



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 247

3rd – 7th September 2007

Cocoa Producers' Alliance

ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
3rd September	1233.38	1889.56	972.33	1827.17
4th September	1223.18	1871.43	965.33	1811.33
5th September	1223.50	1871.76	961.00	1810.33
6th September	1240.00	1902.81	976.67	1839.00
7th September	1240.27	1904.24	971.67	1848.67
Average	1,232.06	1,887.96	969.40	1,827.30

Up-coming Events

- ICCO Council
10th – 14th September 2007, London, UK
- Round Table of a Sustainable Cocoa Economy
3rd – 6th October 2007, Accra, Ghana
- General Assembly and Council of Ministers Meetings
8th - 12th 2007, Accra, Ghana

PROMOTION OF THE CONSUMPTION OF COCOA AND COCOA PRODUCTS BY COPAL DURING THE AFRICA CUP OF NATIONS 2008 (page 19)

In the News (from Newspapers worldwide)

Production & Quality

- Slightly more rain in most Ghana cocoa areas late Aug
- Ivory Coast cocoa farmers learn to fight black pod
- Nigeria: Ekiti to Buy N100m Cocoa Beans
- Cocobod sees Ghana 07/08 cocoa crop above 06/07

Business & Economy

- African producers want harmonised cocoa standards
- Short-Term Cocoa Moving Averages Look Positive
- Kufuor urges value addition to Cocoa for maximum returns
- Dark chocolate lights up the confectionary business
- Lack Of Unity, A Major Obstacle Among Cocoa-Producing Countries
- Barry Callebaut to Raise Targets, Sell Brach's
- African Producers Want Harmonised Cocoa Standards
- Ivorian Cocoa Co-ops Threaten to Disrupt New Season
- Ivory Coast cocoa prices mixed

Processing & Manufacturing

- Ghana set to process 300,000 tonnes cocoa from 2008
- Another View: Chocolate

Child Labour

- Step Up Fight Against Child Labour In Cocoa Industry
- Allow countries to agree on what constitute child labour - Ebai

Others

- ICCO forecasts wider cocoa market deficit in 2006/07 production year
- DJ ICE Cocoa Review: Up Slightly; Late Spec Sales Trim Gains
- Ghana to supply China cocoa under dam funding deal
- African cocoa producers seek public/private sector partnership
- DJ ICE Cocoa Review: Higher, But Speculative Sales Pare Gains
- Cocoa Downtrend Weakens

INSIDE THIS ISSUE:

- ✓ ICCO DAILY COCOA PRICES
- ✓ UP-COMING EVENTS
- ✓ LONDON FUTURES MARKETS UPDATE
- ✓ NEWS
- ✓ TIT-BITS
- ✓ CAN 2008 COCOA VILLAGE - EXHIBITION



**Do you health a favour,
Drink Cocoa Everyday**

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

Monday 3rd September 2007

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
7-Sep-07	943	940	-7	950	929	11,155
7-Dec-07	960	958	-8	964	947	12,065
8-Mar-08	975	974	-8	979	961	1,084
8-May-08	975	985	-8	987S	974	1,797
8-Jul-08	986	995	-9	991S	980	148
8-Sep-08	999	1005	-9	999	999	10
8-Dec-08	1009	1014	-10	1014S	1009S	6
9-Mar-09		1023	-10			0
9-May-09		1035	-10			0
9-Jul-09		1048	-10			0
Totals		998				26265

Tuesday 4th September 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
7-Sep-07	940	936	-4	942	930	9,484
7-Dec-07	958	951	-7	958	943	13,292
8-Mar-08	973	967	-7	973	960	1,540
8-May-08	981	978	-7	981	972	490
8-Jul-08	985	990	-5	988	982S	80
8-Sep-08	999	1000	-5	999S	999S	1
8-Dec-08	1010	1009	-5	1010	1005	31
9-Mar-09	1020	1018	-5	1020	1017S	6
9-May-09	1030	1029	-6	1030	1030	5
9-Jul-09	1040	1042	-6	1040	1040	5
Totals		986				24,929

Wednesday 5th September 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
7-Sep-07	930	940	4	940	918S	8,920
7-Dec-07	947	952	1	956S	932	15,064
8-Mar-08	967	960	-7	967	947	4,009
8-May-08	975	971	-7	977S	960	867
8-Jul-08	985	982	-8	985	972	1,097
8-Sep-08	992	993	-7	1001S	982	51
8-Dec-08	1005	1002	-7	1011S	995	34
9-Mar-09	1020	1011	-7	1020S	1020S	2
9-May-09		1022	-7			0
9-Jul-09		1035	-7			0
Totals		987				30,044

Thursday 6th September 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
7-Sep-07	943	956	16	962	942	2,804
7-Dec-07	956	969	17	978	953	7,898
8-Mar-08	966	976	16	983	959S	2,569
8-May-08	969	985	14	991	969S	402
8-Jul-08	986	997	15	1003	986	191
8-Sep-08	1011	1008	15	1014	1011S	2
8-Dec-08	1018	1017	15	1023	1018	51
9-Mar-09		1026	15			0
9-May-09		1036	14			0
9-Jul-09		1046	11			0
Totals		1002				13,917

Friday 7th September 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
7-Sep-07	957	948	-8	960	948	1,710
7-Dec-07	972	963	-6	975	957	4,659
8-Mar-08	975	971	-5	981	965	2,913
8-May-08	984	981	-4	989	977	713
8-Jul-08	998	991	-6	1000S	992S	602
8-Sep-08	1004	1002	-6	1004S	1003S	2
8-Dec-08	1013	1011	-6	1013S	1013S	1
9-Mar-09		1020	-6			0
9-May-09		1030	-6			0
9-Jul-09		1040	-6			0
Totals		996				10,600

Average for the week		1055				21151
Total for the week						105,755

News

Production & Quality

Slightly more rain in most Ghana cocoa areas late Aug

ACCRA, Sep 6 (Reuters) - Rain fell across much of Ghana's cocoa belt in late August, slightly more than in the previous 10 days in most areas, data from the Ghana Meteorological Agency showed on Thursday.

Ivory Coast cocoa farmers learn to fight black pod

Wed 5 Sep 2007, 10:25 GMT, By Peter Murphy

M'GBASSO, Ivory Coast, Sept 5 (Reuters) - Ivory Coast's cocoa farmers can do much to tackle black pod disease which is thriving in damp weather simply by improving their farming techniques, an agricultural specialist said on Wednesday. The fungal disease, spread by the wind and insects, has destroyed thousands of cocoa pods in the world's top cocoa grower that were due to be harvested in the new season starting officially in October, following months of good rains.



Jean-Yves Couloud works on the Ivorian division of the Sustainable Tree Crops Programme (STCP), a public-private partnership to improve conditions for African farmers, which also runs Farmer Field Schools teaching cocoa cultivation. "Education is one of the best ways to combat (it) ... It helps them to understand the development of the disease and fight more effectively against black pod," he told Reuters.

Thirty farmers have been trained at the Farmer Field School in M'Gbasso, a village in the southeast near the border with Ghana. There is little sign of the disease on the one hectare plot used for demonstration and practise of good techniques.

The Field School is marked out into three zones, one in which farmers cultivate using their usual methods, and two other areas where they apply newly acquired techniques, with fertiliser used in one of these zones. Trainers presented a flip chart graph showing how the prevalence of black pod disease was much higher in the section farmers

cultivated without the methods acquired at the school.

"(Composting rotten pods) kills the fungus so it's a way of fighting black pod. Sanitary harvesting involves cutting down rotten pods. We put them outside the field, we advise even to burn them," Couloud said.

HIGHER YIELDS, INCOMES

Visiting the school this week was Bill Guyton, President of the World Cocoa Foundation which was set up by the cocoa industry and chocolate companies to improve living conditions and incomes for farmers and their families. "About a third of the crop globally is lost each year to diseases and pests," he said. He said the foundation and its research partners are trying to breed disease resistant trees, as is the Ivorian Agricultural National Research Agency CNRA.

STCP staff visiting the school said techniques learned at the Field School enabled farmers to as much as triple their production and said better techniques enabled many to produce a lot of pods without the need to apply fertiliser. "This has given me much, much money to be able to get medical care. It has helped me to be feed my wife and children. We've changed a lot of practises," said farmer Nao Gnanzou who said he would finish the school in December.

Though months of good rainfall have encouraged the spread of black pod, it has also enabled trees to produce large numbers of pods, many of which are now ripening, so farmers and cocoa exporters remain upbeat about overall output.

Nigeria: Ekiti to Buy N100m Cocoa Beans

Daily Champion (Lagos), 3 September 2007

Victor Ogunje

Ado

EKITI State is planning to buy cocoa beans worth N100 million from farmers in the state. The state governor, Mr. Segun Oni disclosed this last Saturday in Ado-Ekiti during a cocktail for medical personnel participating in the on-going free surgery programme in the state.

Cocobod sees Ghana 07/08 cocoa crop above 06/07

ACCRA, Sept 3 (Reuters) - Ghana's 2006/07 (Oct/Sept) cocoa crop will probably reach just over 600,000 tonnes and the following season should be bigger, Isaac Osei, chief executive of the country's Cocobod regulator said on Monday.

Osei said the 2006/07 harvest, which is due to finish when the mid-crop ends later this month, was unlikely to reach a previous forecast of up to 620,000 tonnes. Ghana is the world's second biggest cocoa grower after neighbouring Ivory Coast. "That is the ceiling. We probably will get a little over 600,000 tonnes," Osei told reporters on the fringes of a cocoa producers' conference in Ghana's capital Accra.

Weather conditions suggested the coming 2007/08 harvest, which is due to start with the opening of the main crop in October, would exceed the 2006/07 total. "The outlook is good. The rains have been good," he said. "Last year when we were looking at this year's crop (2006/07) we thought we would do very well but the rains stopped in December. We cannot predict what will happen with the weather but...we should have a better (2007/08) crop than last year."

After a record crop of around 740,000 tonnes in 2005/06, drought trimmed optimistic predictions for a big 2006/07 crop. But after a low-yielding mid-crop, regular rainfall in recent months has boosted hopes for the coming season.

Business & Economy

African producers want harmonised cocoa standards

ACCRA, Sept 5 (Reuters) - International cocoa standards and tests should be harmonised to make it easier for cocoa producers to comply with buyer demands, African cocoa producers meeting in Accra said on Wednesday.

Quality standards and tests vary from country to country, Cocoa Producers' Alliance secretary general Hope Sona Ebai said at the Africa Cocoa Summit in the Ghanaian capital Accra.

"We encourage the harmonisation of international quality standards and procedures used to measure them," Ebai said during the three-day meeting.



Many countries remove cocoa shells before testing for Ochratoxin but in Japan testers examine the cocoa shell and usually find higher levels of the cancer-causing toxin, he said.

"Those are the kind of discrepancies we would like to see taken off so we have one set of standards, an internationally accepted protocol for analysis. So when I do analysis in Ghana, and somebody uses the same protocol to do analysis in Nigeria or Brazil, the result is comparable," he said.

A high intake of Ochratoxin A, more often via consumption of contaminated cereal products than of chocolate, can cause kidney damage and has been linked to liver and kidney cancer.

Roughly three-quarters of the world's cocoa is grown in Africa, with Ivory Coast the world's no.1 producer and Ghana the world's second-largest.

More work needs to be done to increase African profits from the bean that forms the main ingredient for chocolate, said delegates from cocoa producers such as Togo, Nigeria, Uganda and Ivory Coast.

Delegates called for greater efforts to boost domestic consumption of cocoa products, tackle low farm productivity and process more beans in their countries of origin.

While 42 percent of the world's cocoa beans were processed in Europe in the 2005/06 cocoa year, only 14 percent were processed in Africa, said Ghanaian President John Kufuor in his opening address.

Africa also accounted for barely 3 percent of annual cocoa consumption in the same year, he said. Farm yields per hectare in Africa are less than 500 kilograms, far less than the 800 kilogram yield of Asian and American producers, he added.

Cocoa's importance to West Africa means these issues need to be tackled, he said. "Cocoa has been very important in the economies of West and Central African countries for over a century," Kufuor said.

"Sustaining the cocoa industry is therefore a major component in poverty reduction, social development and environmental protection for most of us," he added.

Short-Term Cocoa Moving Averages Look Positive

Friday, September 07, 2007

by [Jurgens Bauer](#) of [RJOFutures](#)

I have admittedly been expecting to see a run up in cocoa prices. It looks now as though values are preparing to do so from my view of the recent price action. Prices have battled against resistance in the established downtrend and won. Volume has improved and the charts have a friendlier appearance.

The positive appearance found in the short-term moving averages strengthens my bullish resolve, and suggests that cocoa should now be prepared to shoot up toward 1900 (and maybe beyond). A few closes above 1850 are likely needed first. And anything is possible because it is cocoa, but existing shorts ought not be very comfortable with recent chart developments. Look for a wave of short covering and new buying to fuel a move upward.

The active December contract is currently 18 bid, offered at 18.

Trend: Down

Support: 1820, 1801, 1775-1760, 1700-1685

Resistance: 1842-1850, 1865, 1890-1910

Moving Averages: 9-day 1804,18-day 1807,40-day 1920

NYBOT:CC.Z07 1 Year Daily

NYBOT C0C0A Dec 2007

(c)2007 INO.com



NYBOT:CC.Z07 1 Year Daily

NYBOT C0C0A Dec 2007

(c)2007 INO.com



As you can see from these charts CCZ7 is above the 20 day and within striking distance of the 200 day, which curiously enough has retained its positive slope (even in the face of the severe price decline cocoa experienced in late July and early August). I'm not sure what that means, but I will suggest that prices have room to move on the upside and can do it quickly.

Kufuor urges value addition to Cocoa for maximum returns

2007-09-05 19:39:53

Accra - President John Agyekum Kufuor on Wednesday encouraged cocoa producing countries in Africa to implement policies that promote both, value addition and domestic consumption to maximize returns.

He said, given the importance of the crop to their economies, they must adopt and implement the policy of value addition to boost returns, and also promote consumption on the continent to help influence the pricing. Africa, which produced approximately 76 per cent of the total world cocoa output, last year processed only 14 per cent of its production and accounted for barely three per cent of the annual consumption. Europe, a non-cocoa producing continent, processed 42 per cent of the world's total production.

President Kufuor was addressing the second Africa Cocoa Summit in Accra, attended by delegations from Ghana, Nigeria, Cote d'Ivoire, Togo, Equatorial Guinea, Democratic Republic of Congo and Guinea. Cocoa has been critical to the economies of West

and Central African countries, providing employment for more than 50 per cent of the work force, and remains a major source of revenue for some economies.

Productivity levels in many of the African countries are however lower than the rest of the world. While countries in Asia and America have yields above 800 kilograms per hectare, those in Africa record less than 500 kilograms per hectare. Further, the continent loses about 50,000 tonnes of the crop annually to pests and diseases. The delegates are discussing ways of defining a policy roadmap towards a sustainable Africa cocoa economy.

President Kufuor said given the very well researched health and nutritional benefits of the crop, stakeholders in the industry should develop new recipes and menus to promote cocoa dishes. This is the way to introduce this "Food of the Gods" into Africa's cuisine, he added. President Kufuor drew attention to the reported prevalence of child labour in the industry and asked the countries to take all measures to prevent the unacceptable practice. He said in Ghana, the Government had taken legislative measures to ensure that such practices were eliminated. He urged all to constantly remind themselves of their responsibilities to their children, saying, "We must remain alert so that there is no negative perception that might affect international demand for our cocoa." The production and management authorities, he said, have been tasked to impose a regime of verification and stoppage of the inhuman practice in every form.

In a message read for him, Nigerian President Umaru Yar'Dua, called for the rational use of pesticides to reduce risks bordering on health and the environment. He said Africa should work together and articulate strategies to sustain cocoa production and maintain the quality of the beans. Mr Kwadwo Baah-Wiredu, Ghana's Finance Minister, said a ministerial meeting that preceded the summit had recommended among other things, the need to make cocoa farming more attractive to the youth, work together for the harmonization of international quality standards, promotion of domestic consumption and a commissioning of inventory of cocoa resources to enhance policy formulation.

Dark chocolate lights up the confectionary business

By Jerry Hirsch, Los Angeles Times

ROBERT DURELL / TPN

Chocolate wafers in the making at Guittard Chocolate in Burlingame, Calif., where sales of its high-end products have grown briskly.

Kei Okumura is an unrepentant chocoholic with a preference for the dark side.

The Los Angeles mother of an infant son reduced her chocolate munching during her recent pregnancy, but now she's back at Trader Joe's several times a week purchasing bars of dark chocolate. "I always have two to four bars of different chocolate to nibble on daily," said Okumura, who figures she spends about \$12 a week on the candy and has spent up to \$8 on a single bar.

At a time when overall chocolate sales are as flat as a Hershey bar, customers such as Okumura are fueling a surge in consumption of dark chocolate, typically characterized by its bitterness and hints of coffee and berries. And it's part of a big increase in sales of premium chocolates as well.



Hurt by obesity and sugar concerns, U.S chocolate sales fell 1 percent last year to just under \$16 billion, according to Packaged Facts, a market-research company.

Yet the dark-chocolate segment of the market grew 15 percent to \$4 billion last year. It now accounts for 25.1 percent of all chocolate sold and is expected to gain an even larger share in coming years as consumer tastes shift. Milk-chocolate sales slid 5.5 percent to \$11.7 billion.

Okumura, 35, said she was intrigued by the claims that dark chocolate is more healthful than other forms of the confection, but she really likes the taste.

Dark chocolate has gained cachet as a food — such as almonds, blueberries and red wine — that studies say is good for the heart. That's because it has a high concentration of plant compounds called antioxidants, or flavonoids, which a series of small studies have shown to improve cardiovascular function, said Dr. Leslie Cho, a cardiologist and researcher at the Cleveland Clinic, a large research hospital in Cleveland.

"These are intriguing studies but they all need more research," Cho said.

Physicians once thought that large doses of vitamins E and C, also both antioxidants, would improve cardiovascular health, but new research has found that large doses of the vitamins had no benefits and in some cases were actually harmful, Cho said.

Regardless, consumers are jumping at the chance to redefine chocolate as a health food, said Curtis Vreeland, a Packaged Facts senior analyst.

As a result, the number of new dark-chocolate products tripled to 926 last year from 2002 and now account for 63 percent of all new chocolate products introduced in 2006, Vreeland said.

A year ago, the Burlingame, Calif.-based Guittard Chocolate introduced Nocturne, a bar that has 91 percent cacao content. That means 91 percent of the confection is either ground-up cacao bean or pure cocoa butter and it is pretty bitter, said Gary Guittard, president of his family-owned business. "We thought the percentage would be too high for most people," Guittard said. "This was basically a product for chefs, but we were surprised how it took off with consumers. People will buy it and eat a square a day." Mainlining cacao, however, isn't for everyone.

"I like the sweetness and creaminess of milk chocolate," said Natalie Mach, a Thousand Oaks, Calif., nurse who also has solid chocoholic credentials.

Mach, 46, trolls California gourmet chain Bristol Farms after Valentine's Day and Easter, snapping up the fine-chocolate brands in holiday-themed packaging at half price. Mach also likes to frequent See's Candy and Godiva chocolate shops. Mach is a typical consumer of the booming premium chocolate business.

Sales of premium chocolate — anything that sells for \$8 a pound or more — jumped 10.9 percent to \$2.7 billion last year, Vreeland said. See's Candy starts at about \$14.50 a pound and Godiva sells for \$38 to \$40 depending on what's ordered.

People are searching for chocolate, both milk and dark, with better ingredients, Vreeland said. They are buying chocolate where the cocoa comes from a single county or farm, is infused with exotic flavors such as lavender or cranberry, or is organic. Okumura has even sampled a Vosges Haut-Chocolat bar that's flavored with ginger, wasabi and black sesame seeds. "It is very funky, but I always try out the new chocolates," Okumura said.

Companies can sell such exotic confection concoctions because "Americans are traveling more and have become too exposed to different styles of cooking, some of it just trying to cook healthy and fresh and people like to do something different. There is a certain wonderment to it," Vreeland said. "It follows on the trend of sophistication of people's palates," he said. "This hit the coffee industry about 10 years ago."

Guittard said sales of premium chocolate were up over last year and represented an increasingly important portion of his company's business. Hershey, Mars and Nestlé, the biggest U.S. chocolate brands, are also moving into the high-end business. Hershey launched an upscale Cacao Reserve brand last year. It also owns artisan chocolatier Scharffen Berger Chocolate Maker, a Berkeley, Calif., confectioner known for its dark chocolates and cocoa and recently acquired Ashland, Ore.-based Dagoba Organic Chocolate. Nestlé, of the Crunch bar fame, owns the brand. Mars, which sells the ubiquitous M&M's, owns Ethel's chocolate.

But even as the sales of premium chocolate are growing, the Grocery Manufacturers of America, a trade group, has asked the Food and Drug Administration to let confectioners substitute cheaper ingredients — vegetable oils and milk protein concentrates — for cocoa butter.

The FDA is considering the proposal. Guittard, See's Candy and other chocolatiers have filed objections with the agency. "In face of the growth of really good products, they want to water down the category," Guittard said. It will be an important ruling for the chocolate industry. America is the world's largest chocolate market, accounting for 21 percent of the global consumption, Packaged Facts said. "People are really interested in foods, they want to know who made them, how they were made and where they came from," Guittard said. And they love it when something they like turns out to be healthful, he added.

Yet, Cho, the cardiologist, doubts people will ever gobble their way to good health, no matter what future studies discover. "If you are a couch potato," Cho said, "eating a lot of dark chocolate is not going to make you healthier."

Lack Of Unity, A Major Obstacle Among Cocoa-Producing Countries

Story by Lucy Adoma Yeboah & Abigail Efua Rockson

Source/Credits: [Daily Graphic](#)

Mr Kwadwo Baah-Wiredu (second from right), Minister of Finance and Economic Planning, and Mr Isaac Osei (right), Chief Executive Officer of COCOBOD

Finance and Economic Planning Minister, Kwadwo Baah-Wiredu, has identified lack of unity among cocoa producing countries in Africa as the major obstacle militating against the attainment of a stable price for the produce on the world market.

At the opening of the Ministerial Meeting of the 2nd Africa Cocoa Summit in Accra yesterday, the Finance Minister said although Africa collectively accounted for about 76 per cent of the global beans output, the individual countries involved did not receive much returns.



generation, revenue, foreign exchange earnings, direct and indirect provision of infrastructure and social amenities and economic development

The theme for the three-day summit is “Defining a Policy Road Map Towards a Sustainable African Cocoa Economy” and is expected to be attended by all the 17 cocoa-producing countries.

Mr Baah-Wiredu observed that out of the 17 cocoa-producing countries in Africa, only seven presently belonged to the Cocoa Producing Alliance (COPAL), the only organisation promoting the interest of African cocoa producers. “There is strength in unity so I wish to urge all our colleague producing countries to join COPAL to facilitate the implementation of our policies to achieve our common objectives,” he said.

He stressed the importance of cocoa to Ghana's economy and said the sector had over the years proven to be the outstanding backbone of a number of African countries, contributing significantly to employment in general.

He cited the hydro-electric power project being undertaken at Bui in Ghana at a cost of US\$622 million and said it was being supported partly through a cocoa sales agreement signed between the Ghanaian government and the government of China.

He drew attention to the numerous nutritional, medicinal and health benefits of cocoa that had the potential to breed a healthy workforce for the Africa.

The Finance Minister paid tribute to the immediate past President of Nigeria, Olusegun Obasanjo, who initiated the cocoa summit to provide a common platform for discussing and formulating policies aimed at putting in place the necessary strategies for the benefit of the African cocoa producer.

The General Secretary of COPAL, Mr Hope Soni Ebai of Cameroun, expressed delight that in spite of the interest and the expansions in Asia and the rehabilitation of the industry in the Americas, Africa remains the major producing zone in the world.

In his welcoming address, the Chief Executive of the Ghana Cocoa Board (COCOBOD), Mr Isaac Osei, touched on the theme of the summit and said sustainable development policies covered three independent and mutually reinforcing pillars, namely, economic development, social benefits and environmental protection.

“I reckon that in defining a policy road map towards a sustainable African cocoa economy, our debate should probably focus on farm profitability, prosperous farming communities and good environmental stewardship,” he urged.

An exhibition has been mounted as part of the meeting at the foyer of the Accra International Conference Centre showcasing locally made cocoa products.

Barry Callebaut to Raise Targets, Sell Brach's

Source: Reuters

Zurich, Sept 6 - Switzerland's Barry Callebaut, the world's largest chocolate maker, says it will raise its goals for the 2007/08 fiscal year when it announces its full-year results in November, as more confectioners outsource production. "We will adjust our financial targets and they will be more aggressive," Chief Executive Patrick De Maeseneire told Reuters in an interview.

The company also expects that it will sell its underperforming U.S. candy maker Brach's in the next few months.

Brach's, whose products include fudge nut goodies and peanut butter clusters, has struggled with rising competition and a static candy market in the United States. Callebaut, which has won contracts from Nestle, Hershey Co. and Cadbury this year, had so far set a goal for next year of sales growth of between 3 to 5 percent and operating profit growth of 8 to 10 percent. De Maeseneire did not say what the new goals would be.

Soaring prices for ingredients such as cocoa and milk could trigger more companies to shift production to Callebaut and De Maeseneire said he hoped that companies will outsource 40 to 50 percent of their production in the future. Large firms currently outsource around 15 to 20 percent of production, he said.

Nestle, Cadbury and Hershey have all outsourced the production of chocolate bars and other finished goods products, as well as the production of liquid chocolate to Barry Callebaut as they look to save money. Barry Callebaut provides the food manufacturing industry with cocoa and chocolate products, fillings, coatings and cocoa powders and has over 1,650 recipes.

The group is now looking to produce finished goods in the United States so that it can be closer to its customer Hershey and wants to increase capacity for end products in the next eight to 12 months. "We have to find a solution here. Either we buy a factory or we build our own production lines," De Maeseneire said. Future growth is likely to come from markets such as Russia, where the firm is hoping to double sales in the next two to three years, and China.

The group is opening a factory in Russia in September and will open a manufacturing plant in China in January. In 2005/06 Barry Callebaut had sales of 4.3 billion Swiss francs, with Europe and North America accounting for 90 percent of this total.

African Producers Want Harmonised Cocoa Standards

Source: Reuters

Accra, Sept 5 - International cocoa standards and tests should be harmonised to make it easier for cocoa producers to comply with buyer demands, African cocoa producers meeting in Accra said on Wednesday. Quality standards and tests vary from country to country, Cocoa Producers' Alliance secretary general Hope Sona Ebai said at the Africa Cocoa Summit in the Ghanaian capital Accra. "We encourage the harmonisation of international quality standards and procedures used to measure them," Ebai said during the three-day meeting.

Many countries remove cocoa shells before testing for Ochratoxin but in Japan testers examine the cocoa shell and usually find higher levels of the cancer-causing toxin, he said. "Those are the kind of discrepancies we would like to see taken off so we have one set of standards, an internationally accepted protocol for analysis. So when I do analysis in Ghana, and somebody uses the same protocol to do analysis in Nigeria or Brazil, the result is comparable," he said. A high intake of Ochratoxin A, more often via consumption of contaminated cereal products than of chocolate, can cause kidney damage and has been linked to liver and kidney cancer.

Roughly three-quarters of the world's cocoa is grown in Africa, with Ivory Coast the world's no.1 producer and Ghana the world's second-largest. More work needs to be done to increase African profits from the bean that forms the main ingredient for chocolate, said delegates from cocoa producers such as Togo, Nigeria, Uganda and Ivory Coast.

Delegates called for greater efforts to boost domestic consumption of cocoa products, tackle low farm productivity and process more beans in their countries of origin. While 42 percent of the world's cocoa beans were processed in Europe in the 2005/06 cocoa year, only 14 percent were processed in Africa, said Ghanaian President John Kufuor in his opening address.

Africa also accounted for barely 3 percent of annual cocoa consumption in the same year, he said. Farm yields per hectare in Africa are less than 500 kilograms, far less than the 800 kilogram yield of Asian and American producers, he added.

Cocoa's importance to West Africa means these issues need to be tackled, he said. "Cocoa has been very important in the economies of West and Central African countries for over a century," Kufuor said. "Sustaining the cocoa industry is therefore a major component in poverty reduction, social development and environmental protection for most of us," he added.

Ivorian Cocoa Co-ops Threaten to Disrupt New Season

Source: Reuters

Abidjan, Sept 4 - Cocoa farmers in Ivory Coast accused the heads of cocoa industry bodies of mismanagement on Monday and threatened to disrupt the start of the upcoming new season if they were not removed from their posts. Several growers' co-operatives told a joint news conference that a month before the opening of the new season, no new financing programmes were in place yet to help them fund the production, buying and delivery of beans to ports.

They called on President Laurent Gbagbo to put the sector in order or else they would block deliveries to Abidjan and San Pedro, the two main ports from which cocoa is shipped out of the world's top grower. "We ask the president to sort the sector out, otherwise we are going to wreck it," said Siafa Maninga, spokesman for a growers' collective in the west of the former French colony.

As the new October-March main crop season approaches, growers' representatives regularly issue threats to seek better conditions for their members, such as lower taxes or more effective support for their needs from industry bodies. Abundant rain in the main cocoa growing regions has helped develop the upcoming crop but farmers say sunny spells will be needed over the next few weeks to prevent diseases such as black pod -- which thrives in damp conditions -- from spreading.

Ivory Coast cocoa prices mixed

ABIDJAN, Sept 4 (Reuters) - Farmgate prices in Ivory Coast's cocoa regions were mixed from Aug. 27 to Sept. 2, data from the Coffee and Cocoa Bourse showed on Tuesday, with the flow of beans from the bush expected to rise in the coming weeks. Competition for tight supplies ahead of the 2007/08 season kept prices high in some regions, but in others damp weather and poor drying weighed on quality and prices, farmers said.

In the centre-western region of Daloa, which produces a quarter of Ivory Coast's national cocoa output, the average was 435 CFA francs (\$0.902) per kg, following a quiet month. "Activity has resumed. Several warehouses have reopened and we can see more and more farmers selling their beans," Daloa farmer Magloire Gnakan said.

In the western region of Soubre, the heart of the cocoa belt, the average price fell as beans offered by farmers were not properly dried. "The humidity level in deliveries was high because it had rained a lot last week and there were not good drying conditions," farmer Koffi Kouame said. "I think the flow of beans from the bush will jump sharply from next week," he said.

Below are average farmgate prices in CFA francs per kg as quoted by private buyers, cooperatives and shippers, and published by the BCC.

Included are prices paid on delivery at San Pedro and Abidjan ports.

	Aug 27-Sept	2 Aug 20-26
Abengourou	n/a	n/a
Aboisso	355	350
Adzope	n/a	n/a
Agboville	n/a	n/a
Bongouanou	n/a	n/a
Daloa	435	n/a
Divo	n/a	325
Gagnoa	340	n/a
San Pedro	n/a	405
Sassandra	n/a	n/a
Sinfra	n/a	n/a
Soubre 315 370		

Abidjan (port)	n/a	n/a
San Pedro (port)	455	445

Processing & Manufacturing

Ghana set to process 300,000 tonnes cocoa from 2008

The Statesman Online, Ghana - Sep 6, 2007, Adu Koranteng , 06/09/2007

Ghana is set to start processing about 300,000 tonnes of cocoa out of the annual 700,000 tonnes it produces, thanks to a Government-private sector partnership. This forms part of Government's efforts aimed at ensuring that 80% of cocoa produced in Ghana are processed and value added to them internally for economic gain, stated Finance and Economic Planning Minister Kwadwo Baah-Wiredu has stated.

Sources further hinted The Statesman that some world class cocoa processing companies such as Archer David's Morrison of USA, Barri Calebaut of France and WAMPO are to start operation in Ghana beginning next year. These companies are expected to process about 35% of cocoa produced in Ghana, alongside the almost 8% cocoa beans presently processed by the Cocoa Processing Company and the cocoa processing industry, the indigenous companies.

It is estimated that eight cocoa processing companies will operate to process cocoa beans in Ghana for both internal consumption and export from 2008. This is also expected to reduce the concentration on export of cocoa from Ghana. Western Europe imported about 67.6% of Ghana's quality fermented cocoa, with Holland alone importing 33.8% of the total import value between 2004 and 2006.

The United Kingdom imported 12.05%, Belgium 8.9%, Germany 3.6%, Japan 7.20% and the United State of America recording an import rate of 3.26% between the years 2004 and 2006.

In spite of the successes chalked in making the cocoa processing dream realised, some experts have said that it wouldn't in anyway help to reduce the prices of finished products.

It was noted that, 75% of revenue made from cocoa is used to service the needs of farmers (that is, payment for beans purchased) with the remaining 25% going into servicing, researching, and packaging, among others.

It was also realised at the just ended 2nd Africa Cocoa Summit held in Accra that companies spend huge sums to process cocoa beans, hence the pile of cost on the end products.

Others also noted that the mass operation of cocoa processing companies in Ghana after 2008 would increase competition, and as a result reduce prices of the end products.

Ghana is currently the second largest producer of cocoa in the world with an annual production rate of 700,000 metric tonnes, well behind Cote d'Ivoire, which produces 1,287,000 tonnes of cocoa.

The Deputy Minister of Finance and Economic Planning, George Gyan-Baffour, in an interview with The Statesman at the Cocoa Summit in Accra noted that efforts were underway to record an all time cocoa production capacity of one million metric tonnes by 2010. That, he said would ensure that foreign demands were met, while feeding the local industries.

Another View: Chocolate

Really, this is an editorial about chocolate

September 7, 2007

An editorial from the Chicago Tribune, Aug. 24, 2007

Is there a sinister plot afoot to despoil the purity of chocolate? Some chocophiles suspect there is. They're alarmed that a bunch of culinary industry groups, including a grocers' association and the chocolate lobby, are asking the U.S. Food and Drug Administration to allow a change in the standards for what can be called chocolate.

Right now, the federal standard says chocolate must include a certain percentage of cacao fat — also known as cocoa butter. That's what largely gives chocolate its texture and richness. The proposal would allow manufacturers to substitute vegetable oil for at least some cocoa butter and still call the final product chocolate.

Why might some chocolatiers want to do that? One big reason: Vegetable oil is a lot cheaper. ...

As chocophiles, we're concerned. But we're not rushing to the barricades to defend the sanctity of truffles just yet. We figure nothing's going to happen for a while. This is the FDA we're talking about. The folks there like to take their time on big decisions. (Approval for a "standard of identity" for white chocolate consumed 10 years, according to the Chocolate Manufacturers Association.)

The FDA knows that meddling with chocolate is like juggling knives. It's easy to get hurt.

-- The Associated Press

Child Labour Issues

Step Up Fight Against Child Labour In Cocoa Industry

Modern Ghana, Ghana - Sep 6, 2007, Story by Nehemia Owusu Achiaw & Lucy Adoma Yeboah

Mr Isaac Osei (2nd right), Chief Executive of Ghana Cocoa Board showing a cocoa product to President Kufuor (3rd right) at the 2nd Africa Cocoa Summit in Accra yesterday. President J.A. Kufuor yesterday opened the Second Africa Cocoa Summit in Accra with an appeal to cocoa-producing countries on the continent to remain alert to prevent any perception that might negatively impact on international demand for the crop.



He asked them to step up the fight against child labour in the cocoa industry and tasked their production and management authorities to adopt a regime of verification and stop inhuman practice of any form.

The one-day summit was on the theme: "Defining a Policy Road Map Towards a Sustainable African Cocoa Economy". The summit was preceded by a two-day Ministerial Meeting which was attended by delegates from Ghana, Nigeria, Equatorial Guinea, Cote d'Ivoire, Togo, DR Congo and Uganda.

The idea of Africa cocoa summit was the initiative of the former President of Nigeria, Gen Olusengu Obasanjo, to provide a common

platform for discussing and formulating policies aimed at fashioning out strategies for the benefit of the African cocoa producer.

Some members of the international community have expressed concern about the use of child labour in the cocoa industry by some countries.

President Kufuor, who is also chairman of the African Union (AU), drew the attention of the delegates to the International Labour Organisation (ILO) Convention 182, which dealt with the Worst Forms of Child Labour, and recalled that the convention had been ratified by all members of the Cocoa Producers' Alliance (COPAL) following a council resolution to that effect adopted in Brazil in 2000.

Unfortunately, he said, it had been reported that in some countries there was the prevalence of child labour in the industry and appealed to them to take all measures to prevent such unacceptable practices.

In Ghana, the President said, measures had been taken to ensure that child labour was eliminated but warned against the possibility of complacency. He underscored the need for co-operation among the cocoa-producing countries to build human and technological capacity and the necessary infrastructure to satisfy conditions prevalent on the world market.

President Kufuor also spoke of the need for the countries to adopt a policy of value addition to maximise returns and also promote consumption on the continent and beyond.

In the 2005/2006 cocoa year, the President said, Africa produced approximately 76 per cent of total world cocoa output but processed only 14 per cent of the produce while Europe, which produced no cocoa, processed 42 per cent of the world output.

Finance and Economic Planning Minister, Kwadwo Baah-Wiredu who briefed delegates on the deliberations of the Ministerial Meeting, said it focused on the need for cocoa-producing countries in Africa, to improve on supply and marketing of cocoa and eliminate the problem of child labour in the industry.

He said the delegates also underscored the need for private and public sector partnership and eradication of worst forms of child labour.

President Kufuor and the delegates inspected an exhibition which was mounted at the foyer of the Accra International Conference Centre (AICC), the venue of the summit, to showcase locally made cocoa products.

Allow countries to agree on what constitute child labour - Ebai

GNA | Posted: Wednesday, September 05, 2007

The question of the worst form of child labour must be clearly distinguished from child work and apprenticeship, which is part of the African culture, Mr Sona Ebai, Secretary General of the Cocoa Producers' Alliance (COPAL), said in Accra yesterday.

Presenting a paper on the overview of the world cocoa economy at the Ministerial meeting preceding the 2nd African Cocoa Summit in Accra, he said what constituted the worst form child labour should be determined together by member countries, governments, private sector and civil society.

He said they must agree on the list of activities, the minimum age and the work the child did.

Mr Ebai noted that Convention 182 of the International Labour Organisation (ILO) dealing with the worst form of child labour had been ratified by all member countries of COPAL following a Council resolution adopted in Brazil in 2000.

Some 14 million people are engaged in cocoa production worldwide, but 90 per cent of the world cocoa is grown on small family farms of two hectares or less.

Mr Ebai said the last 10 years witnessed a fall in world cocoa prices, which resulted in cocoa farmers not being able to meet their own needs or pay their workers adequately.

The Abuja Declaration on a sustainable cocoa economy for Africa resolved to encourage the promotion and consumption of cocoa in Africa, which Mr Ebai said, was the most pragmatic way of reversing the long-term decline in real cocoa prices.

He said measures adopted to increase domestic consumption included development of cocoa consumption habits, sensitisation of the citizenry on the nutrition and health values of cocoa products, research and development.

Africa, Mr Ebai said, would continue to play a leading role in the world cocoa economy in the medium to long term.

The leadership, he said, would present opportunities such as remunerative prices through policies and instruments and development of the downstream sector for value addition and promotion of consumption.

Mr Ebai added that such leadership required responsibilities such as modernisation of the production process, ensuring quality and creation of awareness on the virtues of cocoa worldwide.

Others

ICCO forecasts wider cocoa market deficit in 2006/07 production year

AFX News Limited

09.04.07, 11:34 AM ET

LONDON (Thomson Financial) - The International Cocoa Organisation has forecast a marginally widened cocoa market deficit for 2006/07, citing increased demand in Germany, Ghana and Singapore and falling output from key producers Ghana and Brazil.

The organisation said it now sees the market running at a deficit of 156,000 tonnes, against 145,000 tonnes previously.

The ICCO trimmed its world production forecast for the 2006/07 year by 0.26 pct to 3.435 mln tonnes from a previous forecast of 3.444 mln tonnes.

The figure represents a 7.6 pct dip in output year-on-year.

Output is seen falling in Ghana, the world's second largest producer of the bean, after a drought earlier this year, as well as in Brazil, which has been hit by an outbreak of Witches' Broom cocoa fungus, the ICCO said.

However, it sees grindings, which represent demand, marginally higher in the same period, at 3.557 mln tonnes against 3.555 mln tonnes previously. The ICCO said a higher rate of grindings in Germany, Ghana and Singapore more than outweighed falling demand from the US.

'In the first quarter the level of grindings in the US went down by 6-7 pct year-on-year,' said a spokesman for the organisation, noting however that this had been outweighed by increased call for the bean elsewhere. 'German grindings have been increasing significantly for more than a year,' he said.

Germany is one of the Europe's major exporters of cocoa products, meaning demand for the bean as a raw material is high.

DJ ICE Cocoa Review: Up Slightly; Late Spec Sales Trim Gains

Fri, Sep 7 2007, 17:16 GMT

<http://www.osterdowjones.com/>

U.S. cocoa futures, after trading on both sides of unchanged during the session, closed slightly higher after speculative sales took prices to session lows in late, light-volume trading, brokers and analysts said Friday.

Most-active December cocoa rose \$1 to settle at \$1,836 a metric ton. "It looks like the spec shorts dressed it down a little bit at the end of the week," one floor broker said of the late decline.

December cocoa, after an initial dip into weaker territory, rose to a new three-week high of \$1,857 midway through the trading session, as the U.S. dollar lost ground to the British pound. A much weaker-than-expected August employment report pressured the dollar and piqued buying interest in New York cocoa.

The firmer pound also caused selling pressure in London, and that market closed with modest losses.

Technically, December cocoa needs a settlement above \$1,842-54 to stimulate bullish momentum, the broker said. Until then or until fresh news develops, prices will likely trade back and forth within recent ranges.

December finds resistance at \$1,857, \$1,883 and \$1,895, with significant producer pressure expected to develop as prices near \$1,900 a ton. Support is uncovered at \$1,825, then at a gap from \$1,819-06, \$1,768-67 and \$1,753.

In news, Ivory Coast producers have given the government 45 days to reform the cocoa sector or face demonstrations or even a trade blockade. Farmers want the government to abolish levies on cocoa exports and reshuffle the management of cocoa-sector bodies.

Prices for cocoa beans in southwestern Nigeria fell in the week to Friday because of poor bean quality and lower world prices, traders said. Excessive rain has prevented farmers from properly drying their beans, thus increasing moisture content and encouraging mold growth.

U.S. warehouse stocks of cocoa fell 12,577 145-pound bags to total 3.829million bags, ICE reported.

October cocoa options expired Friday, which may have caused added pricevolatility, another broker said.

Futures volume was estimated at 5,504 in screen trading and 637 lots in thering.

In the options, 384 calls and 907 puts traded.

About 300 against-actuals traded.

ICE Change Range Liffe Change Range Sep 1,877 up 3 1,877-1,877 Sep 948 dn 8 948 - 960 Dec 1,836 up 1 1,825-1,857 Dec 963 dn 6 957 - 975 Mar 1,852 unch 1,852-1,852 Mar 971 dn 5 965 - 981

* ICE settlements in dollars per metric ton with intraday range. Liffe settlements in pounds per metric ton.

-By Tom Sellen, Dow Jones Newswires; 913-322-5177; tom.sellen@dowjones.com

Ghana to supply China cocoa under dam funding deal

Mon 3 Sep 2007, 12:28 GMT

ACCRA (Reuters) - Ghana's state-run cocoa market regulator Cocobod will supply cocoa direct to China as part of a deal for Beijing to finance a new hydroelectric dam in the West African country, Chief Executive Isaac Osei said on Monday. "Ghana already has an agreement in relation to the Bui dam to ensure we support our government with 38,000 tonnes," Osei told reporters at a conference in the capital Accra.

"Cocobod is also looking to increase its influence in the China market. China buys 45,000 tonnes of cocoa worldwide, we are going to supply 38,000 tonnes. We want a foothold in that market. That is why we are doing it: 30,000 main crop, 8,000 light crop," he said.

Ghana's "light crop" beans are smaller than main crop beans harvested during October to May but are favoured by local processors as a result because they are cheaper, meaning light crop beans tend not to be exported.

China is a relatively small market for chocolate and other cocoa-derived products. But its huge population, rising incomes and diversifying consumer tastes have fed industry hopes that cocoa consumption there will grow fast. Beijing is ploughing money into infrastructure projects in Africa, which is becoming an important source of oil, metals and other commodities to fuel China's fast-growing economy.

Beijing is funding the majority of the \$600 million cost of building the Bui dam through preferential credit facilities.

The dam, with an expected output of 400 MW, is part of an investment programme aimed at ending crippling power cuts that have hampered industry and forced mining companies in Africa's second biggest gold producer to install their own diesel generators to keep up production.

African cocoa producers seek public/private sector partnership

Afrique en ligne, France - Sep 6, 2007

Accra, Ghana – The Second Africa Cocoa Summit ended in Accra on Wednesday with the continent's cocoa producers calling for the promotion of public/private sector partnership in the industry.

In the Accra Declaration adopted by delegates, they resolved to engage their trading partners in negotiations with the view to eliminating stringent tariffs on finished/semi-finished cocoa products in order to improve market access.

They also resolved to examine the implications of the use of supply management and other market instruments with the view to achieving market equilibrium and remunerative prices.

The Accra Declaration called on members of the Cocoa Producers' Alliance (COPAL) to encourage the harmonisation of international quality standards and the procedures used to measure them, provide resources to build human and technological capacity for quality assurance, promote domestic consumption of cocoa and provide ad equate funding for research.

They also resolved to enhance downstream research and development for value addition to cocoa, strengthen international cooperation among African cocoa producers and encourage other African producers to join the COPAL.

The Declaration also touched on the child labour with delegates resolving to take measures to eliminate any cases of the worst forms of child labour from cocoa farms wherever they existed.

"(We) resolve... to educate the international community on cocoa production in Africa to bring out the involvement of children in cocoa production practices in order to allay fears of the existence of the worst forms of child labour."

They also resolved to improve productivity through the planting of disease-resistant and high-yielding planting materials, including the adoption of appropriate technologies.

The delegates resolved to promote intensification of production to ensure the judicious use of land for both cocoa and other crops leading to improved incomes for farmers and take measures to make cocoa farming more attractive especially to the youth.

The delegates noted that cocoa contributed significantly to the economies of most cocoa producing countries in Africa and the livelihood of a large proportion of its citizenry.

However, there had been the stagnation in productivity and losses in production capacity due to the spread of cocoa pests and diseases.

World cocoa prices in real terms had also been on the decline over the last 10 years and the distribution of income among stakeholders in the world cocoa economy was inequitable.

J ICE Cocoa Review: Higher, But Speculative Sales Pare Gains

Thu, Sep 6 2007, 17:06 GMT

U.S. cocoa futures rose Thursday, though late speculative selling took prices off of three-week highs hit earlier in the session, brokers said. Most-active December cocoa on ICE Futures US rose \$31 to settle at \$1,835 a metric ton, after seeing a pit-session range of \$1,819 to \$1,853 a ton. "We ran into some market-on-close selling that took us down a little bit," a floor broker said.

Speculators are still long ICE cocoa after the rollover from the September into the December contract, and those traders are taking some profits and possibly trying to go short, he said.

Nevertheless, cocoa prices, after a gap higher open on short-covering activity in London, posted decent gains and recorded their strongest close in three weeks.

Trade and industry buying earlier in the session lifted December to a three-week top of \$1,853 during the session, passing through resistance levels and activating light buy stops near \$1,850 a ton. Speculators quickly sold near the highs, however.

Bullish traders will now likely target \$1,900 and \$1,920 on December cocoa, with the \$1,853 area providing initial resistance, a broker said. Support is found at the downside gap from \$1,819-06, then \$1,800 and \$1,768.

In news, 20 delivery notices were issued against September cocoa, taking the total for the delivery period to 375 notices, ICE said.

Periods of rain and thundershowers continue to track over West African growing areas this week, though the crop would benefit from drier conditions and more sunshine, DTN Meteorlogix said.

In Brazil, drought in Bahia is only touching the fringes of the main cocoa region and is not affecting crop development. In fact, many cocoa areas have received adequate rain while some have seen too much moisture, a cocoa analyst for the Bahia Commercial Association told Dow Jones Newswires.

U.S. warehouse stocks of cocoa fell 29,471 145-pound bags to total 3.841 million bags, ICE reported.

Futures volume was estimated at 11,000 online and 1,300 lots in the ring.

ICE Change Range Liffe Change Range Sep 1,874 up 33 1,874-1,900 Sep 956 up 16 942 - 962 Dec 1,835 up 31 1,819-1,853 Dec 969 up 17 953 - 978 Mar 1,852 up 29 1,849-1,863 Mar 976 up 16 959 - 983

* ICE settlements in dollars per metric ton with intraday range. Liffe settlements in pounds per metric ton. -By Tom Sellen

Cocoa Downtrend Weakens

Thursday, September 06, 2007

by Jurgens Bauer of RJOFutures

Cocoa

London is higher. December Cocoa has maintained itself above the 10 day moving average, while flirting with a slope change in the 20 day. Although price action has been jittery, volume has been low. And it still seems as if prices are attempting to bottom and turn around. The downtrend is old and has weakened. In my book, what's needed is some good volume on an up move—sufficient to get Dec through 1825 ND, then maybe 1842. If that can happen, it will likely attract further interest and chase out shorts—stimulating values higher.

December is currently 1819 bid, offered at 1822. The high for Dec so far is 1830 and the low is 1804, so prices are looking 15-20 higher this morning.

Values continue to show resilience, rebounding from early losses to close up on the day.

November 18 straddles got crossed (the executing broker was on both sides), traded 25 times at 110. Dec. 17.5 p/ 18.5 call strangle went for 85 250 times, and the Dec 24 calls went at 2 points.

Volume was 812 futures in outcry, with 8003 in e-trading.

Trend: Down

Support: 1780, 1760, 1700-1685

Resistance: 1822-1828, 1842, 1865

TIT BITS

(Source: Business Recorder – www.brecord)

New York cocoa ends firm

NEW YORK (September 08, 2007): US cocoa futures jumped to a firm close on Thursday, after surging to a three-week high on follow-through support and fund buying, traders said. "cocoa finally is trying to escape the doldrums. Funds, and I think the trade, are trying to goose it higher," one trader said.

London coffee and cocoa rise

LONDON (September 07, 2007): London coffee futures rose to their highest in three weeks on Thursday as speculative buyers created fresh momentum in technical trade, while sugar futures languished near 26-month lows, pressured by hefty supply. Speculative activity was also seen in cocoa futures, with the benchmark December position hitting a two-week peak.

Indonesian cocoa prices higher

JAKARTA (September 07, 2007): Indonesian cocoa beans prices rose as the end of the main harvest season in the cocoa-growing belt of Slaws island has tightened supplies and driven up local prices. Prices of Sulawesi's fair-average cocoa beans collected from farmers and merchants were quoted at 15,500-15,800 rupiah (\$1.65-\$1.68) a kilogram, up from 15,000-15,500 rupiah last week.

New York cocoa up

NEW YORK (September 07, 2007): US cocoa futures settled stronger on Wednesday, on late-day currency support after feeling pressure for most of the session from speculative liquidation and on prospects for a large West African crop, traders said. "The liquidation is ending for the specs and the dollar weakened so that gave London a boost," one trader said.

New York cocoa falls

NEW YORK (September 06, 2007): US cocoa futures ended lower on Tuesday, as prospects for a big cocoa crop weighed on US futures prices as concern about black pod disease in the No 1 grower Ivory Coast eased, traders said. US markets were closed in observance of Labour Day on Monday, the same day the New York Board of Trade was renamed ICE Futures US.

London coffee higher; sugar and cocoa down

LONDON (September 05, 2007): London robusta coffee futures closed higher on Tuesday on speculative buying as Hurricane Felix headed towards key arabica growing areas in Central America, dealers said. White sugar futures ended lower as prices drifted down towards a recent 21-month low depressed by weak demand while cocoa ended slightly down on speculative selling.

Ivory Coast cocoa prices mixed

ABIDJAN (September 05, 2007): Farmgate prices in Ivory Coast's cocoa regions were mixed from August 27 to September 2, data from the Coffee and cocoa Bourse showed on Tuesday, with the flow of beans from the bush expected to rise in the coming weeks. Competition for tight supplies ahead of the 2007/08 season kept prices high in some regions.

London coffee jumps; sugar and cocoa down

LONDON (September 04, 2007): London coffee futures ended higher on Monday after surging to two-week peaks, fuelled by speculative buying on concern that Hurricane Felix might damage arabica coffee growing areas in Central America.

Ghana to supply cocoa direct to China

ACCRA (September 04, 2007): Ghana's state-run cocoa market regulator Cocobod will supply cocoa direct to China as part of a deal for Beijing to finance a new hydroelectric dam in the West African country, Chief Executive Isaac Osei said on Monday.

Ivorian cocoa arrivals seen falling

ABIDJAN (September 04, 2007): cocoa arrivals at ports in Ivory Coast from October 1 to September 2 reached 1,195,000 tonnes, compared with 1,334,215 tonnes received in the same period last year, exporters estimated on Monday.

CAN 2008 COPAL COCOA VILLAGE

PROMOTION OF THE CONSUMPTION OF COCOA AND COCOA PRODUCTS BY COPAL DURING THE AFRICA CUP OF NATIONS 2008 IN GHANA

The Secretary General sends his compliments and has the honour to confirm the willingness of the National Organizing Committee and the Government of the Republic of Ghana to create a COPAL Village during the upcoming Cup of Nations football tournament.

The Secretary General believes this offers an excellent opportunity to promote our respective origins and cocoa products during this month- long tournament.

Interested countries should contact the Secretariat as soon as possible with the specific requirements for space and other amenities.

Hope Sona Ebai,
Secretary General