



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 238

2<sup>nd</sup> – 6<sup>th</sup> July 2007

Cocoa Producers' Alliance

## ICCO Daily Cocoa Prices

	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
2 <sup>nd</sup> July	2137.58	1097.00	2071.33
3 <sup>rd</sup> July	2149.07	1102.00	2083.00
4 <sup>th</sup> July	-	1117.33	-
5 <sup>th</sup> July	2197.08	1134.33	2120.33
6 <sup>th</sup> July	2214.59	1140.00	2144.00
<b>Average</b>	<b>2175.00</b>	<b>1118.00</b>	<b>2105.00</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)

### Health and Nutrition

- ✓ Lowering the bar on chocolate
- ✓ Get Rid Of Stretch Marks - Surviving Pregnancy
- ✓ If You Love It, Eat It
- ✓ Shedding Light on the Health Benefits of Dark Chocolate
- ✓ Effects of Low Habitual Cocoa Intake on Blood Pressure and Bioactive Nitric Oxide
- ✓ Evidence mounts of dark chocolate's health benefits, just don't overdo it
- ✓ Small amounts of dark chocolate can help blood pressure, study says
- ✓ Chocolate can lower blood pressure
- ✓ Study finds chocolate good for the heart
- ✓ Nibble of chocolate may lower blood pressure
- ✓ Cocoa May Fight Hypertension
- ✓ Chocolate is Latest U.S. Organic Heavy-Hitter

### Production & Quality

- ✓ Growing cocoa crop along with coconuts
- ✓ Ghana 06/7 main cocoa crop down at 586,581T –source

### Business & Economy

- ✓ Chocolate Trade Group Hires Lobbyist
- ✓ Softs - Cocoa higher as dips attract buyers, on fallout from Ivory Coast attack
- ✓ Barry Callebaut closes Nestle plant takeover deal
- ✓ Cadbury open to acquisition in India: Srcs
- ✓ Cocoa price set at 400 FCFA in Cote d'Ivoire
- ✓ High cocoa price bodes ill for chocoholics
- ✓ Cocoa climbs on Ivory Coast discord
- ✓ Cocoa Prices Surge on Supply Worries
- ✓ Softs - Cocoa hits another fresh four-year high on technicals; sugar up

### Labour Issues

- ✓ Ghanaian appointed regional coordinator for Africa.
- ✓ Putting across the slavery message
- ✓ Nigeria: '190 Child Workers in Cocoa Plantations'

## INSIDE THIS ISSUE:

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- ✓ UP-COMING EVENTS
- ✓ LONDON & NEW YORK FUTURES MARKETS UPDATE
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*Have you had your cocoa today?*

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

**Monday 2nd July 2007**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2007	1094	1062	-29	1106	1060	9610
Sep 2007	1115	1097	-16	1122	1093	13369
Dec 2007	1113	1096	-13	1117	1092	1949
Mar 2007	1103	1098	-11	1116	1096	770
May 2008	1113	1105	-11	1124S	1105	603
Jul 2008	1131	1113	-11	1133	1112S	259
Sep 2008	1126	1120	-12	1138	1122S	176
Dec 2008		1129	-12			0
Mar 2008		1141	-12			0
May 2009		1149	-12			0
<b>Totals</b>		<b>1111</b>				<b>26,736</b>

**Tuesday 3rd July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1064	1067	5	1076	1063	1970
Sep 2007	1099	1101	4	1113	1091	4021
Dec 2007	1098	1102	6	1110	1091	2807
Mar 2007	1104	1103	5	1116	1095	1150
May 2008	1114	1109	4	1114	1105	919
Jul 2008	1123	1117	4	1123	1113	783
Sep 2008	1121	1125	5	1126	1121	290
Dec 2008	1134	1135	6	1135	1131	621
Mar 2008		1141	0			0
May 2009		1151	2			0
<b>Totals</b>		<b>1115</b>				<b>12,561</b>

**Wednesday 4th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1065	1085	18	1085	1065S	402
Sep 2007	1099	1119	18	1120	1099	3725
Dec 2007	1103	1118	16	1118	1098	2163
Mar 2007	1103	1115	12	1115	1100	730
May 2008	1110	1121	12	1123	1106S	1084
Jul 2008	1117	1127	10	1127S	1117S	366
Sep 2008	1123	1136	11	1135S	1123S	173
Dec 2008	1132	1144	9	1142S	1132S	108
Mar 2008		1150	9			0
May 2009		1160	9			0
<b>Totals</b>		<b>1132</b>				<b>8,751</b>

**Thursday 5th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1083	1100	15	1106	1082	1533
Sep 2007	1117	1135	16	1140	1116	7337
Dec 2007	1116	1135	17	1139	1116	3721
Mar 2007	1113	1133	18	1139	1113	913
May 2008	1122	1140	19	1145	1120	548
Jul 2008	1127	1147	20	1148	1125	1243
Sep 2008	1137	1155	19	1161	1137S	499
Dec 2008	1146	1163	19	1167	1146S	142
Mar 2008		1169	19			0
May 2009		1179	19			0
<b>Totals</b>		<b>1146</b>				<b>15,936</b>

**Friday 6th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2007	1101	1107	7	1112	1099	2098
Sep 2007	1138	1141	6	1146	1133	4,823
Dec 2007	1139	1140	5	1147	1133	2,275
Mar 2007	1135	1139	6	1142	1134	193
May 2008	1145	1146	6	1149	1145	164
Jul 2008	1149	1153	6	1156	1144	295
Sep 2008	1164	1161	6	1164S	1152	182
Dec 2008	1174	1170	7	1175	1171S	167
Mar 2008		1176	7			0
May 2009		1186	7			0
<b>Totals</b>		<b>1152</b>				<b>10,197</b>

<b>Average for the week</b>	<b>1160</b>					<b>14836</b>
<b>Total for the week</b>						<b>74,181</b>

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

**Monday 2nd July 2007**

Month	Open	Price	Change	High	Low	Volume
Jul 2007	2045 <sup>B</sup> 2060 <sup>A</sup>	2043	-11	0	0	24
Sep 2007	2057 2060	2051	-11	2080	2040	9674
Dec 2007	2080 <sup>B</sup> 2087 <sup>A</sup>	2075	-11	2105	2064	1787
Mar 2008	0 0	2097	-13	2114	2100	416
May 2008	0 0	2110	-14	0	0	62
Jul 2008	0 0	2127	-13	0	0	13
Sep 2008	0 0	2143	-13	0	0	180
Dec 2008	0 0	2163	-14	0	0	100
Mar 2009	0 0	2181	-14	0	0	0
May 2009	0 0	2199	-14	0	0	0
<b>Totals</b>		<b>2119</b>				<b>12256</b>

**Tuesday 3rd July 2007**

Month	Open	Price	Change	High	Low	Volume
Jul 2007	2025 <sup>B</sup> 2058 <sup>A</sup>	2066	23	2062	2062	28
Sep 2007	2053 2058	2062	11	2065	2048	7220
Dec 2007	2075 0	2084	9	2081	2071	1836
Mar 2008	2103 0	2106	9	2103	2103	594
May 2008	0 0	2119	9	0	0	83
Jul 2008	0 0	2135	8	0	0	26
Sep 2008	0 0	2151	8	0	0	171
Dec 2008	0 0	2169	6	0	0	720
Mar 2009	0 0	2187	6	0	0	0
May 2009	0 0	2205	6	0	0	0
<b>Totals</b>		<b>2128</b>				<b>10678</b>

**Wednesday 4th July 2007**

Month	Open	Price	Change	High	Low	Volume
Jul 2007						
Sep 2007						
Dec 2007						
Mar 2008						
May 2008						
Jul 2008						
Sep 2008						
Dec 2008						
Mar 2009						
May 2009						
<b>Totals</b>						

### Thursday 5th July 2007

Month	Open	Price	Change	High	Low	Volume
Jul 2007	2085 <sup>B</sup> 2100 <sup>A</sup>	2116	50	2127	2127	12
Sep 2007	2090 2099	2116	54	2129	2090	9801
Dec 2007	0 0	2138	54	2147	2115	3524
Mar 2008	0 0	2160	54	0	0	673
May 2008	0 0	2172	53	0	0	65
Jul 2008	0 0	2188	53	0	0	28
Sep 2008	0 0	2204	53	0	0	163
Dec 2008	0 0	2223	54	0	0	303
Mar 2009	0 0	2241	54	0	0	0
May 2009	0 0	2259	54	0	0	0
<b>Totals</b>		<b>2182</b>				<b>14569</b>

### Friday 6th July 2007

Month	Open	Price	Change	High	Low	Volume
Jul 2007	2140 0	2128	12	2140	2119	129
Sep 2007	2133 2135	2123	7	2135	2103	7549
Dec 2007	2148 <sup>B</sup> 2153 <sup>A</sup>	2145	7	2150	2142	1612
Mar 2008	0 0	2167	7	0	0	681
May 2008	0 0	2179	7	0	0	13
Jul 2008	0 0	2195	7	0	0	13
Sep 2008	0 0	2211	7	0	0	0
Dec 2008	0 0	2230	7	0	0	254
Mar 2009	0 0	2248	7	0	0	0
May 2009	0 0	2266	7	0	0	0
<b>Totals</b>		<b>2189</b>				<b>10251</b>

<b>Average for the week</b>	<b>2211</b>					<b>11939</b>
<b>Total for the week</b>						<b>47,754</b>

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

	2 <sup>nd</sup> July	3 <sup>rd</sup> July	4 <sup>th</sup> July	5 <sup>th</sup> July	6 <sup>th</sup> July
Main Crop Ghana, Grade 1	2461	2472	-	2526	2533
Main Crop Ivory Coast, Grade 1	2373	2384	-	2438	2445
Main Crop Nigerian, 1	2351	2362	-	2416	2423
Superior Arriba	2813	2824	-	2878	2885
Sanchez f.a.q.	2339	2350	-	2404	2411
Malaysian 110	2054	2065	-	2119	2126
Sulawesi f.a.q.	2153	2164	-	2218	2225
Ecuador Cocoa Liquor	3911	3932	-	4035	4048
Pure Prime Press African Type Cocoa Butter	5982	6014	-	6172	6192
10/12% Natural Cocoa Press Cake	923	928	-	952	955

Source: Cocoa Merchants' Association

# News

## Health and Nutrition

### Lowering the bar on chocolate

By Terri Coles

Mon 2 Jul 2007



TORONTO (Reuters) - Chocolate in the U.S. must contain cocoa butter, which gives the treat its characteristic creaminess, but a petition before the FDA would allow foods without it to still be labeled "chocolate". Several food manufacturers, including the Chocolate Manufacturers Association, support the petition, which could save chocolate makers money. But those opposed say the change would create confusion without benefiting consumers and lower the standards for chocolate when it is enjoying a higher profile, thanks in part to evidence of its possible health benefits.

To make chocolate, the beans in cacao pods are fermented, roasted and ground into a paste called chocolate liquor, which can then be separated into cacao solids (or cocoa powder) and cocoa butter. Cocoa butter and cocoa powder or chocolate liquor are blended with sugar to make chocolate; milk solids, flavoring and emulsifiers can also be added. While cocoa powder or chocolate liquor gives chocolate its flavor, cocoa butter provides the texture. Among cocoa butter's unique properties is that it melts at just below body temperature. "It's not cocoa solids, it's the cocoa butter that we love," said Cebele May, a writer who covers chocolate and other candy at Candy Blog.

The proposed changes are too wide-ranging, said Gary Guittard, CEO of the Guittard Chocolate Company, allowing a manufacturer to replace all the cocoa butter or use any vegetable oil. The result would be a "hybrid kind of chocolate-flavoured product," said Guittard, who is running a campaign against the petition. Currently, manufacturers can make treats with another fat in cocoa butter's place, but aren't allowed to call them "chocolate". "Why is it good for the consumer and why should the FDA permit this to be done, when it's really just confusing to the consumer because we don't prefer this non-cocoa butter chocolate," May asked. "If we did, then they wouldn't want to call it chocolate." Of the 10 best-selling chocolate candies in the U.S., nine are made with real chocolate. The exception is Butterfinger.

A recent study showed that foods with cocoa seem to lower blood pressure, and cocoa butter may also provide some health benefits. It contains stearic acid, a naturally-occurring compound with cholesterol-lowering properties. Although it has saturated fat, cocoa butter is actually cholesterol-neutral and does not raise "bad" low-density lipoprotein (LDL) cholesterol.

New rules would allow manufacturers to add fats without this unique benefit in cocoa butter's place, said Guittard. The petition says the substitution must be nutritionally similar, but that refers to vitamins and minerals, not fats. "There are a lot of saturated fats they could put in there that aren't so great," he said. The Chocolate Manufacturers Association said in a statement that they are not in favor of adding vegetable fats with trans fats to chocolate. "I think this is a really inopportune time to propose this kind of a change. I think it's kind of moving against people's desires," said Emily Stone, whose blog *Chocolate in Context* looks at the food's cultural impact.

But many of the benefits of chocolate are seen mainly in the dark variety, not the milk chocolate used in the best-selling candy bars, while other studies involve cocoa powder and not processed chocolate. It's also thought that processing cocoa powder into chocolate reduces the concentration of compounds like flavonoids. Even high-quality chocolate is still high-sugar and high-fat. Dark chocolate has some properties that are beneficial to human health, said Stone, and has less added sugar. But that should be considered a bonus and not a magic bullet. "You

should have a balanced diet, you should eat well," Stone said. "If you like chocolate, enjoy it." "Yes, it is junk food," May acknowledged. "Let's face it " chocolate is not the most important thing in the world, but it's important that we keep the sanctity and the unified product as it is. There's no reason for us to split it off into this amalgam product when we don't have to, especially when there's no benefit to us."

### **Get Rid Of Stretch Marks - Surviving Pregnancy**

Alien Sheng

July 3, 2007

Do you want to get rid of stretch marks on your belly? Are stretch marks causing you to sing the blues? They shouldn't since having a baby is one of the happiest events in any woman's life. Seeing that child and knowing they are a part of you is hard to describe. Many things come with having a baby including an increased feeling of pride, a desire to be the best person you can be and stretch marks.

For the majority of women who go down the pregnancy path they come out the other side with unsightly marks on the bottom of their tummy. Stretch marks are a symbol of being a mother and although they are well worth the end result of a child, they are also not pleasant to look at and most women wish they would disappear. Although you can't wave a magic wand and wish them away, you can do something about them.

#### *What Are Stretch Marks?*

Why are stretch marks occurring anyway? Stretch marks are the result of the skin being pulled. This can happen in overweight people as well as pregnant mothers. The second layer of skin can also be damaged and the severity of the stretch marks will vary depending on how far the skin was pulled as well as the original condition of the skin. Once the skin goes back to where it was originally either through having a baby or losing weight, those marks become more noticeable and fading them becomes a goal.

There are many different methods you can approach when it comes to remove stretch marks. One is to consider purchasing one of the many creams or lotions specifically developed to combat the effects. What most of these propose is that through regular use they can fade the stretch marks enough that they won't be as noticeable.

#### *How To Get Rid Of Stretch Marks On Your Belly*

Stretch marks are generally a pinkish to reddish hue when they first develop. This is when you'll probably first spot them. They do naturally fade over time though even without the use of cream. So it's important to consider the cost of the treatment against the actual effects it will have.

Cocoa butter is a rather inexpensive cream that is said to have good results to remove stretch marks in the area of diminishing the appearance. You simply apply the cream twice a day to remove stretch marks and in time they will fade. The reason is that added moisture to the skin helps it to heal.

How to get rid of stretch marks before having your baby? Well, if you are pregnant it's worth nothing that using cocoa butter through the duration of your pregnancy can actually help to reduce the number of stretch marks. In this case a bit of preventative measure will ease the effects later on.

### **If You Love It, Eat It**

MMVII, CBS Broadcasting Inc.

Dr. Sean Kenniff, Reporting

Jul 3, 2007

Study: Chocolate Helps Keep High Blood Pressure Down

(CBS4) MIAMI Chocolate, in particular the cocoa-rich dark variety is in the news again because of its apparent health benefits. According to a new study, dark chocolate and other cocoa-rich products may help lower blood pressure.

Cocoa is rich in a class of antioxidants known as polyphenols which are considered to have a beneficial effect by protecting against heart disease and high blood pressure. This latest research maintains that the polyphenols found in cocoa may be more effective at lowering blood pressure.

Dr. Suzanne Steinbaum of Lenox Hill Hospital in New York City said, "Dark chocolate with more cocoa has more polyphenols in it. And these bio-flavanoids are what actually is beneficial." The most recent study appeared in The Journal of The American Medical Association, which found a daily dose of dark chocolate can help lower

blood pressure. This doesn't mean you can eat a dark chocolate bar every day. Scientists recommend 30 calories a day or probably just a small, bite-sized portion. It's important to note your average candy bar will not do, only real dark chocolate contains all the important polyphenols

### **Shedding Light on the Health Benefits of Dark Chocolate**

By Betsy Atkins, Ivanhoe Health Correspondent

Reported July 4, 2007

ORLANDO, Fla. (Ivanhoe Newswire) -- A bite of chocolate a day could keep high blood pressure away, according to the results of a recent study.

Flavanol-rich cocoa has been associated with lowered blood pressure for quite some time now, but researchers from the University Hospital of Cologne in Germany were concerned the high amounts of fat and sugar in calorie-rich cocoa would cancel out the cardiovascular benefits. To find out more about the blood pressure benefits of cocoa, researchers randomly assigned 44 adults with untreated upper-range hypertension or stage 1 hypertension to one of two groups: the dark chocolate group or the white chocolate group. Participants in the dark chocolate group had 30 calories of polyphenol-rich dark chocolate each day, while participants in the white chocolate group were given 30 calories of polyphenol-free white chocolate each day.

After 18 weeks, researchers found participants in the dark chocolate group experienced an 18 percent decrease in hypertension and experienced no change in body weight, plasma levels of lipid, or glucose. Participants in the white chocolate group experienced no change in blood pressure. Study authors report the 3 mm Hg reduction they saw in systolic blood pressure in members of the dark chocolate group was small but significant, as it could reduce a person's risk for stroke by 8 percent and risk for coronary artery disease by 5 percent.

Though dark chocolate can be beneficial to one's health, Tara Gidus, a registered dietician and national spokesperson for the American Dietetic Association, told Ivanhoe all dark chocolates are not created equal. "Just because it's dark chocolate doesn't mean it's going to be really high in the flavanols [that give you the health benefits]," she said. "It depends how the manufacturer is processing it."

Gidus also said people who are interested in reaping the health benefits of dark chocolate should consider purchasing miniature Dove chocolate bars -- an M&M Mars product that is carefully processed to preserve the flavanol in the chocolate. "M&M Mars has a lot of research out there that's peer reviewed, medically published research," Gidus said. "That's the one that I would buy, just because I haven't seen any research from Hershey's saying how much [flavanol] they're trying to maintain from the processing."

Gidus recommended consuming one miniature piece of dark chocolate a day for maximum health benefits. "If you eat a dark Hershey kiss, that would be 25 calories [of dark chocolate]," she said. "That one little piece is not going to be a significant contribution of calories to your diet, so you're not going to gain weight from that or anything. The only potential danger is some people just can't stop at one. If you're that type of personality, then you really need to be careful."

This article was reported by Ivanhoe.com, which offers Medical Alerts by e-mail every day of the week. To subscribe, click on: <http://www.ivanhoe.com/newsalert/>.

*SOURCE: Ivanhoe interview with Tara Gidus, R.D.; The Journal of the American Medical Association, 2007; 298:49-60*

### **Effects of Low Habitual Cocoa Intake on Blood Pressure and Bioactive Nitric Oxide**

A Randomized Controlled Trial

JAMA. 2007

Wednesday, July 4, 2007

**Context** Regular intake of cocoa-containing foods is linked to lower cardiovascular mortality in observational studies. Short-term interventions of at most 2 weeks indicate that high doses of cocoa can improve endothelial function and reduce blood pressure (BP) due to the action of the cocoa polyphenols, but the clinical effect of low habitual cocoa intake on BP and the underlying BP-lowering mechanisms are unclear.

**Objective** To determine effects of low doses of polyphenol-rich dark chocolate on BP.

**Design, Setting, and Participants** Randomized, controlled, investigator-blinded, parallel-group trial involving 44 adults aged 56 through 73 years (24 women, 20 men) with untreated upper-range prehypertension or stage 1

hypertension without concomitant risk factors. The trial was conducted at a primary care clinic in Germany between January 2005 and December 2006.

**Intervention** Participants were randomly assigned to receive for 18 weeks either 6.3 g (30 kcal) per day of dark chocolate containing 30 mg of polyphenols or matching polyphenol-free white chocolate.

**Main Outcome Measures** Primary outcome measure was the change in BP after 18 weeks. Secondary outcome measures were changes in plasma markers of vasodilative nitric oxide (S-nitrosoglutathione) and oxidative stress (8-isoprostane), and bioavailability of cocoa polyphenols.

**Results** From baseline to 18 weeks, dark chocolate intake reduced mean (SD) systolic BP by  $-2.9$  (1.6) mm Hg ( $P < .001$ ) and diastolic BP by  $-1.9$  (1.0) mm Hg ( $P < .001$ ) without changes in body weight, plasma levels of lipids, glucose, and 8-isoprostane. Hypertension prevalence declined from 86% to 68%. The BP decrease was accompanied by a sustained increase of S-nitrosoglutathione by 0.23 (0.12) nmol/L ( $P < .001$ ), and a dark chocolate dose resulted in the appearance of cocoa phenols in plasma. White chocolate intake caused no changes in BP or plasma biomarkers.

**Conclusions** Data in this relatively small sample of otherwise healthy individuals with above-optimal BP indicate that inclusion of small amounts of polyphenol-rich dark chocolate as part of a usual diet efficiently reduced BP and improved formation of vasodilative nitric oxide.

*Author Affiliations: Departments of Pharmacology (Drs Taubert, Roesen, and Schömig) and Internal Medicine (Drs Lehmann and Jung), University Hospital of Cologne, Cologne, Germany.*

#### **Evidence mounts of dark chocolate's health benefits, just don't overdo it**

By LINDSEY TANNER

The Associated Press

Wednesday, July 4, 2007

CHICAGO — Here's good and bad news for chocoholics: Dark chocolate seems to lower blood pressure, but it requires an amount less than two Hershey's Kisses to do it, a study suggests. The new research from Germany adds to mounting evidence linking dark chocolate with health benefits, but it's the first to suggest that just a tiny amount may suffice.

Volunteers ate just over 6 grams of dark chocolate daily for almost five months — one square from a German chocolate bar called Ritter Sport, equal to about 1 ½ Hershey's Kisses. People who ate that amount ended up with lower blood-pressure readings than those who ate white chocolate.

University of Cologne researcher Dr. Dirk Taubert, the study's lead author, said the blood-pressure reductions were small but still substantial enough to potentially reduce cardiovascular-disease risks, although study volunteers weren't followed long enough to measure that effect. The research involved just 44 people aged 56 through 73, but the results echo other small studies of cocoa-containing foods. Cocoa contains flavanols, plant-based compounds that also are credited with giving red wine its heart-healthy benefits. One problem is chocolate bars containing cocoa tend to have lots of calories, so Taubert and his colleagues tested small amounts containing just 30 calories each.

The study appears in today's Journal of the American Medical Association. Dr. Laura Svetkey, director of Duke University's Hypertension Center, said the results are interesting but should not be viewed as license to gorge on chocolate. "I would be as happy as the next person if I got to eat more chocolate," she said, but cautioned that weight gain from eating large amounts of dark chocolate would counteract any benefits to blood pressure.

Every day for 18 weeks, the volunteers were instructed to eat one square of dark chocolate, or a similar portion of white chocolate. White chocolate doesn't contain cocoa. After 18 weeks, systolic blood pressure — the top number — fell an average of nearly three points and diastolic dropped almost two points in the dark-chocolate group, compared with no change in blood-pressure readings in the white-chocolate group. Tests suggested that steady exposure to dark chocolate prompted chemical changes that helped dilate blood vessels and regulate blood pressure.

## **Small amounts of dark chocolate can help blood pressure, study says**

Erin Allday, Chronicle Staff Writer

Wednesday, July 4, 2007

It's time for chocolate lovers everywhere to celebrate. German scientists are reporting today that the confection really is good for you. In very, very small doses, anyway. A study in the Journal of the American Medical Association shows that one bite, or less than a quarter of an ounce, of dark chocolate eaten once a day significantly lowered blood pressure in people who participated in an 18-week clinical trial.

It's the first time researchers have been able to say that a small dose of commercially available chocolate has direct health benefits. Previous chocolate studies have almost always used large doses of chocolate or samples created in labs to pack in extra cocoa flavanols -- the chemical in chocolate thought to relax blood vessels and lower blood pressure. But the chocolate used in those studies wasn't practical for people to eat every day, because it either didn't taste very good or was heavy on the calories.

If people can get the health benefits of chocolate without the weight gain often associated with it, that's great news, said Seneca Klassen, who could be a little biased as co-owner of Bittersweet Chocolate Cafe in San Francisco. "Everything should be in moderation, but, yes, clearly there are some health benefits to chocolate," Klassen said. "I have a couple of customers who buy the same bar of chocolate every time and spend a week or two eating it. A little bit can go a long way."

Some nutritionists go so far as to call chocolate a health food. But Bay Area cardiologists -- even those who confess to having a sweet tooth -- aren't quite ready to prescribe chocolate alongside blood pressure medication or daily doses of baby aspirin. "Sure, you could add a piece of dark chocolate to your prescription. But there are going to be very few people who should rely on that alone," said Dr. Stanley Rockson, chief of consultative cardiology at Stanford University Medical Center. Still, he said, most of the measures patients have to take to lower their blood pressure aren't fun -- exercising daily and skipping salty and fatty foods, for example -- so "comparable to some of the more draconian measures we make people go through, obviously telling them to eat chocolate is a little easier to comply with."

For more than a decade, scientists have studied the potential health benefits of chocolate, just as they've looked at wine, coffee and other treats that seem sinful to show that they might not be so bad. The results have been mostly favorable. But when it comes to chocolate, only the dark stuff carries health benefits -- because it allows more flavanols to survive the processing of cocoa and doesn't have nearly as many fat and sugar calories as milk chocolate. It is thought that chocolate lowers blood pressure when cocoa flavanols spur the release of nitric oxide, which dilates blood vessels and increases blood flow. Chocolate also has been linked to improved learning and memory, also due to improved circulation.

The German study was paid for by the University Hospital of Cologne in Germany, and is one of the first chocolate studies not funded by a chocolate manufacturer. It used a popular candy bar, Ritter Sport semisweet, that is 50 percent cacao. But most researchers say consumers should look for cacao percentages of 65 percent or higher for health benefits. The study involved just 44 subjects, all of whom were in good health other than having slightly high blood pressure. The volunteers were divided into two groups, one of which ate semisweet chocolate and the other white chocolate -- which doesn't actually have any cocoa in it.

Each person in the semisweet group was asked to eat one square -- 6.3 grams and 30 calories -- just before bedtime every day for 18 weeks. Over that time, systolic blood pressure fell by 3 points and diastolic by 2 points for the semisweet chocolate eaters; blood pressure rates stayed the same for the white chocolate group. That might not sound like much of a change in blood pressure, but cardiologists said it's a significant drop. "We don't get a lot better results with most medications, not when we first start them. It's certainly equivalent to other lifestyle and medical approaches to blood pressure," said Dr. Rita Redberg, a UCSF cardiologist. "I'm not going to recommend chocolate, but this could be a good way to continue to lower your blood pressure in addition to already being physically active and eating fruits and vegetables." Redberg said it's important to note that all of the study subjects were healthy individuals who were not overweight, exercised regularly and reported eating nutritious meals. What worked for them might not work for everyone, especially people who already have high blood pressure. Plus, and perhaps most importantly, the people in the study were told to eat no more than the one square of chocolate every day. That, doctors said, might require too much willpower for most people.

Chocolate aficionados said Tuesday they were delighted by the results of the new study, even if they planned to conveniently ignore the part about small doses. "I love chocolate, so knowing that it's healthy is sort of my excuse to eat it. I know it's not too harmful, anyway," said San Francisco resident Jennifer Lovaas, walking out

of Cocoa Bella Chocolates at Westfield San Francisco Centre with a plastic bag of truffles. Her husband was less enthusiastic. "Whatever good there is probably doesn't outweigh the bad. You can eat an apple and get antioxidants and all that good stuff." He popped a piece of nutritionally valueless white chocolate in his mouth, and his wife laughed. "Yeah, he's not even trying to fool himself," she said with a shrug. "We just like chocolate."

### **Chocolate can lower blood pressure**

JAMA 2007

04-Jul-07

Regular intake of dark chocolate can help reduce blood pressure, according to a study. Observational studies have shown that cocoa-containing foods are linked to lower cardiovascular mortality and high doses of cocoa can improve endothelial function and reduce blood pressure. However, the effects low habitual cocoa intake on blood pressure has not been studied previously.

The researchers of this new study, published in JAMA, undertook a randomised, controlled trial in 44 adults with untreated upper-range prehypertension or stage 1 hypertension without concomitant risk factors. Participants were given 6.3g per day of either polyphenol-containing dark chocolate or polyphenol-free white chocolate. At the end of the 18-week study the authors found that dark chocolate intake reduced mean systolic blood pressure by 2.9mmHg and mean diastolic blood pressure by -1.9mmHg.

### **Study finds chocolate good for the heart**

*But it has to be dark, and it takes only a small amount to help*

By LINDSEY TANNER

Associated Press

July 4, 2007

Dr. Laura Svetkey, director of Duke University's Hypertension Center stressed that the study results should not be viewed as license to gorge on chocolate. "I would be as happy as the next person if I got to eat more chocolate," she said, but cautioned that weight gain from eating large amounts of dark chocolate would counteract any benefits on blood pressure. CHICAGO — Here's some good and bad news for chocoholics: Dark chocolate seems to lower blood pressure, but it requires an amount that is less than two Hershey's Kisses to do it, a small study suggests. The new research from Germany adds to mounting evidence linking dark chocolate with health benefits, but it's the first to suggest that just a tiny amount may suffice.

Volunteers for the study were randomly assigned to eat just over 6 grams — equal to about 1 1/2 Hershey's Kisses — of either dark chocolate or white chocolate daily for almost five months. The people eating the dark chocolate experienced a drop in blood pressure without any weight gain, doctors found, compared with no change in blood pressure readings in the white chocolate group.

The results echo other small studies of cocoa-containing foods. Cocoa contains flavanols, plant-based compounds that also are credited with giving red wine its heart-healthy benefits. White chocolate does not contain cocoa. University of Cologne researcher Dr. Dirk Taubert said the blood pressure reductions with dark chocolate were small but still substantial enough to potentially reduce cardiovascular disease risks. The study appeared in Wednesday's Journal of the American Medical Association. It was funded by University Hospital in Cologne. The research involved just 44 people aged 56 through 73. Participants were otherwise healthy and mostly normal-weight German adults with mild high blood pressure or pre-hypertension. Average blood pressure at the start was about 147 over 86.

Systolic blood pressure, the top number, fell an average of nearly three points and diastolic dropped almost two points in the dark chocolate group. The results are interesting but need to be duplicated in larger, more ethnically diverse populations, said Dr. Laura Svetkey, director of Duke University's Hypertension Center. Tests suggested that steady exposure to dark chocolate prompted chemical changes that helped dilate blood vessels and regulate blood pressure. Participants were told not to eat other cocoa products and to continue regular eating habits and activity levels. They also kept food diaries so researchers could see if other foods might have influenced the results.

Dr. Lawrence Appel of Johns Hopkins School of Medicine said the most proven nondrug methods for lowering blood pressure are losing weight and eating less salt. Eating dark chocolate might help if combined with those two, he said. For most people, "the lower your blood pressure, the better you are. So if you can get it lower from different strategies that's good for the long term." Bloomberg contributed to this report.

## **Nibble of chocolate may lower blood pressure**

Journal of American Medical Association

By Stephen Daniells

04/07/2007 - Having a morsel of chocolate every day may lower blood pressure levels and lead to clinically important reductions for cardiovascular diseases, suggests a new study. Results of the randomised, controlled, parallel-group trial, published in the Archives of Internal Medicine, involved 44 adults with pre- (BP 130/85 - 139/89) or stage one hypertension (BP 140/90 - 160/100), suggest that a daily serving of dark chocolate containing 30 calories associated with a lowering of blood pressure.

Hypertension, defined as having a systolic and diastolic BP greater than 140 and 90 mmHg, affects about 600 million people worldwide and is associated with over seven million deaths. "The most intriguing finding of this study is that small amounts of commercial cocoa confectionary convey a similar BP-lowering potential compared with comprehensive dietary modifications that have proven efficacy to reduce cardiovascular event rate," wrote lead author Dirk Taubert from University Hospital of Cologne.

"Whereas long-term adherence to complex behavioural changes is often low and requires continuous counselling, adoption of small amounts of flavanol-rich cocoa into the habitual diet is a dietary modification that is easy to adhere to and therefore may be a promising behavioural approach to lower blood pressure in individuals with above-optimal blood pressure," he added.

The researchers randomly assigned the volunteers to a daily either portion of 6.3 g (30 kcal) of dark chocolate containing 30 mg of polyphenols (Ritter Sport Halbbitter, Alfred Ritter) or matching polyphenol-free white chocolate (Milka Weisse Schokolade, Kraft Foods) for 18 weeks. At the end of the study, the researchers observed that consumption of the dark chocolate led to reductions in both systolic and diastolic BP by 2.9 and 1.9 mm Hg, respectively, without affecting body weight, blood lipid levels, or blood sugar (glucose) levels).

"Although the magnitude of the BP reduction was small, the effects are clinically noteworthy," wrote the researchers. "On a population basis, it has been estimated that a 3-mm Hg reduction in systolic BP would reduce the relative risk of stroke mortality by eight per cent, of coronary artery disease mortality by five per cent, and of all-cause mortality by four per cent.

"Furthermore, the blood pressure reductions in our randomized trial are in the same range that were reportedly associated with habitual cocoa intake (a median of 4.2 g per day) in an epidemiological study involving elderly men."

No change in blood pressure was observed as a result of eating the polyphenol-free white chocolate. The prevalence of hypertension in the population declined from 86 to 68 per cent. Consumption of the polyphenol-rich dark chocolate led to measurable increases in blood polyphenol concentrations, and the blood pressure reduction was accompanied by a sustained increase of S-nitrosoglutathione, linking the effects to nitric oxide production in the cardiovascular system.

"The apparent mechanism by which dark chocolate lowered BP suggests a chronic increase in the production of nitric oxide in the vascular endothelium. The unstable nitric oxide reacts with thiol groups to form stable S-nitrosothiols that have been suggested to contribute to BP regulation," said the researchers.

"Future studies should evaluate the effects of dark chocolate in other populations and evaluate long-term outcomes," the authors conclude.

The British Heart Foundation's nutritionist Sara Stanner told the BBC: "It is important to remember that chocolate is also high in fat and calories so over-indulgence is not good for your heart. "Fruits and vegetables provide a range of polyphenols, as well as important vitamins and minerals. Eating five or more portions of fruit and vegetables a day is therefore the best way to protect your heart - and you don't need to worry about over-indulging." *The study was funded by the University Hospital of Cologne, Germany*

## **Cocoa May Fight Hypertension**

by Heather Granato

07/05/2007

COLOGNE, Germany—Consumption of moderate amounts of polyphenol-rich dark chocolate—approximately 30 calories a day—may help reduce above optimal blood pressure (BP) without affecting body weight, according to a new study in JAMA (2007;298(1):49-60). Researchers from University Hospital of Cologne enrolled 44

adults aged 56 to 73 years old with untreated upper-range prehypertension or stage 1 hypertension without concomitant risk factors in the randomized, controlled, parallel group trial. For 18 weeks, participants received either 6.3 g/d of dark chocolate with 30 mg of polyphenols or matching polyphenol-free white chocolate. The primary outcome measure was change in BP, with secondary outcomes of changes in plasma markers of vasodilative nitric oxide (NO) and oxidative stress, plus bioavailability of cocoa polyphenols.

From baseline to 18 weeks, dark chocolate intake reduced mean systolic BP by -2.9 (1.6) mm Hg, and diastolic BP by -1.9 (1.0) mm Hg, without changes in body weight, plasma levels of lipids, glucose or oxidative stress. Hypertension prevalence declined from 86 percent to 68 percent. The decrease in blood pressure was accompanied by an increase in markers of NO and the appearance of cocoa phenols in plasma. White chocolate intake had no effect on BP, NO or oxidative stress markers. "Although the magnitude of the BP reduction was small, the effects are clinically noteworthy. On a population basis, it has been estimated that a 3-mm Hg reduction in systolic BP would reduce the relative risk of stroke mortality by 8 percent, of coronary artery disease mortality by 5 percent, and of all-cause mortality by 4 percent," the authors wrote. "The most intriguing finding of this study is that small amounts of commercial cocoa confectionary convey a similar BP-lowering potential compared with comprehensive dietary modifications that have proven efficacy to reduce cardiovascular event rate. Whereas long-term adherence to complex behavioural changes is often low and requires continuous counselling, adoption of small amounts of flavanol-rich cocoa into the habitual diet is a dietary modification that is easy to adhere to and therefore may be a promising behavioral approach to lower blood pressure in individuals with above-optimal blood pressure."

### **Chocolate is Latest U.S. Organic Heavy-Hitter**

Reuters

06/07/2007

Chicago, July 5 - Organic chocolate sales are booming as more U.S. consumers seeking untreated natural ingredients are choosing the sweet treat to satisfy their cravings, and mainstream companies are entering what was once considered a high-end market. Chocolate is the largest growing snack segment in the U.S. organic market, according to an industry study, with organic sales tallying a 49 percent increase in sales in 2006.

Organic chocolate sales totalled a still small \$70.8 million fraction of the market in the year, according to a Euromonitor report cited by the Dagoba Organic Chocolate company, compared with total U.S. chocolate sales in 2006 of about \$6 billion. The average American consumes about 12 pounds of chocolate per year, said Cathy Strange, global chocolate buyer for Whole Foods Market Inc., which sells organic brands like Dagoba, Green & Black's, Lake Champlain, Chocolive and Newman's Own.

Jay Jacobowitz, president of Retail Insights, a consulting service for natural products retailers, said the trajectory for organic chocolate will likely track that of the organic food market, which is on a double-digit growth spurt. Organic chocolate is made from cocoa grown without pesticides and herbicides. Producers use certified organic sugar, essential oils, fruits, and nuts in accordance with USDA organic regulations. In the chocolate market, as in other food areas, education about issues like sustainability and fair trade, as well as product quality, has evolved. "We have a growing interest in where our food comes from, its pedigree," Jacobowitz said.

Big-name companies are responding to the trend. In May 2005, Cadbury Schweppes Plc acquired the Green & Black's brand, and Hershey Co. bought Dagoba in October 2006, both for undisclosed amounts. Russell Stover, known for selling boxes of chocolate in drugstores, has even entered the game, with its new organic Belgian milk and 60 percent solid dark organic chocolate going on sale at Target Corp. stores in June.

### *INDULGENCE*

But while organics are often associated with health, chocolate is seen as an indulgence. Organic chocolate, like most other organic foods, generally costs at least \$1 more per 1.75-ounce bar (49.6 grams) than its nonorganic counterparts. A nonorganic bar that size can cost less than \$1.

Jacobowitz, however, believes chocolate is a product people are willing to pay more for because they perceive it as "a treat, an affordable luxury." According to Jacobowitz, baby boomers, now mostly in their 40s and 50s, comprise the core group of organic chocolate consumers, followed by 25-to-34-year-olds. "Natural food consumers are demanding it," said Katrina Markoff, founder of Vosges Haut Chocolat, a Chicago-based boutique chocolatier. "Amongst certain groups, this is a no-brainer."

Elaine Lipson, organic program director at New Hope Natural Media and author of "The Organic Foods Sourcebook," agrees that price differential is not always a barrier. "You're already treating yourself, so you might as well treat yourself even more," Lipson said. Lipson believes organic chocolate has become viable not only for small, artisanal producers but for mass marketers as well. With its new organic line, Russell Stover is moving into a higher-end market. Its organic line costs about 30 percent more than its traditional offerings. "We're seeing that the consumers most passionate about organic indulgence are also those who are most interested in a premium product," said Mark Sesler, a Russell Stover spokesman.

Markoff's Chicago production facility was recently certified as organic. She hopes for 80 percent of her product line to be organic by the end of 2008. "Most people forget that chocolate comes from an agricultural product," said Melissa Schweisguth, spokeswoman for Dagoba.

*How's Russell Stover's organic line selling?*

"It's meeting its need. It's not our best-selling product, but it's certainly holding its own, justifying its position on the shelves," Sesler said. Russell Stover hopes to show that organic choices can be found in places besides Whole Foods. "It's not just the natural stores that can sell a good amount of organic chocolate," Sesler said.

## **Production & Quality**

### **Growing cocoa crop along with coconuts**

R Rangaraj (India)

July 3rd, 2007

The Government of Tamil Nadu is working to increase the earnings of coconut growers in the state and towards this purpose it has signed a memorandum of understanding (MoU) with leading FMCG company Cadbury India Ltd (CIL), at a ceremony in Tiruchirapalli on June 30, 2007. In Tamil Nadu, around nine lakh acres are under coconut plantation. With an average yield of coconut stagnating at 4,590 nuts per acre, the average income of the farmers in the State is as low as Rs 15,000 per annum. The government has, therefore, been consistently looking for ways and means to augment the income of the coconut farmers.

With this objective, the government has launched a new initiative to promote 'Cocoa' as an intercrop in the coconut fields. Cocoa grows best in coconut orchards as it needs some shade.

Cocoa is expected to yield 1,000 kg of beans per hectare. If sold at Rs 60 per kg it may get the farmers an additional income of Rs 60,000 per hectare and a net profit of Rs 40,000. This shall be in addition to the income from coconut. Since it is a relatively new crop for the farmers of Tamil Nadu, the government has signed an MoU with Cadbury India Ltd under which:

#### **a) The Commissionerate of Horticulture shall:**

- together with CIL, identify the clusters and farmers for cultivation of cocoa;
- render such financial and other assistance to the cocoa farmers as is available under various schemes of the government subject to prescribed guidelines.
- through CIL or otherwise, arrange for exposure visit of the prospective cocoa farmers, to the existing cocoa farms to provide them an understanding about cocoa cultivation.
- make endeavours to facilitate institutional credit for the farmers.

#### **b). Cadbury India Limited shall:**

- provide cocoa seedlings at the prevailing price of Rs 4 per seedling with price revisions thereto, communicated by CIL from time to time and render such reasonable technical advice as the cocoa growers may require, such as advising the cocoa growers on cultivation techniques, providing valuable literature on cocoa farming, and conducting free inspections cocoa farms/plantations by CIL personnel and experts;
- CIL will buy cocoa bean produced from the cocoa growers at the prevailing market rates with a minimum floor price of Rs 60 per kg for dry cocoa beans (net weight excluding the weight of packing

material), provided that the cocoa bean meets the specifications communicated to the growers from time to time.

Cadbury India Ltd has also agreed to sign a separate contract with the farmers. Under this contract they shall buy back cocoa from the farmers at minimum rate of Rs 60 per kg during the following five years. Cocoa farmers shall be eligible for the following financial assistance for establishing the garden and fertigation.

1. For establishing new cocoa garden - Rs 11,250 per hectare.
2. Micro irrigation - 50 per cent of the Unit cost.

During the period of MoU, that is, during the next five years, it is aimed to bring 50,000 acres under cocoa. It shall help generate additional income every year to the value of Rs 80 crore per annum for the coconut growers.

#### **Ghana 06/7 main cocoa crop down at 586,581T –source**

By Orla Ryan

Thu 5 Jul 2007

ACCRA, July 5 (Reuters) - Ghana's 2006/07 main crop, measured by purchases declared to the Cocobod regulator, fell to 586,581 tonnes from 649,671 in last year's record harvest by the world's No.2 producer, an industry source said on Thursday. The 33-week-long October-May main crop accounts for the vast majority of cocoa produced in Ghana, which had a record 740,000 tonne total harvest last season.

The Cocobod often waits several months before announcing final main crop figures based on purchases declared to it by private buyers operating in the West African country's semi-privatised cocoa marketing system. "The main crop figure may change but not significantly," said the industry source, who declined to be identified.

Output has been hit by a lack of rain in the early months of 2007. Recent rains augur well for a strong and early start to the 2007/08 main crop, but have come too late to help the mid crop, industry operators say. The mid crop is scheduled to open on July 6, and industry sources have forecast a harvest of 50,000-65,000 tonnes. Cocobod Chief Executive Isaac Osei has said total 2006/07 output is unlikely to greatly exceed 620,000 tonnes.

### **Business & Economy**

#### **Chocolate Trade Group Hires Lobbyist**

Associated Press

07.02.07,

The Chocolate Manufacturers Association hired Fontheim International to lobby the federal government, according to a disclosure form. The firm will lobby on policy issues affecting trade in cocoa and related products, according to the form filed Friday.

The Hershey Co. (nyse: HSY - news - people ) and Archer Daniels Midland Co. (nyse: ADM - news - people )'s cocoa unit are among the nine companies that are members of the Vienna, Va.-based group. The group also includes other well-known companies, such as Nestle (other-otc: NSRGY.PK - news - people ) SA and a Mars Inc. unit.

Under a federal law enacted in 1995, lobbyists are required to disclose activities that could influence members of the executive and legislative branches. They must register with Congress within 45 days of being hired or engaging in lobbying.

#### **Softs - Cocoa higher as dips attract buyers, on fallout from Ivory Coast attack**

AFX News Limited

jan.harvey@thomson.com as/am

07.03.07,

LONDON (Thomson Financial) - Cocoa was higher this morning as the market took advantage of lower prices to buy into the bean. Prices are also continuing to take support from fears over production in the Ivory Coast after an attempt to shoot down the Ivorian prime minister's plane on Friday, analysts said. But gains were capped as rains continued on the Ivory Coast, boosting hopes for a good harvest, and as the pound hit a 26-year high against the dollar.

A strong pound usually pressures cocoa in London, where the bean is denominated in sterling, because it makes the commodity more expensive for holders of other currencies.

In New York, however, where cocoa is priced in dollars, a strong pound pushes prices up.

At 11.37 am, cocoa for September delivery had risen to 1,099 stg a tonne on the Euronext Liffe, against 1,097 stg at the close yesterday, when cocoa hit a fresh four-year intra-day high of 1,122 stg. Cocoa prices crept up as yesterday's dip attracted buyers back to the market, analysts said.

'Industry buying is expected to enter into both (the London and New York) markets around the lows of the day as those needing to take cover take advantage of the opportunity of lower prices,' said Stephanie Garner, an analyst at Sucden Cocoa, in a note.

'Any upside is for the time being seen as being limited, however, given the overall sensation that the market is overpriced in conjunction with the weight of the ever increasing fund position,' she added.

Cocoa prices hit a fresh four-year high of 1,122 usd yesterday on news a plane carrying Ivorian premier Guillaume Soro had been subjected to a rocket attack on Friday, from which he escaped unharmed.

Concerns this may be indicative of greater dissent in the Ivory Coast continue to underpin prices today.

'The worry is that this may be more significant than just a single rocket attack,' one analyst said.

'The market had hoped that Ivory Coast production was getting onto an even keel and what this has done is suggest that maybe it will take longer for it to do so,' he added.

The West African state is the world's largest grower of cocoa, producing some 40 pct of the world's global supply in 2006, worth about 700 mln stg. Meanwhile, coffee prices were steady, underpinned by strong demand from roasters, analysts said. Robusta coffee for September delivery stood at 1,904 usd a tonne against 1,906 usd. White sugar for October delivery was trading lower in London, at 308.00 usd a tonne against 308.50 usd at the close yesterday.

#### **Barry Callebaut closes Nestle plant takeover deal**

By Julia Chan

3rd July 2007

Swiss cocoa and chocolate products manufacturer Barry Callebaut has successfully closed a transaction with food and beverage company Nestle, for the takeover of a chocolate factory in Dijon, France and the cocoa liquor and liquid chocolate making facility at Nestle's factory in San Sisto, Italy. Both companies have also entered into a long-term supply agreement whereby Barry Callebaut will supply 43,000 metric tons of chocolate products per year to Nestle in France, Italy and Russia. As a result of the transaction, Barry Callebaut's production capacity will increase by around 100,000 metric tons. It will also allow the company to capture growth opportunities in the rapidly-growing Mediterranean market.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "The negotiations with Nestle and with the employee representatives went very well, and all works relating to the transfer have been initiated in due course so that we were ready to take over on July 1, 2007. The integration of the newly acquired assets is proceeding as planned, thanks to the good support we have received from Nestle. "The cooperation between the two companies was exemplary. I am very pleased that we have now finalized this agreement, which marks an important step ahead in Barry Callebaut's strategy to be the outsourcing partner of choice for the chocolate industry." The newly acquired production facilities will be integrated into the Barry Callebaut group as of July 1, 2007. Deliveries to Nestle are due to begin in the next few months.

#### **Cadbury open to acquisition in India: Srcs**

Source : Moneycontrol.com

2007-07-04

Cadbury India has said that it is open to acquisition in confectionery in India reports Newswire18. Cadbury India is facing pressure from the rise in cocoa and milk prices. The company aims at offsetting the cost pressure via price hikes and cost saving, the sources added. Cadbury India contributes 2 to 2.5% to its parent company's global sales.

### **Cocoa price set at 400 FCFA in Cote d'Ivoire**

(Reuters)

2007-07-04

APA- Abidjan (Cote d'Ivoire) The price of cocoa has been set at 400 CFA F a kilo for the period running from July to September 2007, Lucien Tape Doh, chairman of the Board of Directors of the Ivorian coffee and cocoa Stock Market (BCC), has announced. This price is the same as that of the previous campaign (April-June 2007).

Addressing a news conference in Abidjan on Monday, Lucien Tape Doh appealed to producers to produce cocoa of quality in order to secure a better selling price of their production. He further asked them to support the new mechanism in order to find appropriate responses to the many difficulties encountered on the ground. Despite the crisis it has been going through since 19 September 2002, Cote d'Ivoire has managed to keep its position of top world cocoa producer, even though it is challenged today by Ghana, its eastern border.

Cocoa represents more than 40 percent of the country's exports and 8,000 billion fcfa of the Gross Domestic Product (GDP). Over six million people, out of a population estimated at 16 million inhabitants, directly or indirectly live on cocoa in Cote d'Ivoire.

### **High cocoa price bodes ill for chocoholics**

swissinfo, Adam Beaumont

July 4, 2007

Swiss chocolate makers are warning that rising cocoa prices could lead to higher prices for consumers. Cocoa climbed to a four-year high in London last week after a plane carrying the prime minister of Ivory Coast, the world's biggest producer, was attacked.

According to the International Cocoa Organization (ICCO), the cost of cocoa has been rising steadily since the turn of the year. On Tuesday the closing price in London for a metric ton was \$2,149 (SFr2,613) – 26 per cent up on the January average of \$1,702.

Swiss food giant Nestlé, which owns the Cailler chocolate brand and also makes KitKat, said on Tuesday that it did not expect rising cocoa prices to have a profound impact on its business. The Vevey-based multinational, which has two factories in Ivory Coast, says its cocoa needs are largely covered for the year and it sees no need to revise its organic growth target of five to six per cent for 2007. But spokesman François-Xavier Perroud warned that people could end up paying more for their chocolate if the price of cocoa remained high. "If you are in a position of having strong brands, it is evident that you will pass on these prices to the consumer to some extent," he told swissinfo.

### *Adverse weather*

Zurich-based Barry Callebaut, the world's leading chocolate maker, said higher cocoa prices were likely to be a reality for some time as the mid-crop in West Africa – most countries have two harvests – had been hit by adverse weather conditions. "This is likely to have a negative impact on the size and quality of the harvest, and ultimately further drive up cocoa prices," said spokeswoman Josiane Kremer. "Expectations for the main crop are not too good either, so we expect higher cocoa prices in the medium term. They could rise to £1,100-1,200 (SFr2,695-2,940) per metric ton."

Barry Callebaut, which also has two factories in Ivory Coast, says the higher costs will undoubtedly have an effect on retail prices but says it is unable to quantify at this stage what this might be.

Lindt & Sprüngli said it was continuing to analyse the cocoa market closely but was unable to comment on whether it would have to raise product prices.

### *Shortfall*

But Franz Schmid, director of the Union of Swiss Chocolate Manufacturers, Chocosuisse, echoed the view that if the cost of cocoa continued to climb, manufacturers would have to respond accordingly. "Price rises will become unavoidable," he said.

In its most recent quarterly review of the cocoa market, published at the end of May, the ICCO predicted a global shortfall in supply this year. The London-based organisation says global production will fall 7.4 per cent to 3.44 million metric tons, while demand will rise 1.8 per cent to 3.55 million metric tons.

Laurent Pipitone, senior statistician at the ICCO, said that while the supply deficit was a clear factor in driving up prices, they were also being fuelled by a "poker game" over cocoa futures on the financial markets. He said it was impossible to say whether the price would continue to rise or even collapse, but he added that early indications were that there would be a cocoa surplus in 2008.

### **Cocoa climbs on Ivory Coast discord**

By Shruti Dati Singh Bloomberg

July 4, 2007

CHICAGO: Cocoa prices rose Tuesday on speculation that renewed political tension in Ivory Coast, the world's largest producer, and dry weather in Indonesia might disrupt global supplies. The prime minister of Ivory Coast, Guillaume Soro, escaped unhurt when his plane was attacked with rockets and small-arms fire after landing at an airport in the town of Bouake last week.

Indonesia, the third-largest grower behind Ghana and Ivory Coast, may produce 8.5 percent less cocoa in 2007 after drought in 2006 shrank the crop, the Indonesian Cocoa Association said Friday. "It's all adding fuel to the fire," said Michael Ragazzo, president of MBL Commodities in New York, adding that prices were already strong because of supply concerns from Indonesia and Ivory Coast.

Cocoa for September delivery rose \$11 to \$2,062 a ton on the New York Board of Trade. Earlier, the price reached \$2,080 for a second consecutive day, the highest level for a most-active contract since February 2003.

Indonesian output may fall to 540,000 tons this calendar year, down from 590,000 tons in 2006, according to the Cocoa Association there. Global demand may exceed supply for the year ending in September by 100,000 to 125,000 tons, Jan Vingerhoets, executive director of the International Cocoa Organization, said in an interview at a conference in Bali last week.

### **Cocoa Prices Surge on Supply Worries**

Associated Press

By LAUREN VILLAGRAN

06/07/2007

The food of the gods has gotten significantly more expensive.

Cocoa futures reached a four-year peak this week, as worries about tight global supplies of the chocolate bean were compounded by renewed political violence in the Ivory Coast, the world's top supplier. At the same time, market analysts don't expect any easing of demand that would take the pressure off: Higher prices do little to kill chocolate consumption.

Last week, a plane carrying Ivory Coast's prime minister came under heavy gunfire. Guillaume Soro escaped unharmed but three others were killed. The incident underscored the fragility of a peace accord brokered earlier this year to reunite a country that had been divided into north and south by civil war. Although the attack did nothing to interrupt cocoa supplies, the cocoa market - much like the markets for crude oil and other commodities - often reacts to violence in producer nations by driving up prices as buyers rush to secure supply. Cocoa recently hit \$2,141 per metric ton (1,000 kilograms or 1.1 tons) on the New York Board of Trade - a four-year peak.

The price of cocoa seed of the cacao tree, whose botanical name means "food of the gods" - has climbed 12 percent in five weeks and is up by a third so far this year, according to Thomson Financial data. Prices surged in 2001 as civil war broke out in the Ivory Coast, rising from about \$1,000 to a high of \$2,380 per metric ton in early 2003. That was the highest since 1989, according to CPM Group analyst Rohit Savant. The West African nation ships 40 percent of the world's cocoa supply.

The risk that political violence will reduce supply from the Ivory Coast remains, at this point, psychological. But it overlays the real risk of a supply crunch caused by weather. Analysts on average forecast a world cocoa deficit of some 100,000 to 200,000 metric tons this year after dry weather earlier this year in the West African growing region hurt the crop, Savant said.

Meanwhile, arrivals of cocoa at ports in the Ivory Coast, Nigeria and Brazil are running 15 percent to 25 percent behind year-ago levels, according to David Hightower of Hightower Futures Research in Chicago. That has left buyers increasingly nervous about supplies. Although he doesn't expect prices to return to the peaks of 2003, Hightower said "there is no reason for the market to not grind its way higher until we get a resolution: Are we going to get the crop out of the Ivory Coast? We're not seeing the proof of supply."

It's not clear whether the recent run-up in cocoa futures will trickle down to the candy aisle. But the price of a chocolate bar is already poised to rise, thanks to sharply higher milk prices. Hershey Co. announced earlier this year it would raise prices 4 percent to 5 percent on roughly a third of its products. Other candy makers have announced price hikes, as well. "Although cocoa prices get a lot of attention, they are a relatively small part of the overall cost of a chocolate bar at the supermarket," said S&P equity analyst Tom Graves. "Dairy prices have been more of problem than cocoa prices."

### **Softs - Cocoa hits another fresh four-year high on technicals; sugar up**

AFX News Limited

06/07/2007

LONDON (Thomson Financial) - Cocoa rallied to another fresh four year high on technical factors which were boosted after the soft commodity managed to break through a series of higher levels in recent weeks. Prices were also well underpinned by tight supply and as the pound eased slightly against the dollar having recently hit 26-year highs.

A report yesterday saying stocks tracked by the Euronext Liffe were down 14,180 tonnes in the fortnight to July 2 lent support. Meanwhile, cocoa, priced in sterling on the Euronext Liffe exchange, benefited from a weaker pound because the bean became cheaper for those trading in other currencies. 'The fact we've managed to break through big levels, means we're now watching 1,163 stg, the highest price since August 2003, and have an initial target of 1,200 stg,' said Elizabeth Miller, head of research at Redtower Research. At 1.56 pm, cocoa for September delivery had risen to 1,139 stg a tonne on the Euronext Liffe, against 1,135 stg at the close yesterday. Earlier, cocoa hit a fresh four year high of 1,146 stg.

Fundamentally, the supply outlook looks tight. Global demand could outpace supply for the year ending in September by 100,000 to 125,000 tonnes, said the International Cocoa Organisation's head, Jan Vingerhoets. Fortis investment bank expects a 236,000-tonne deficit. Tension in Ivory Coast, the world's top producer, continued to stoke jitters that supply might come under threat after president Guillaume Soro's plane was attacked with rockets last week. 'Last week's attacks spurred on an already volatile market which has for some time been looking technically strong,' said an analyst at Sucden.

Elsewhere, sugar was up buoyed by high oil prices which reignited interest in the sweetener as an ingredient for alternative fuel ethanol. London benchmark Brent hit a ten month high of nearly 76 USD earlier today. White sugar on the Liffe for October delivery rose to 312.70 from 312.00 at yesterday's close.

### **Labour**

#### **Ghanaian appointed regional coordinator for Africa.**

GNA

Tuesday, July 03, 2007

Mr. Andrews Adoquaye Tagoe, Head of Programmes, General Agriculture Workers Union (GAWU) of the Trade Union Congress has been appointed as Regional Coordinator for Africa by the Global March Against Child Labour.

Mr. Kailash Satyarthi, President and Founder of the Global movement announced this on Saturday during a courtesy working visit to the country to ascertain first hand information on the progress being made to eradicate forced labour, child labour and the trafficking in cocoa beans production in Ghana through the International Cocoa Initiative (ICI).

Mr. Tagoe would be responsible for coordinating the activities of the movement in Anglophone countries such as South Africa, Kenya, Nigeria, among others to create awareness through Trade Unions in Africa on the need to eradicate child labour. His visit took him to a number of organizations involved in child labour issues such as the

TUC, The Ghana Employers Association, officials from the ICI, the General Secretary of the Ghana Association of Teachers (GNAT), officials from the Ministry of Manpower Youth and Employment and the Ghana National Coalition on the Rights of the Child.

Mr Satyarathi said there was a link between child labour, poverty and adult unemployment since those engaged in the use of children did not have to engage the services of adults who would use negotiations for their wages and that the practice was pervasive in cocoa growing areas in Africa. He said Ghana had showed the way in Africa on the need to fight against child labour which needed attention from all stakeholders stressing the role of Non-Governmental Organisations, Teachers and Trade Unions as critical to achieving a success story in the fight.

Mr. Satyarathi said the Agriculture sector, accounted for 70 percent of child labour worldwide, which indicated that the fight against child labour had not been won, adding Ghana's efforts in the fight, could be shared with the rest of the African countries. He said the Global March movement was not only an NGO initiative and that it comprised of ICI, Teachers, TUC,s and Organisations such as employers who were directly or indirectly involved in the child labour issues.

Mr. Adu-Amankwa, General Secretary, TUC, said the issue of child labour had been part of the TUC and that it would not relent in its efforts in the fight against it. He said as a country aspiring to achieve a middle-income status, there was the need to pay attention to human resource development, which required the elimination of child labour from all sectors of the economy.

Mrs Elizabeth Hagan, Chief Labour Officer, Department of Social Welfare, said under the local government process, District Assemblies were required to develop their priority areas on child labour issues to ensure the rights of children. She said most of the District Assemblies were currently sponsoring students from the training colleges who upon completion would return to their districts to help in the educational process, which was key to eradicating child labour.

The Global March against Child labour has over 40 thousand NGO's in more than 140 countries and has been involved in a series of marches to draw the attention of the issue of child labour and its effects. The famous march in India by the movement in 1998 attracted over 20,000 NGO's to the International Labour Organization Convention on the worst forms of child labour.

### **Putting across the slavery message**

By Steve Dancey

07/05/2007



*Campaigners: Members of Andover Baptist Church hand out free chocolate and 600 leaflets to raise awareness of fair trade and the trafficking of children.*

MEMBERS of Andover Baptist Church were campaigning to end slavery and promote fair trade at a stall on Andover market. Thousands of children are forced to work on the production of cocoa in the Ivory Coast with much of it made into chocolate - although historically most British cocoa beans have been sourced from Ghana, which does not have a slavery problem.

To help ram home the message about fair trade the stall gave away 120 of fair trade chocolate donated by Waitrose, the Co-op and M&S. "We wanted to raise awareness of the trafficking of people which still continues to this day - it is a big concern," said Janet Herring, outreach worker with Andover Baptist Church. "I was really impressed by the attitude of the people of Andover as they were very supportive and interested. "We sold 175 worth of fair trade chocolate and handed out 600 leaflets and had a fantastic response. "Many were shocked that

trafficking of children is still going on." The stall was provided courtesy of the Mayor of Test Valley, Mrs Pamela Mutton.

### **Nigeria: '190 Child Workers in Cocoa Plantations'**

This Day (Lagos)

6 July 2007

Lagos

One hundred and ninety of the 2,000 children currently living in cocoa plantations in Ondo State, are full time farm workers, says the Federal Ministry of Labour. Mr Clement Iloh, Deputy Director, Child Unit Department, yesterday in Abuja said that the rest of the children were living with their migrant parents. He explained that in 2005, the government, in collaboration with the ILO International Programme on the Elimination of Child Labour (IPEC), began a two-year pilot programme to tackle the menace. Iloh said the programme, known as the West African Cocoa/Commercial Agricultural Project (WACAP), targeted six communities in the state.

### **Others**

#### **Future of cocoa prices uncertain, says ICCO**

By Karen Willmer

06/07/2007 - Cocoa prices in June reached their highest levels since 2003, according to the monthly review by the International Cocoa Organisation (ICCO). The ICCO daily price averaged \$2,017 (€1484) per tonne, up by \$12 (€8.8) on May's monthly average, and ranged between \$1,923 (€1415) and \$2,143 (€1,576) per tonne.

The report said the high prices were due to the uncertain outlook for the cocoa market due to recent supply problems, causing prices to reach their highest since 2003, and increasing costs for processors. "Market participants were still focusing on the situation of the 2006/07 cocoa season with its large production deficit and below than usual forward price coverage held by cocoa processors and chocolate manufacturers." Prices reached £1,110 (€1626) per tonne on the London market and \$2,065 (€1519) in New York. Prices seemed to slow down on June 7 and 8, which the report said was due to the strengthening of the dollar against other currencies.

The reason behind this continued rise in prices and market uncertainty is due to the current global deficit of 145,000 tonnes of cocoa forecast this season by the ICCO. This is compared to the 192,000 tonne surplus in the 2005-2006 season. This report comes as both Indonesia and Ghana, two of the world's largest cocoa producers, announced in June that they both expect production to rise over the next few years. Indonesia, the world's third largest cocoa producer, said it hoped to raise the country's cocoa production from 590,000 tonnes a year to one million tonnes by 2012. Halim Abdul Razak, chairman of the Indonesian Cocoa Association (Askindo), said, "the world's increasing demand for cocoa at present serves a good condition for increasing the country's cocoa productivity." The same week, Ghana announced it wanted to boost its output to one million tonnes by 2010. Ghana currently produces 650,000 tonnes of cocoa as the world's second largest cocoa producer after Ivory Coast.

However, the ICCO predicts a promising outlook to the 2007/08 season due to current rainfall encouraging crops to come early, and perhaps even early enough to be counted within the 2006/07 season, ultimately increasing the size of the current season's production.

The report also expects Ghanaian farmers to store beans harvested in September until October, the official start of the new season, due to the expectations of higher prices. This, however, would mean early crops may not be counted in the 2006/07 season, and cocoa deficit will remain low. "So far, there is no consensus among market participants on the direction of cocoa prices during the summer. The strong increase in June prices reflected that market participants were still focusing on the 2006/2007 cocoa season."

## **TIT BITS**

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

### **New York cocoa jumps to four-year peak**

NEW YORK (July 01, 2007): US outcry cocoa futures jumped in the session to settle higher on Friday on news of an attack on the plane of Ivory Coast's prime minister, dealers said. "First, there were some options in London that were expiring today," one trader said. "I think the short have those calls needed to cover and that pushed the futures market.

### **Ivorian cocoa arrivals seen rising**

ABIDJAN (July 03, 2007): cocoa arrivals at ports in Ivory Coast from October 1 to July 1 reached around 1,138,000 tonnes compared with 1,269,334 tonnes received in the same period a year earlier, according to an estimate by exporters on Monday. Exporters estimated around 9,000 tonnes arrived at ports from June 25-July 1, less than half the 20,207 tonnes delivered in the same period one year ago.

### **New York cocoa slips**

NEW YORK (July 04, 2007): US open-outcry cocoa futures settled lower on profit-taking on Monday after light speculative support briefly buoyed prices to a 4-1/4-year high for the fifth straight day, dealers said. "We just saw light volume up their and no real conviction by the bulls so the market just drifted lower," one trader said.

### **London cocoa eyes recent highs**

LONDON (July 05, 2007): London robusta coffee and cocoa futures posted solid gains on Wednesday, moving back towards recent multi-year highs despite the closure of US markets, which kept volumes limited, traders said. Sugar prices also firmed, within their recent range, supported by mild trade and speculative buying, they added.

### **Indonesian cocoa prices rise**

JAKARTA (July 05, 2007): Indonesian cocoa bean prices rose this week, buoyed by gains in cocoa futures while rains in the country's cocoa-growing belt of Slaws island delayed bean delivery. Prices of Sulawesi's fair-average cocoa beans collected from farmers and merchants were quoted at 16,650-16,700 rupiah (\$1.85) a kilogram, up from 15,700-16,000 rupiah two weeks ago.

### **New York cocoa up**

NEW YORK (July 05, 2007): US open-outcry cocoa futures ended firm on Tuesday, on technical support amid quiet trade but failed to revisit Monday's 4-1/4-year highs, while ICE electronic dealings hit a contract high in early trade, dealers said. "(There was) a little pull back, we successfully tested support," one broker said.

### **cocoa hits near 4-1/2-year high**

NEW YORK (July 07, 2007): US outcry cocoa futures surged to close at a near 4-1/2-year high in a sustained rally on Thursday, on follow-through support from London's strength on Wednesday and technical dealings that triggered buy-stops, traders said. The market was shut on Wednesday for US Independence Day.

### **Ghana sells physical cocoa on London prices rally**

LONDON (July 07, 2007): Europe's physical cocoa market has seen heavy bean sales from Ghana's state cocoa board this week as London prices continued to rise, traders said on Friday. European differentials for Ghana beans also rose sharply as buyers sought alternative cover following the low quality crop in Ivory Coast, they added.

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