoa output**

NUSA DUA (June 30, 2007): Malaysia aims to triple its cocoa output to 100,000 tonnes by 2015 from around 32,000 tonnes in 2007 to meet demand from the country's grinding sector, a senior industry official said on Thursday.

### **China cocoa grinders aim to lift quality image**

NUSA DUA (June 30, 2007): cocoa grinders in China are striving to improve quality as consumers turn their backs on their products because of the high use of cocoa shells, a senior industry official said on Friday.

### **New York cocoa end lower**

NEW YORK (June 30, 2007): US open-outcry cocoa futures settled lower on Thursday as profit-taking drove prices down from 4-1/4-year highs reached this week, dealers said. "I think the fundamentals, short term, are friendly, with the poor midcrop," the trader added. "The differentials (are) going up and I think this market is going to work higher." The trader placed resistance at \$2,000 per tonne.

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