



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 255

29<sup>th</sup> October – 2<sup>nd</sup> November 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)
29 <sup>th</sup> October	1247.58	1957.91	970.33	1928.33
30 <sup>th</sup> October	1259.50	1975.96	977.33	1944.33
31 <sup>st</sup> October	1264.19	1987.15	978.67	1954.33
1 <sup>st</sup> November	1276.11	2003.74	979.67	1978.00
2 <sup>nd</sup> November	1270.38	2000.64	975.67	1976.00
Average	<b>1264.00</b>	<b>1985.00</b>	<b>976.00</b>	<b>1956.00</b>

- **Training Course Focus: Confectionery Courses Portfolio**  
[Sugar Confectionery Production 20-22 November 2007](#)  
[Chocolate Confectionery Production 27-28 November 2007](#)  
[Chocolate Enrobing 29 November 2007](#)  
 (See Page 17 for details)

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*Do your health a favour, drink Cocoa everyday*

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

**Monday 29th October 2007**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2007	945	954	13	962	925	6228
Mar 2007	956	973	14	980	944	5717
May 2008	961	984	14	985	955	710
Jul 2008	967	996	14	997S	967	1293
Sep 2008	994	1007	14	1007S	994	94
Dec 2008	993	1015	14	1017S	993	848
Mar 2009	1011	1026	15	1029S	1009S	362
May 2009		1035	14			0
Jul 2009		1044	13			0
Sep 2009		1049	19			0
<b>Totals</b>		<b>1008</b>				<b>15,252</b>

**Tuesday 30th October**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	955	961	7	965	949	5458
Mar 2007	973	980	7	985	968	7177
May 2008	981	991	7	995	981	391
Jul 2008	993	1003	7	1006	993	3777
Sep 2008	1003	1014	7	1015	1002	239
Dec 2008	1015	1019	4	1020	1011	296
Mar 2009	1032	1030	4	1032S	1027S	12
May 2009		1039	4			0
Jul 2009		1048	4			0
Sep 2009		1053	4			0
<b>Totals</b>		<b>1014</b>				<b>17,350</b>

**Wednesday 31st October 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	956	962	1	969	948	7552
Mar 2007	977	981	1	988	951S	5605
May 2008	987	993	2	997S	980	706
Jul 2008	1000	1004	1	1009	991S	3638
Sep 2008	1012	1015	1	1020	1008	294
Dec 2008	1014	1023	4	1029	1014	308
Mar 2009	1034	1035	5	1042	1029	389
May 2009		1045	6			0
Jul 2009		1052	4			0
Sep 2009		1057	4			0
<b>Totals</b>		<b>1017</b>				<b>18,492</b>

**Thursday 1st November 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	998	995	-5	1002	985	4317
Mar 2007	1008	1006	-4	1012	997	2893
May 2008	1010	1016	-3	1020	1007S	1000
Jul 2008	1026	1022	-4	1026	1013	520
Sep 2008	1023	1030	-4	1032	1021S	202
Dec 2008		1041	-4			0
Mar 2009		1050	-5			0
May 2009		1060	-5			0
Jul 2009		1066	-5			0
Sep 2009		1075	-5			0
<b>Totals</b>		<b>1036</b>				<b>8,932</b>

**Friday 2nd November 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	961	955	-6	971	951	6,037
Mar 2007	982	980	-3	993	976	7,559
May 2008	1000	992	-3	1005	988	1,681
Jul 2008	1012	1005	-2	1018	1005S	1,295
Sep 2008	1016	1015	-2	1026S	1015	992
Dec 2008	1033	1023	-2	1035	1026S	629
Mar 2009	1040	1036	-1	1048	1034	1,470
May 2009		1044	-2			0
Jul 2009		1051	-2			0
Sep 2009		1056	-2			0
<b>Totals</b>		<b>1016</b>				<b>19,663</b>

<b>Average for the week</b>	<b>1026</b>					<b>17290</b>
<b>Total for the week</b>						<b>86,449</b>

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

**Monday 29th October 2007**

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1893	1951	40	1970	1888	9901
Mar 2008	1880	1920	25	1929	1880	4655
May 2008	1914	1914	16	1914	1914	916
Jul 2008	1919	1919	8	1919	1919	79
Sep 2008	1932	1932	-	1932	1932	69
Dec 2008	1953	1953	8	1953	1953	105
Mar 2009	1974	1974	9	1974	1974	55
May 2009	1993	1993	7	1993	1993	0
Jul 2009	2010	2010	6	2101	2010	0
Sep 2009	2020	2020	6	2020	2020	0
<b>Totals</b>		<b>1959</b>				<b>15780</b>

**Tuesday 30th October 2007**

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1970	1945	-6	1977	1941	10402
Mar 2008	1950	1947	27	1955	1938	6318
May 2008	1941	1941	27	1941	1941	553
Jul 2008	1947	1947	28	1947	1947	59
Sep 2008	1958	1958	26	1958	1958	217
Dec 2008	1979	1979	26	1979	1979	633
Mar 2009	1999	1999	25	1999	1999	297
May 2009	2022	2022	29	2022	2022	0
Jul 2009	2046	2046	36	2046	2046	0
Sep 2009	2056	2056	36	2056	2056	0
<b>Totals</b>		<b>1984</b>				<b>18479</b>

**Wednesday 31st October 2007**

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1957	1945	-	1966	1930	6497
Mar 2008	1958	1958	11	1968	1939	7418
May 2008	1960	1960	19	1960	1960	844
Jul 2008	1968	1968	21	1968	1968	59
Sep 2008	1981	1981	23	1981	1981	372
Dec 2008	2002	2002	23	2002	2002	173
Mar 2009	2026	2026	27	2026	2026	68
May 2009	2053	2053	31	2053	2053	0
Jul 2009	2075	2075	29	2075	2075	0
Sep 2009	2085	2085	29	2085	2085	0
<b>Totals</b>		<b>2005</b>				<b>15431</b>

### Thursday 1st November 2007

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1945	1974	29	2002	1938	13648
Mar 2008	1956	1981	23	1981	1956	13019
May 2008	1979	1979	19	1979	1979	324
Jul 2008	1989	1989	21	1989	1989	44
Sep 2008	2004	2004	23	2004	2004	24
Dec 2008	2030	2030	28	2030	2030	122
Mar 2009	2051	2051	25	2051	2051	68
May 2009	2079	2079	26	2079	2079	0
Jul 2009	2104	2104	29	2104	2104	0
Sep 2009	2114	2114	29	2114	2114	0
<b>Totals</b>		<b>2031</b>				<b>27249</b>

### Friday 2nd November 2007

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1990	1970	-4	1995	1962	11166
Mar 2008	1998	1978	-3	1999	1972	9558
May 2008	1985	1980	1	1994	1980	651
Jul 2008	1990	1990	1	1990	1990	61
Sep 2008	2005	2005	1	2005	2005	92
Dec 2008	2024	2024	-6	2024	2024	215
Mar 2009	2049	2049	-2	2049	2049	221
May 2009	2069	2069	-10	2069	2069	0
Jul 2009	2094	2094	-10	2094	2094	0
Sep 2009	2104	2104	-10	2104	2104	0
<b>Totals</b>		<b>2026</b>				<b>21964</b>

<b>Average for the week</b>	<b>2038</b>				<b>24726</b>
<b>Total for the week</b>					<b>98,903</b>

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

	29 <sup>th</sup> October	30 <sup>th</sup> October	31 <sup>st</sup> October	1 <sup>st</sup> November	2 <sup>nd</sup> November
Main Crop Ghana, Grade 1	2365	2400	2400	2429	2425
Main Crop Ivory Coast, Grade 1	2240	2272	2272	2301	2297
Main Crop Nigerian, 1	2227	2258	2258	2287	2283
Superior Arriba	2450	2475	2475	2504	2500
Sanchez f.a.q.	2267	2292	2292	2321	2317
Malaysian 110	1925	1950	1950	1979	1975
Sulawesi f.a.q.	2105	2130	2130	2159	2155
Ecuador Cocoa Liquor	3424	3598	3598	3652	3645
Pure Prime Press African Type Cocoa Butter	5619	5705	5705	5790	5779
10/12% Natural Cocoa Press Cake	902	901	901	915	913

Source: Cocoa Merchants' Association

# News

## Health and Nutrition

### **Travel Writer Inspects Chocolate Venues for a Chocolate Lovers Travel Guide**

Salem-News.Com, OR

Oct-29-2007

(CARSON CITY, Nv.) - Pet lovers and chocolate lovers are not necessarily one and the same. Chocolate is toxic to dogs but definitely not their owners. Americans consume about 11.7 lbs of chocolate per person annually. CeliaSue Hecht, travel writer and dog owner, has combined her two loves and launched a new blog with interesting treats for both dog and chocolate lovers. Her blog is at: [celiasue.wordpress.com](http://celiasue.wordpress.com). She will also launch a Chocolate America Travel site in the near future.

She is shopping for a publisher. Given that Americans spend more than \$7 billion a year on chocolate, nearly half of the world's supply, she believes there are millions of chocoholic readers who would love to purchase a chocolate travel guide series that will show them where to go to take tours on chocolate holidays, vacations and special occasions.

During her search for chocolate venues such as factories that offer tours and samples, unique shops, and festivals, she came to Ashland, Oregon and found that Shakespeare ain't got nothing on the chocolate biz. Will brings about 100,000 tourists to the city every year while chocolate revenues between Dagoba, the Ashland Springs Hotel Chocolate Festival, Harry and David. Chocolate consumption in Oregon is at an all time high!

The Maya Indians first discovered the delights of cocoa as long ago as 600 AD. CeliaSue first discovered The Silly Rabbit Chocolate Company, a new chocolate venue in Ashland, in August 2007. "I didn't know what to expect. What I found: Chief chocolateer B. Sterling infuses each chocolate with a wonderful sense of humor, good taste and fresh top quality and often locally grown ingredients. B is a graduate of Ecole Lenotre School of Fine Cuisine in Paris) and has twenty years of creative excellence in New York, Los Angeles, San Francisco and Portland. B was named the Pastry Chef of the Year Award from the James Beard Association.

"Each tasty treat is homemade, imaginative, innovative, plus they offer free samples every day. B gave me hot chocolate to drink. I know what you are thinking, but this was nothing like the hot chocolate you get at the ice skating rink. This hot chocolate is made with real Xocaitl, just like the Mayans used to drink. Mixed with French dark chocolate cocoa powder, Jacksonville, Oregon wildflower honey, choptle chili pepper, Mexican chocolate, and salt, there are no words to describe how utterly delicious this drink that has a bit of a kick!

"I don't even like white chocolate so the next sample really surprised me. It was made with wild jasmine flowers, white chocolate, local Jacksonville, Oregon wildflower honey and lavender, alaea, a sundried fish from Hilo, Hawaii... so many flavors rushed into my mouth, the aromas swirling all at one time. Are you getting the picture that this is not your every day chocolate. Chocolate heaven. On a scale of one to ten cocoa beans, Silly Rabbit's is a MUST VISIT twelve."

### **Study: Dark Chocolate Reduces Fatigue**

About - News & Issues, NY

Carol & Richard Eustice

Oct 30, 2007

Dark chocolate may reduce fatigue, according to researchers from Hull York Medical School. In a pilot study reported on BBC News, it was found that patients who ate dark chocolate with high cocoa content had less fatigue than those who ate white chocolate that had been dyed brown. The 10 patients who participated in the study received a daily dose of 45 grams of dark chocolate or white chocolate dyed to resemble the dark chocolate for 2 months. All of the study participants had one month off before being given the other type of chocolate for 2 months.

The patients who consumed dark chocolate reported significantly less fatigue. When they stopped eating the dark chocolate, the patients again reported more fatigue. Researchers explained that dark chocolate is high in polyphenols which appear to improve serotonin levels in the brain. Serotonin levels have been linked to chronic fatigue syndrome. While it definitely seems like a harmless thing to try, researchers remind us that it's important to consume dark chocolate in moderation to avoid unwanted weight gain.

## **Trick or Treat? Which Candies Are Good For My Teeth?**

KOLD-TV, AZ

News Editor Marissa Pasquet

Oct 30, 2007

What is Halloween without treats? Most kids are going to eat some candy for Halloween, but it isn't all created equal in the eyes of the dentist.

Dentist Kaneta Lott recommends parents make informed choices on which candies to allow their children to eat. Goopy, sticky or hard candies are the most damaging, according to Dr. Lott. Dr. Lott says what's bad is anything that is going to take a long time to eat, or would be very sticky and would stay in the grooves or in between the teeth for a long time.

According to Dr. Lott, it is less damaging for children's teeth to eat chocolate, because it dissolves quickly. Stearic acid is the main saturated fat found in cocoa butter, Food and Drug Administrators report in their evaluation, "Health Aspects of Sugars Contained in Carbohydrate Sweeteners".

Health Officials report chemicals in chocolate, called tannins, actually prevent cavities from forming. A chocolate bar has around 3-4 grams of protein. Chocolate also contains antioxidants called flavanoids, a category of polyphenols, which may prevent cell damage and reduce the risk of cancer and other age-related chronic diseases, according to health officials. Health officials also say chocolate is a good source of various essential minerals, such as copper, magnesium and calcium.

Source: Food and Drug Administration's "An Evaluation of Health Aspects of Sugars Contained in Carbohydrate Sweeteners" (1986)

## **Production & Quality**

### **WCF and partners discuss "Best Practices" Ghana outlined national plans to promote sustainable cocoa production**

Accra Daily Mail, Ghana

Oct 29, 2007

More than 220 Delegates from 23 countries participated in the 12th Cocoa Sustainability Partnership Meeting on October 24-25, hosted by the World Cocoa Foundation in Washington, DC. The meeting's theme "Sustainable Cocoa Farming: Building Tomorrow's Best Practices Today" was addressed by key representatives from cocoa producing countries, the chocolate industry, non-government organizations and development and research agencies.

During the opening session, Dr. Sarah E. Moten of the U.S. Agency for International Development (USAID), Africa Education Initiative commended the chocolate industry for engaging in educational initiatives to support the next generation of farmers in West Africa. She also challenged broader engagement and a long term commitment among chocolate companies and their partners to rural education.

Leaders from the Ivory Coast, Ghana and Indonesia outlined their countries' national plans to promote sustainable cocoa production. Delegates participated in workshops to identify and bring together "best practices" in farmer organizational support, farmer training and environmental stewardship. In addition, several leading non-government organizations described programs underway in cocoa and other industries to measure program impact and promote better farming practices.

Among the challenges facing cocoa farmers: disease and pest issues that destroy a third of the crop each year. At the meeting, leading researchers discussed how to help farmers with these challenges, in part by providing access to low-cost technologies.

"Certification" for cocoa farming was another key topic at the conference.

Representatives from the governments of Ghana and the Ivory Coast joined industry representatives to provide an update on this unprecedented effort, one that will drive change in labor practices and other, related areas. The final panel discussion focused on the outlook for the cocoa market and recent consumer trends and expectations for chocolate. The next World Cocoa Foundation Partnership Meeting will be hold in Ecuador in May 20-22, 2008.

### **Chr Hansen forms partnership to increase polyphenol production**

FoodNavigator.com, France

By Laura Crowley

30/10/2007 - Ingredients developer Chr Hansen and Swedish dairy company Norrmejerier have joined forces to improve and increase the production of healthy polyphenols for food and drink applications as well for dietary supplements. Polyphenols

are chemical substances found in foods such as cocoa, nuts, teas and berries. They have various health benefits because they act as antioxidants, protecting cells and body chemicals against damage.

The two companies, which have so far had a supplier-customer relationship - say the collaboration will add value to their current operations in beverage production and ingredients development respectively. As part of Chr Hansen's NutriPhy range, polyphenols are extracted and made into a water soluble powder for use in other applications, such as for nutritional supplements. For Chr Hansen to produce sufficient quantities of the powder, it needs a large supply of the raw materials. As the producer of the juice drink range JOKK, Norrmejerier has access to copious amounts of polyphenol-packed berries. In producing the drinks, the skin and the seed of the berries are left over, and it is this that Chr Hansen needs to extract the healthy chemicals.

Anna-Karin Karlsson, marketing and innovation manager for Norrmejerier, told Food Navigator.com: "The collaboration with CH is mainly to investigate the possibility to use polyphenol extracts from our berries in new product applications." The extracts will also be available to other food and dietary supplement manufacturers. Norrmejerier gets its wide variety of berries from areas of wilderness in places such as Northern Sweden and Lapland. Some of the berries in focus are lingonberry, bilberry and cranberry, with more to follow.

Sami Sassi, business development manager at Chr Hansen, said: "Norrmejerier has their own press to guarantee a high quality of the final product, and Chr. Hansen has the technical know-how to extract polyphenols. We also have a strong base of research and development in the field combined with expert application knowledge. All in all a strong platform for developing more and new value added products." The health benefits associated to polyphenols have been linked to an increased demand in berries. UK sales of blueberries, for example, are reported to have rocketed by 130 per cent in the last two years. In this same time period, raspberry sales are said to have grown by 62 per cent, and strawberry sales have increased by 34 per cent.

Karlsson said: "Consumers are quite health focused and willing to try new products. Berries have a naturally healthy image. Healthy antioxidants from the NutriPhy range make it easier to develop new and wholesome products."

## **Weather**

### **La Nina to persist into 2008 - U.N. weather agency**

Reuters South Africa, South Africa

31 Oct 2007

GENEVA, Oct 31 (Reuters) - A "La Nina" cooling of sea temperatures is under way in the Pacific Ocean and the phenomenon is likely to persist into next year, the United Nations weather agency said on Wednesday. La Nina, or 'Little Girl' in Spanish, is an unusual cooling pattern that usually brings rain to eastern and northern Australia and to Southeast Asia, a major producing region of coffee, cocoa, rubber, sugar, palm oil and rice.

In its latest update, the World Meteorological Organisation (WMO) said the sea surface was about 1.5 degrees Celsius colder than normal across the central and eastern equatorial Pacific. "We expect that these conditions will continue until the first quarter of 2008," WMO scientific officer Leslie Malone told a news conference in Geneva.

The current event has strayed from normal trends, and has not brought rainfall to the region, Malone said, attributing this to cool sea temperatures across the north of Australia to the Indian Ocean, which had altered expected weather patterns. "As long as this situation continues, it is expected to lead to unusual climate patterns in surrounding continental regions, ones that are atypical of La Nina," WMO said in its update. "Rains have been unusually heavy in parts of eastern Africa, while dry conditions have persisted in many parts of Australia."

Australia is gripped by its worst drought in 100 years, resulting in crop failures that have propelled wheat prices to record highs. The country last experienced wetter-than-usual weather in 1999 through 2000 as a result of La Nina, which is normally characterised by incessant rainfall, storms and floods. The La Nina weather pattern occurs about every three to five years and often follows El Nino, a warming of Pacific waters, which can also wreak havoc on weather around the world.



## **THE MARKET**

### **MARKET TALK: ICE Cocoa Up In Quiet session**

Nov. 02

1025 EDT [Dow Jones] - ICE pit-traded cocoa is modestly higher in thin trade with little news to move the market, a floor broker says. Cocoa analysts suspect the quality of cocoa arriving for shipment is low, providing some support to the market throughout the week. The Dec contract is up \$13 at \$1,987 a metric ton, and March is \$9 higher at \$1,990. Today is the Dec options expiration date, with some spread trading occurring during the session, the broker said. Options trade is estimated at 63 calls and 25 puts. Volume is estimated 5,083 on the screen and 178 on the floor. Liffe cocoa futures are slightly higher, as Dec is up GBP6 to GBP967 and March is GBP5 higher at GBP988. Mostly dry conditions are projected through the weekend for the West Africa cocoa-growing region, with a possibility of scattered light shower on Sunday and Monday, according to DTN Meteorlogix. Dry weather is beneficial to cocoa as it helps beans dry and does not incubate the damaging black pod rot as wet weather does. (HEH)

### **ICE Cocoa Review: Ends Higher As Crop Concerns Linger**

INO News - Nov 01

NEW YORK (Dow Jones)--ICE Futures U.S. pit-traded cocoa continued higher Thursday, building on recent gains with support from concerns about cocoa crop quality, analysts said.

December futures settled \$29 higher at \$1,974 a metric ton after hitting a session high of \$2,002, a level last reached Oct. 2. March ended at the session high of \$1,981, up \$23, last touched Oct. 1.

Market strength in previous sessions underpinned cocoa, while repeated reports of high arrivals, yet low cocoa crop quality coming from Ivory Coast and other West African countries increased support, said Dan Vaught, an analyst at A.G. Edwards in St. Louis. Black pod disease, which is exacerbated by current wet conditions in the region, has given many analysts reason to believe that while the volume arriving at ports from farms is average, the quality is low.

The session was marked by speculative buying, said Jack Scoville, vice president of Price Futures Group in Chicago. He described the strong upside move as a result of technical strength, as well.

Friday is the options expiration date for the December contract.

Liffe cocoa futures ended mixed, with December futures down GBP1 to GBP961 and March up GBP2 to GBP983. Volume was estimated at 18,498 on the screen and 2,140 in the pit.

In options, approximately 1,062 calls and 1,224 puts traded.

Open interest Wednesday increased by 141 lots, as traders sold 5,370 December and bought 5,601 March.

-By Holly Henschen, Dow Jones Newswires; 201-938-2338; holly.henschen@dowjones.com

ICE	Change	Range
Dec	\$1,974 +29	\$1,938-\$2,002
Mar	\$1,981 +23	\$1,956-\$1,981

### **MARKET TALK: ICE Cocoa Up On Spec Buying, Technicals**

INO News - Nov 01

1014 EDT [Dow Jones] - ICE Dec cocoa is coming off highs with strength in speculative buying and a bit of technical influence, an analyst says. Higher trading could continue until the Friday's Dec options expiration and extend beyond that date, says Jack Scoville, vice president of Price Futures Group in Chicago. Though cocoa arrivals at Ivory Coast ports have been higher, slow export momentum slightly supports the market, he says. The Dec contract is up \$32 to \$1,977 a metric ton, and March is \$14 higher at \$1,972. In cocoa news, the Ghanaian 2006-07 crop totaled 614,469 metric tons, slightly higher than the projected 600,000, the country's cocoa monitoring body reports. Liffe cocoa is modestly higher with Dec futures up GBP2 at GBP964, and March GBP6 higher at GBP987. (HEH)

Contact us in Chicago at 312-750-4075; holly.henschen@dowjones.com

## **Processing and Manufacturing**

### **Barry Callebaut deconstructs cocoa to discover healthy elements - process**

FoodNavigator.com, France

By Jess Halliday

02/11/2007 - Barry Callebaut is forging ahead with research that could establish the humble cocoa bean as one of the most potent healthy foods available to man, according to the chocolate giant's chief innovation officer. The company recently announced the launch of a new probiotic chocolate developed in collaboration with Lal'Foods.

Hans Vriens, chief innovation officer, told FoodNavigator.com at FIE this week that the fat matrix and cocoa solids in certain forms of chocolate allows for four times as many healthy bacteria to survive through digestive system to the gut, where their benefit is realised. But Vriens, who directs Barry Callebaut's investigations into the bean's hidden properties, said that there is potential to develop healthy foods using components found within the bean itself, rather than just adding in healthy ingredients from other sources. He said that some 750 different components within chocolate have been identified and listed by the company, of which 230 can contribute to better human health - be it antioxidant capacity, brain health, relaxation or any number of other benefits. The trouble is, though, that the action of these components is lost during normal chocolate processing, meaning that the bulk of what we, in the modern West, know as chocolate, is a luxury confection that does nothing more than make us feel like we have had an indulgent treat.

Barry Callebaut is seeking just where, in the chocolate production process, the healthy components are reduced, broken or lose their bioavailability. "If you are working with such a rich agricultural good you should preserve it," said Vriens. "I believe you can make enormous amounts of health claims for chocolate products if you do the right thing with the cocoa bean." He explained that Barry Callebaut is in a position to control its entire production process, since its involvement in the process starts with the cocoa growers in Africa and carries right through to the finished chocolate product on the shelf.

This means there is scope to pinpoint the stage that causes the damage and find a way to tweak the process so that the component survives. It has already succeeded when it comes to antioxidants, using its special Acticoa process for turning the powder into chocolate that is less damaging to the polyphenols. There are about nine per cent polyphenols naturally present in unfermented beans. But fermenting destroys 50 per cent of this, and roasting a further 25 per cent. But Barry Callebaut's process claims to result in a minimum 3.2 per cent polyphenol content for the dark variety and 1.1 per cent polyphenols in milk chocolate. The company has been talking about Acticoa for some time and it gathered a store of research results to support its claims, including in brain health and anti-ageing. But the official launch of the Acticoa product took place only this month.

Another area of interest is in fermentation of the cocoa bean - a process that can start to happen when it comes into contact with live organisms like bacteria. The result can be a wild change in the bean's properties - for the good, as well as the bad. For instance, the bean can become sweeter and less bitter, and be edible just on its own, without any need for processing. Fermentation may also create a bean with a higher level of cocoa butter, more antioxidants, or a host of other properties. "We know it can be done," said Vriens - but he added that the company is still in the relatively early stages of realising the potentials. "I do believe in chocolate with claims that go beyond indulgence," he said.

### **Industry consulted on labels claiming 'natural' and 'pure'**

All Decision News Media

Food & Beverage Development - Europe

By Laura Crowley

02/11/2007 - The UK's Food Standards Agency (FSA) is set to update industry guidelines on the use of words such as 'fresh', 'natural' and 'pure' in food labelling. The FSA last issued labelling guidelines on these marketing terms in 2002. It has now launched a consultation to adapt the advice in light of new developments in the food industry and growing concerns from consumers on the descriptions put onto some labels.

The FSA has now invited the food industry to respond to the chosen criteria for the labelling guidelines by 21 January. The changes to the guidelines are intended to provide clearer advice to manufacturers, producers, retailers and caterers, helping them decide when the descriptions should be used or not.

They will also help the enforcement authorities, and will ultimately help consumers in their product selection.

The new criteria to be decided on will regulate the use of new terms that have come into use, such as 'farmhouse pate', 'handmade', 'quality', 'selected', 'premium', 'finest' and 'best'.

The FSA also wants alter the guidance on the use of some existing terms to take account of results of research into consumer expectations. The research supports some of the existing advice and identifies amendments that are needed for the terms 'traditional', 'original', 'authentic/real/genuine' and 'homemade'.

Additionally, it wants to provide revised advice on existing terms to take account of issues that have arisen when advice has been requested from the FSA or where further information on industry practices has emerged.

The term 'fresh' is of particular interest because modern distribution and storage methods make the legitimacy of the term increasingly confusing. It is also used in a number of phrases the FSA says have emotive appeal but no real meaning, with phrases such as 'oven fresh' and 'garden fresh'.

Other descriptions to be looked into include 'natural' and 'pure', thereby tightening criteria for when colourings and flavourings have been added, and 'farmhouse' and 'traditional'.

The new guidelines will also make the voluntary, best practice advice clearer and more distinct from the legal requirements.

Labelling has been a topical matter for debate amongst the industry and regulators, as the consumer trend leans towards healthier eating with a growing demand for natural and organic products.

The European Commission is currently in the midst of reviewing several aspects of labelling requirements to simplify the rules and reduce the burden on the industry while also maintaining a high level of consumer information and protection.

The UK has also been reviewing various aspects concerning food labelling, looking at pre-packaged foods and health claims for example.

## **Business & Economy**

### **K10,000 for co-operative society**

The National, Papua New Guinea

29:10:2007

By ELIZABETH VUVU

THE collapse of co-operative societies in PNG has been blamed on greedy businessmen and their politician friends. Commerce, Trade and Industry Minister Gabriel Kapris said this when launching the Sikut Co-operative Society in East New Britain province last Friday. Mr Kapris also blamed lack of vision and foresight by past governments for the failure of these societies. He described cooperative societies as a vehicle for farmers and PNG's rural dwellers in nation building. "Apart from lack of vision and foresight by past governments, greedy businessmen saw these societies as a threat to their businesses and used politicians to dismantle them. They were selfish and only wanted their businesses to flourish, at the expense of the majority of our people," Mr Kapris said. He said the collapse of the Sepik co-operative societies was a perfect example of businessmen's greed at play.

He said the Somare Government was reviving the societies, and he would bring a submission to Cabinet to have the Co-operative Societies directly funded from the budget. The co-operative society movement started in PNG in 1947 but died away until it was reactivated in 2000. Today, almost 400 cooperative societies had been registered from more than 800 applicants. Mr Kapris said they would drive the economy and people would be directly involved in growing the economy

Chief executive officer of Cocoa Board of PNG Lauatu Tautea urged the people of Sikut to use their co-operative society to expand their cocoa production. He said PNG cocoa was rated the best in the world, along side Ghana's, and this was the time to expand our cocoa plots. Mr Tautea said the Board would continue to monitor and demand that top quality cocoa is produced and exported.

### **Ivorian cocoa still smuggled despite peace deal**

Reuters UK, UK

By Ange Aboa

Tue Oct 30, 2007



DUEKOUE, Ivory Coast (Reuters) - Cocoa smuggling from the rebel-held north of world top cocoa grower Ivory Coast continues despite a peace deal intended to reunite the West African country, merchants say.

The rebel New Forces who seized the northern half of the country in a 2002-2003 civil war have long acknowledged using revenue from cocoa smuggled through their zone to neighbouring countries to fund their movement. But in spite of a March peace deal that led President Laurent Gbagbo to make New Forces chief Guillaume Soro prime minister, truckloads of beans still roll over the northern border.

"No one told us to stop sending cocoa through Burkina Faso, Guinea or elsewhere and it's not because of peace that it's going to stop. We'll send our cocoa wherever the price is good," cocoa merchant Falikou Cisse said. He is one of many buyers working in Fengolo, a village just north of Duekoue in Ivory Coast's main western cocoa belt.

Merchants send cocoa grown around Fengolo, including some grown in the government south as well as in the rebel zone, to neighbouring states as New Forces taxes are much lower than those payable to the state at the country's two sea ports.

These lower taxes enable smugglers to outbid other merchants working in this area and that has forced some cooperatives and independent buyers out of business. "We buy cocoa here at 450-465 CFA (0.48-0.49 pounds) per kg and sell it in Man or Vavoua (rebel zone) at 515-520 CFA," Cisse said. He said other merchants could only offer around 380 CFA because they would get only 450-470 CFA at the ports.

#### TAX INCENTIVE

Fengolo lies in what was until recently a U.N.-patrolled buffer zone which rebel and government combatants were forbidden from entering, but U.N. checkpoints have since been dismantled to make way for joint government-rebel brigades. The town is far enough north to avoid roadblocks manned by government troops who extort money to allow trucks through.

A report this year by anti-graft campaign group Global Witness, which examined how cocoa revenues had been used to finance conflict in the country, estimated at least 77,500 tonnes of cocoa were exported through the rebel-held north. Merchants sending cocoa this way said their main cost was a 150 CFA franc per kg tax payable to the New Forces for which they receive a waiver document to show at roadblocks. They said extortion was less costly than in the southern half.

State taxes and industry levies on cocoa exported through the ports total 269 CFA francs (0.29 pounds) per kg and one Fengolo merchant, Hamed Yeo, said large trucks had to pay bribes of 300,000-400,000 CFA to government soldiers on their way there. Merchant Seydou Konate used to work in Duekoue but has been sending his cocoa north from Fengolo for the last two seasons, saying it is the only way he can make a living as a cocoa buyer. "I was making losses every day, that's why I left and came here," he said, adding he was able to buy his own pick-up truck with the profits he made last season. "If you don't offer good prices you don't can't get cocoa. It's like that. That's the rule and because of that many merchants and cooperatives have closed because of their losses."

#### **Thousands of Kids to Give Chocolate Back Tonight, With a Message**

OneWorld.net, UK

Haider Rizvi

Oct. 31, 2007

NEW YORK, Oct 31 (OneWorld) - Traditionally, it's the kids who receive sweets from the elders on Halloween, but that years-old ritual is getting a makeover this year in hundreds of communities across North America. Anti-poverty activists say thousands of children will go door-to-door tonight handing out chocolates to adults in some 300 cities across the United States and Canada.

Their decision to turn the ritual on its head is part of an international campaign to highlight the plight of tens of thousands of children who are forced to work on cocoa plantations instead of going to school in developing countries. Campaigners said on Halloween costumed children would fill streets to hand out samples of "Fair Trade Certified" chocolates as a reminder to local communities that there exists an alternative to traditional chocolates, which usually rely on child labor or other abusive processes abroad to grow and harvest the cocoa for their candies.

Calling their campaign "Reverse Trick-or-Treating," activists said it would address the persistent problems of chronic poverty in cocoa-growing communities, abysmal working conditions, and the massive abuse of child labor in the West African nation of Cote d'Ivoire in particular, where 40 percent of the world's cocoa is produced.

The campaign is sponsored by human rights advocacy groups including Global Exchange, the International Labor Rights Fund, Co-op America, and the Unitarian Universalist Service Committee, along with Fair Trade chocolate companies Equal Exchange, Sweet Earth, and Theo Chocolate to raise awareness among children and grown-ups about Fair Trade Certified chocolate as a solution to labor abuses in the cocoa industry.

Fair Trade Certified farmers are required to abide by international labor laws that prohibit illegal child labor. In addition, the Fair Trade system ensures that farmers receive a fair, stable price for their cocoa and that environmentally sustainable farming practices are applied. "Chocolate connects the millions of Americans who eat it daily to the millions of growers around the world who depend on cocoa for their livelihoods," said Adrienne Fitch-Frankel of Global Exchange, a San Francisco-based human rights group that has successfully pressured many corporations to adopt new business practices. "It is unthinkable that our children are eating chocolate made with illegal child labor or slave labor; especially when a viable solution, Fair Trade, exists right now," Fitch-Frankel added in a statement. According to Global Exchange, every year, U.S. consumers eat 2.8 billion pounds of chocolate, representing nearly half the world's supply.

Citing a study by the International Institute for Tropical Agriculture for USAID, the group says there are currently 284,000 children who work in abusive conditions on cocoa farms in West Africa, the world's largest cocoa producing region. Despite continued pressure from politicians and advocacy groups to identify and eliminate any use of child labor in the growing and processing of cocoa beans, the industry has failed to meet the substantive benchmarks, according to Fitch-Frankel and other international labor rights activists.

Their concerns have been validated by a recently conducted study, commissioned by the U.S. Department of Labor. It shows how the industry has largely failed to act responsibly. The study is due to be released next week. "Chocolate isn't so sweet if it's made by kids in Africa who don't get to go to school," said 6-year-old Lucas Rich of Santa Monica, California -- one of thousands passing out Fair Trade chocolate to grown-ups tonight.

Activists said, this Halloween, the distribution of Fair Trade products will raise the profile of the chocolate made available by companies committed to using only ethically sourced cocoa. They hope to put public pressure on the large chocolate companies to follow suit. The reverse trick-or-treaters will also be handing out tens of thousands of informational flyers on Fair Trade Certified chocolate downloaded from the Global Exchange Web site. Reverse-trick-or-treating comes on the heels of a statement released by 47 organizations and fair trade companies around the world outlining key elements needed in an ethical cocoa sourcing policy.

### **The business of Halloween**

Nuevo Mundo, CA

By Mike Antonucci

Mercury News

Oct 31: 2007

Halloween generates a lot of business - and not just for dentists. The National Retail Federation estimates that consumers will spend more than \$5 billion on everything from party decorations to costumes for their pets. We also might know a little more about entertainment industry trends by Thursday. Count the Spider-Man trick-or-treaters; see how many Hannah Montana costumes you can spot (look for blond wigs).

And remember, you're contributing to the economy: According to the most recent statistics from the U.S. Census Bureau, California leads the nation in the number of manufacturing establishments for chocolate, cocoa and even non-chocolate confectionary products. Smile, there's money in every bite.

### **All about Halloween, from 'first' to favourites**

Elmira Star-Gazette, NY

October 31, 2007

In recognition of Halloween today, we offer a collection of facts related to the holiday.

- The first U.S. citywide Halloween celebration was in Anoka, Minn., in 1921, according to the U.S. Census. In 2006, more than 36 million trick-or-treaters ages 5 to 13 hit the streets, according to the Census, down 45,000 from 2005.
- The United States produced 1 billion pounds of pumpkins in 2006, worth \$101 million, says the National Agricultural Statistic Service. Illinois led the country with 492 million pounds. California, Ohio and Pennsylvania each produced at least 100 million pounds.
- Kids' favorite stops during trick-or-treating are homes that have "anything made with chocolate" (68 percent). Next were lollipops (9 percent), gummy candy (7 percent) and bubble gum or chewing gum (7 percent), according to the National Confectioners Association.

•The National Confectioners Association says these are the top five ways kids enjoy their Halloween candy: sorting it (30 percent); picking out and eating their favorites (20 percent); sharing it (16 percent); stashing it (14 percent); and swapping it (7 percent).

•1,198: Number of U.S. manufacturing establishments that produced chocolate and cocoa products in 2005, employing 38,718 people and shipping \$13.6 billion worth of goods. California led the nation in the number of chocolate and cocoa manufacturing establishments, with 128, followed by Pennsylvania, with 121, according to the Census Bureau.

•477: Number of U.S. establishments that manufactured nonchocolate confectionery products in 2005. These establishments employed 21,389 people and shipped \$7.6 billion worth of goods that year. California also led the nation in this category, with 73 establishments, according to the Census Bureau.

•26 pounds: Amount of candy, per capita, consumed by Americans in 2006; it is believed a large portion is consumed around Halloween.

•Americans are expected to spend about \$65 each at Halloween, according to the National Retail Federation: \$23 on costumes, \$20 on candy, \$18 on decorations and \$4 on greeting cards. Grand total: Spending could reach \$5 billion this year.

### **Agriculture's potential in providing rural livelihood**

The National, Papua New Guinea

Oct 31, 2007

THE country's agriculture has great potential as shown by the cocoa industry in Bougainville where an average family income increased from K1,695 to K4,319. Sam Spurrett, development manager of Coffey International Development, gave an example of the organisation's achievements in various projects carried out in the country. Mr Spurrett presented three case studies during the 7th PNG Chamber of Mines and Petroleum seminar in Port Moresby yesterday that included Coffey's redevelopment of the Mt Hagen market in Western Highlands, the construction of classrooms and other school infrastructure across the country and the cocoa industry in Bougainville.

On cocoa, Coffey ventured into downstream processing projects on the island. "Before the crisis in Bougainville, much of the wealth generated from the cocoa industry was kept in the hands of larger plantation holders and entrepreneurs who bought from growers wet cocoa beans, generally at lower prices."

"After the crisis, cocoa production increased ... the goal of the (Coffey) project was to advance the economic rehabilitation of communities on Bougainville," Mr Spurrett said. He pointed out the significant increase in family income, wherein mini-cocoa fermentaries and dryers introduced by the programme allowed families to process their own cocoa and sell as dry beans directly to exporters. "The introduction of small processing facilities had meant better wealth distribution throughout the community," he said.

### **Agro exports nose-dive**

The National, Papua New Guinea

Oct 31, 2007

MOST of PNG's commodity export volumes have dropped dramatically since 1999. Only oil palm has shown a consistent rise in export volumes over the same period, while cocoa has seen some modest increases in the past four years. These startling figures were revealed at the National Industries Council forum by Brown Bai. Mr Bai told the forum he acknowledged the Government's policy placing priority on agriculture development, but these plans were not working as they were not being implemented. This has contributed largely to the drop in agriculture export volumes over the last eight years. This was most noticeable in coffee, tea and copra.

Mr Bai quoted the Bank of PNG's figures for the March quarter this year, which showed that copra exports plummeted from 63,500 tonnes in 1999 to just 12,700 tonnes last year – a drop of 80%. Even copra oil (processed copra) exports dropped again after a modest rise to 54,400 tonnes in 2005, down to 41,500 tonnes last year. These figures go against the expectation that less copra exports should be higher.

Coffee exports also dived from 79,200 tonnes in 1999 to 52,300 tonnes last year. Between 2000 and 2004, export volumes for coffee hovered between 63,000 and 65,000 tonnes, it bounced back to 72,100 tonnes in 2005 before plunging to 52,300 tonnes last year. Tea exports have also been struggling to gain ground on its previous export volumes, having exported 8,500 tonnes in 2000, it dropped to just 5,200 tonnes in 2002, regained ground in 2004 to 8,100 tonnes and dropped again to 6,600 tonnes last year. Cocoa exports rose from 29,000 tonnes in 1999 to 44,200 in 2000 then slightly dropped again last year to 44,000. Oil palm has consistently risen, recording six-digit figures. The industry exported 253,600 tonnes in 1999 and a rise to 362,300 tonnes last year.

### **Colombia 'Chocolates' Net Profit Down 30% in Jan-Sep (DJ)**

Source: Dow Jones Newswires

30/10/2007

Bogota, Oct. 29 - Grupo Nacional de Chocolates, Colombia's largest food company, booked a net profit of 123.8 billion Colombian pesos (\$62 million) in the January-September period, down 30% from the same period last year, the company said in a filing to the securities regulator Monday.

Chocolates' operating income dropped to COP131.63 billion in the first nine months of the year from 260.75 billion in the same period a year ago.

The Medellin-based company said in a press release following its financial results that the peso revaluation depreciated its overseas assets, which hit the company's balance sheet.

The peso has gained 13% so far this year.

Chocolates' earnings before interest, taxes, depreciation and amortization, or Ebitda, increased to COP359.2 billion in the first nine months, 34% higher than a year earlier.

Chocolates chief executive Carlos Enrique Piedrahita recently told Dow Jones Newswires in an interview that the company plans to invest \$250 million in the 2007-2009 period.

Late last year, Chocolates purchased Peru's second-largest candy maker, Good Foods, for \$36 million. Also last year, it bought Colombian ice cream producer Meals de Colombia and frozen food company Mil Delicias. In May, it bought a Panamanian meat processor and a Costa Rican cracker company for \$135 million.

Shares of Chocolates ended at COP16,460, up 2.5% from Friday's closing.

### **Brazilian Chocolate Firm Kopenhagen Invests USD 20.2 Mln in Minas Gerais State Facility**

Source: FLEXNEWS

29/10/2007

29 October 2007 - Brazil's booming confectionery industry has encouraged leading chocolate and sweet manufacturer Kopenhagen to invest R\$36 million (USD 20.2 million) in a new plant in Extrema, Minas Gerais state.

Construction work will start in 2008 and operations are expected to begin in 2009. Once completed, the plant will have an annual production capacity of 3,600 tons.

In a statement sent to FLEXNEWS, Kopenhagen said that the company selected the city of Extrema for its strategic geographical location due to its proximity to the main consuming markets and to raw material suppliers.

The move is seen as in line with the confectionery firm's domestic and international expansion plans.

Established in 1928, Kopenhagen offers over 300 chocolate and candy products at its 220 outlets in Brazil. The company has a workforce of 1,075.

Brazil's Food Industries' Association (Abia) expects that Brazilian chocolate production will increase by 10% year-on-year to 488,000 tons in 2007.

### **UK: Salmonella Shuts Fox's Chocolate Plant**

Source: Reuters

London, Oct 30 - Fox's Confectionery, makers of Fox's Glacier Mints and other sweets, said on Tuesday it had halted production at a plant after discovering salmonella but said no contaminated products had left its factories.

Spokesman Tim Roberts said salmonella had been discovered at a factory on Oct. 15. The company said in a statement it believed a batch of Brazil nuts at its Leicester factory in central England was to blame.

It had shut production on four lines and began a testing and cleansing programme under supervision of the Food Standards Agency and the regional office of the Environmental Food Team and hoped full production could resume later this week.

"We want to reassure all of our customers once again that no affected product whatsoever was released and that stocks on retailers' shelves are completely safe," chief executive Mario Giannotta said.

## **Labour Issues**

### **Protest du Jour: Slave chocolate**

Seattle Post Intelligencer

Candace Heckman

October 31, 2007.

Fair Trade logoOrganizers are calling this event "reverse trick-or-treating." Thousands of children and their parents tonight will be going door-to-door across the country to give chocolate away. The idea is to spread the word about child labor in the chocolate industry and to promote "fair-trade chocolate." You know how much Seattle loves fair trade, so it should be a good showing of kids tonight. At least one group will be going door-to-door in Convington Park from 7 to 8 p.m., and another group will be in Capitol Hill starting at 6 p.m.

A joint study by the U.S. Agency for International Development (USAID) and the Labor Department a few years ago said that "some 284,000 child laborers work in hazardous conditions on cocoa farms in West Africa, 200,000 of whom work in Côte d'Ivoire and most of whom work alongside their families. Such hazardous work includes spraying pesticides without personal protection and clearing undergrowth with machetes. There is also evidence that up to 2,500 child workers may have been trafficked for cocoa work in Côte d'Ivoire and Nigeria."

This kind of child labor should be unacceptable to Americans, said Yochi Zakai, of Co-Op America, which is coordinating the reverse trick-or-treat event. "Kids in the United States are dressing up for Halloween while they're peers in Africa are slaving away to produce the chocolate they're eating," he said. The groups, 300-plus nationwide, will be asking families to reject chocolate that is not certified by an independent monitoring program that ensures a fair price to cocoa farmers. There are several stores besides the usual suspects that are offering such products.

### **Archbishop Challenges York's Chocolate Makers**

York Press, UK

By Richard Harris

31st October 2007

THE Archbishop of York has called on chocoholics to forego their favourite treat unless it is Fairtrade. In a public lecture in the former Hull constituency of slavery abolitionist William Wilberforce, Dr John Sentamu said that people should take responsibility for ensuring cocoa farmers are paid a fair price for their product. Although Dr Sentamu did not mention them by name, York is home to Nestle Rowntree and is the former home of Terry's.

Regarding Fairtrade chocolate he said: "If you can't find it in your favourite shop ask to see the manager and say that you will only buy goods which are not produced by slave labour. "Say you want to trade fairly. If you keep that promise you could be playing your part in ending a 21st Century iniquity." He later added he did not want people to boycott any particular brand and said that Nestle is a very good brand, treats its workers in York fairly but that he wanted farmers elsewhere to be paid a fair wage.

A spokesman for Nestle said: "The chocolate industry as a whole has been working to address labour concerns on cocoa farms for several years. "While Nestlé does not own cocoa farms anywhere in the world, the company strongly believes it is important to ensure cocoa is grown responsibly, without abusive labour practices. Nestlé has actively participated in industry efforts to address the issues."

### **Bitter life of chocolate's child slaves**

The Age - Nov 03

Carmel Egan

CHOCOLATE: it's the most popular treat used as a reward for our kids, but what most Australians don't realise is that every time they indulge their children with a chocolate snack, they could be unwittingly supporting the enslavement of thousands of abused children in West Africa.

The world's largest cocoa producers — the Ivory Coast and Ghana — have been found guilty by the United Nations and US Congress of exporting cocoa made by trafficked and enslaved children. It is estimated more than 100,000 children work in the Ivory Coast's cocoa industry under "the worst forms of child labor," and that about 10,000 are slaves.

As the Ivory Coast produces 43 per cent of the world's cocoa, it is likely almost half the chocolate products sold in Australia could be linked to child slavery.



In the last financial year, Victorian chocolate manufacturers alone imported 3 million kilograms of Ivory Coast cocoa paste.

The Confectionary Manufacturers Association — of which Nestle, Cadbury Schweppes and Mars Confectionery are members — cannot confirm if chocolate sold here has passed through the hands of child slaves. But they can offer no guarantees that the chocolate coating Australia's three biggest-selling bars — Cherry Ripe, Kit Kat and Mars — does not contain slave-tainted cocoa.

Association spokesman David Greenwood said it was notoriously difficult to identify children held as slaves or bonded workers because most plantations were family businesses in which children have traditionally laboured alongside their parents. Adding to the confusion were large numbers of children moving to the Ivory Coast to escape the desperate poverty in neighbouring Mali, he said.

But the Salvation Army's anti-slavery co-ordinator, social justice director Captain Danielle Strickland, says this approach is not good enough. She believes manufacturers have a responsibility to urgently find out who produces their cocoa. "Given that Cote d'Ivoire (Ivory Coast) produces 43 per cent of the world's cocoa you could say there is a 43 per cent chance your favourite chocolate bar has some beans produced by child slaves," she said. "There is no doubt the issue is complex, but if you are producing something you have a responsibility to find out what you are buying."

The Australian Fair Trade Association and welfare organisations such as Oxfam and World Vision also want Australian chocolate lovers to start thinking about the suffering behind the indulgent treat. Australians are the world's fourth highest consumers of chocolate, gobbling down an average 10 Easter eggs and between nine and 11 kilograms of chocolate per person a year.

But in the Ivory Coast, farmers earn less for a kilo of cocoa beans than we pay for a Snickers bar.

"Chocolate is the perfect case study for urban awareness of our connection to food producers," said Anne Lanyon, co-ordinator of the Columban Centre for Peace, Ecology and Justice, which promotes consumer awareness to schoolchildren. "It is our responsibility to be aware."

Australian Bureau of Statistics and Customs documents confirm that Australians are among the world's biggest consumers of Ivory Coast and Ghanaian-based chocolate directly imported as cocoa beans, paste, powder, butter and liquor. Additional millions of dollars worth of Ivory Coast, Ghanaian, other West African, Malaysian and Indonesian cocoa is imported via Singapore, the cocoa processing hub of South-East Asia. In 2001, the international news agency Knight Ridder exposed the use of child slaves on Ivory Coast and Ghana cocoa farms.

It led the US Congress to draft legislation in which the chocolate manufacturing industry agreed to a voluntary protocol to end abusive and forced child labour on cocoa farms by July 2005. But little has changed, says the US-based International Labor Rights Fund.

"The cocoa companies trumpeted a few pilot programs, but continue to purchase and reap profits from child labour cocoa," the fund reports. "These child workers labour for long, punishing hours, using dangerous tools and facing frequent exposure to dangerous pesticides as they travel great distances in the gruelling heat.

"Those who labour as slaves must also suffer frequent beatings and other cruel treatment."

A recent Pilot Labour Survey in Cocoa Production in Ghana found 2.47 million children aged between five and seven are being used in economic activities across 600,000 small farming communities.

But solving the issue of child slavery will not be simple, according to Mr Greenwood. "(Slavery) is a very emotive issue, so there is a perception that everybody is in an abusive situation," he said. "It is a matter of a few thousand slaves — which is abhorrent and should not exist — but that is on a scale of 1.5 to 2 million farms.

"Boycotts will not help anybody. Hand-outs to people without change will achieve nothing." International chocolate manufacturers have pledged to introduce a form of approved labour certification for cocoa farmers from mid-2008.

The Ivory Coast Government has pledged to reform its cocoa sector before the end of March 2008 and last month froze the bank account of the Coffee and Cocoa Farmers' Development Fund, citing corruption and embezzlement of money meant for growers.

## Others

### **Ivory Coast's Cocoa Allegedly Associated with Abusive Child Labor, Corruption and Civil War**

Voice of America

By Lisa Bryant

Paris

30 October 2007

Cocoa has long been a cornerstone of Ivory Coast's economy, driving what was once one of Africa's most prosperous countries. Ivorian cocoa still accounts for about 40 percent of the world's production. But today, it is often associated with such negative issues as abusive child labor, corruption and the country's divisive civil war. Lisa Bryant was recently in the Western Ivorian village of Fangolo. She takes a look at the cocoa story.



A man cuts cocoa fruits on a Kolabadougou village plantation near Meagui, 29 Jan 2007

Issa Wattara is a lucky man. In this poor farming village abutting the main north-south artery in western Ivory Coast, he is among the few to have tasted chocolate. And yet many of Fangolo's inhabitants, like Wattara, cultivate cocoa beans - the raw material for chocolate bars and confections. Wattara shows a visitor some of the plants growing at the edge of the village. The cocoa beans hang down like fat, green cucumbers.

Ivory Coast remains the world's leading cocoa producer, thanks to beans harvested and shipped from Fangolo and other parts of the country's cocoa belt. The majority of the country's cocoa exports head to the European Union and the United States. But Ivorian cocoa is not just associated with the sweet taste of chocolate. It is also linked to the country's 2002 civil war that divided the country into the rebel-held north and the government-controlled south.

A June report by the London-based anti-corruption watchdog group Global Witness accused both the government of President Laurent Gbagbo and the rebels of fattening their war chests with millions of Ivorian cocoa dollars, obtained through embezzlement and extortion.

#### Global Witness campaigner Maria Lopez:

"We calculated that over \$118 million of the cocoa trade benefitted both sides of the armed conflict in Cote d'Ivoire [Ivory Coast]," Lopez said. "About \$60 million was diverted by the government's war effort within a relatively short period of time - from the beginning of the war, in September 2002 to December 2003. And we calculated that about \$60 million was made out of the cocoa trade in the Forces Nouvelles [rebel] area within a couple of years.

Lopez says both sides continue to profit from cocoa - despite a March peace agreement between the rebels and the government. Both sides have denied these allegations.

But Robert Rensi, an Ivory Coast specialist at the European Union, says the story of cocoa sums up the stakes in the country's fitful conflict. "The whole Ivorian crisis can be translated into a struggle among different forces and the exclusion of part of the population in accessing these resources," Rensi said. "Cocoa has created a land tenure problem, has created a false identity problem. But at the bottom of all this, there's a struggle for control of resources that traditionally have been managed in a non-transparent way. Meanwhile, the London-based International Cocoa Organization says Ivory Coast's \$1.4-billion cocoa industry is coasting on a booming world demand for chocolate. It says that demand is growing at about four percent a year.

But little of the windfall has trickled back to Fangolo. Farmer Wattara says cocoa producers here earn a fraction of the government-set cocoa price. Wattara said that before the war, farmers could afford to take their cocoa beans to the Ivorian economic hub of Abidjan where they could negotiate a better price. But now they can not afford the transportation costs. Instead, they wait for buyers to come to the village - and they take the price that is offered. Fangolo has suffered from the war in other ways. When rebels took over the village in 2002, many villagers fled. It took years for some to return.

That is the case of 58-year-old William Bilo, who returned to Fangolo last year - only to find his cocoa, coffee and orange fields farmed by a rival ethnic group. A father of 10, Bilo says he lost his means to earn a livelihood. He has planted some rice, beans and maize on a patch of land to get by. But he dreams of the day he will get his fields back.

Controversy swirls around the question of who profits from Ivorian cocoa. The World Bank and the United Nations - with about 8,000 peacekeeping troops in the country - have both criticized the lack of transparency in the sector.

But charges by the European Union are particularly pointed, suggesting fraud in the cocoa sector. In a report released last May, the EU recommend shutting down two key cocoa institutions, including the Ivorian Cocoa and Coffee Marketing Board.

In Abidjan, the board's director, Lucien Tape Doh, dismisses the allegations.

"Ivory Coast has been a country at war," Tape Doh said. And there is a certain way of managing during war times." But, he said, that does not mean the cocoa sector is corrupt. President Laurent Gbagbo has called for an inquiry into allegations of fraud in the cocoa sector. Still, some critics doubt it will be exhaustive or make much difference.

Investigating the cocoa sector can also be dangerous business. Global Witness claims Ivorian journalists and human rights activists investigating the sector have been beaten and intimidated. In 2004, French-Canadian journalist Guy-Andre Kieffer disappeared in Abidjan, where he was also investigating cocoa corruption allegations. He has not been heard of since.

EU diplomat Rensi echoes the assessment of many.

"It's obvious that the Franco-Canadian journalist Kieffer was kidnapped and most likely murdered because of his investigation in the sector. So it's obviously a very dangerous sector because it fuels the crisis," Rensi said. French President Nicolas Sarkozy has vowed to pursue Kieffer's case. In the meantime, Ivorian cocoa production remains a very controversial business.

#### **Fairtrade chocolate firm is Britain's best social enterprise**

Sunday 4 November 2007 London SE1

Divine Chocolate, based in SE1's Gainsford Street, has been named Best Social Enterprise at the Enterprising Solutions Awards announced last month. The Best Social Enterprise Award, and a cash prize of £10,000, went to Divine Chocolate, a fairtrade chocolate company co-owned by Ghanaian cocoa farmers.

The Ghanaian Kuapa Kokoo cooperative not only receive a fair price for their cocoa but also a share of the profits. The Divine bar, and its junior spin-off Dubble are now sold in Tesco, Waitrose, Sainsburys, Asda, the Co-op and Wholefoods. The company also supplies all own-label chocolate for Starbucks, has just launched an American affiliate and expects sales for 2007 to hit £10.5 million.

Accepting the award at a ceremony held last month at the Victoria & Albert Museum, Divine managing director Sophi Tranchell said: "We are delighted to be here and it is fantastic to win. As a judge on earlier panels for the Enterprising Solutions Award I learned a lot about how to run a successful business with a social purpose. So it is wonderful to now join the ranks of previous social enterprises who have won this award.

"I would like to thank my parents who taught me that if you think something is wrong you can and should do something about it. And it is the people who eat Divine chocolate and who tell their local supermarket to stock it that really make a difference to the cocoa farmers lives, so if you are one of those people (and you jolly well ought to be!) then thank you too."

Chief executive of the SE1-based Social Enterprise Coalition Jonathan Bland added: "Divine Chocolate is a flagship social enterprise that is doing amazing work, not only by helping Ghanaian farmers get a fair price for their cocoa but also by paying the farmers dividends."

## **TIT BITS**

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

### **US MIDDAY: cocoa higher, coffee mixed**

NEW YORK (October 31, 2007): US cocoa kept its upward momentum in early trade on Tuesday, as funds continued to buy amid the weak dollar while arabica coffee was mixed in thin dealings, traders said. On the screen, ICE December cocoa was up \$15 at \$1,966 per tonne at 9:15 am EDT (1315 GMT), moving from \$1,935 to \$1,974.

### **Ivory Coast cocoa arrivals seen up**

ABIDJAN (October 31, 2007): cocoa arrivals at ports in Ivory Coast reached around 172,500 tonnes from October 1 to 28, compared to 70,998 tonnes in the same period a year earlier, exporters estimated on Monday. The exporters estimated 48,000 tonnes of beans had arrived in the week of October 22-28, up from 24,228 tonnes in the same week a year earlier.

### **New York cocoa rallies to four-week high**

NEW YORK (October 31, 2007): US cocoa rallied to close at a four-week high on Monday, on follow-through technical support from Friday's strong session, dealers said. "There was good speculative buying in December and that just pushed it up," one trader said, adding that the weak dollar provided some buying incentive.

### **US MIDDAY: cocoa climbs, coffee unchanged**

NEW YORK (November 01, 2007): US cocoa trading on ICE Futures US found strength from speculative buying and a firm pound early Wednesday, while arabica coffee futures hovered around the unchanged mark amid thin volume, traders said. "It looks like there's a move that started yesterday in the late session to roll December into March. Speculators are buying March as well," one cocoa trader said.

### **New York cocoa settles mostly firm**

NEW YORK (November 01, 2007): US cocoa ended mostly stronger on Tuesday, on support from fund buying and the firm pound, while speculators were seen on both sides of the market, dealers said. Position rolling out of the front month into March was also noted.

### **US MIDDAY: cocoa firms**

NEW YORK (November 02, 2007): US cocoa ended the pit session higher early on Thursday, as the weak dollar provided buying incentive and while players continued to roll out of the spot month into March, dealers said. In open-outcry trade, the ICE December contract closed up 1.5 percent, or \$29 at \$1,974 per tonne, with the rest finishing in a range from \$19 to \$29 higher.

### **New York cocoa ends flat to higher**

NEW YORK (November 02, 2007): US cocoa closed steady to firm on Wednesday, as funds rolled positions out of December into March ahead of the front-month's first notice day November 15, dealers said.

**Training Course Focus: Confectionery Courses Portfolio**

**To:** All COPAL Member Countries  
**From:** COPAL Secretariat  
**Subject:** Confectionery Courses  
**Date:** 25<sup>th</sup> October 2007

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The Secretary General sends his compliments and has the honour to inform all Member Countries about an invitation from Leatherhead Food International (LFI) on their portfolio of confectionery courses in November 2007. These courses will provide a practical knowledge of the basic principles in the diverse areas of sugar and chocolate confectionery.

The Secretariat recommends these courses as a means towards enhancing our efforts in the promotion of cocoa consumption.

Participants should apply directly to the organisers (LFI). All courses are offered in English only.

**Training Course Focus:  
Confectionery Courses Portfolio**

**Sugar Confectionery Production 20-22 November 2007**

**Chocolate Confectionery Production 27-28 November 2007**

**Chocolate Enrobing 29 November 2007**

**Delegates can book onto an individual confectionery courses or all three.**

During the **Sugar Confectionery** course learn about the different techniques of confectionery production such as sugar panning, chewing gum manufacture and aerated confectionery.

In the second week learn about **Chocolate Manufacture** from bean to bar and everything in between with some hands on experience of tempering, moulding, dipping and cooling chocolate.

Finally enjoy a day **Enrobing Chocolate** bars, learn about the common problems and how to overcome them such as tails and feet, controlling pick up and flow properties.

The charges for the courses are as follows:

**Booking**

	<b>UK Delegates</b>	<b>Non-UK Delegates *</b>
Sugar Confectionery Production	<b>LFI Member</b> £975 + £170.63 VAT <b>Non-Member</b> £1300 + £227.50 VAT	<b>LFI Member</b> £1300 less discount of £325 = £975 + £227.50 VAT <b>Non-Member</b> £1300 + £227.50 VAT
Chocolate Confectionery Production	<b>LFI Member</b> £815 + £142.63 VAT <b>Non-Member</b> £1015 + £177.63 VAT	<b>LFI Member</b> £1015 less discount of £200 = £815 + £177.63 VAT <b>Non-Member</b> £1015 + £177.63 VAT
Enrobing Chocolate Bars	<b>LFI Member</b> £480 + £84 VAT <b>Non-Member</b> £585 + £102.38 VAT	<b>LFI Member</b> £585 less discount of £1050 = £480 + £102.38 VAT <b>Non-Member</b> £585 + £102.38 VAT
<i>* UK VAT regulations do not allow VAT discounts on Member fees</i>		

Please note all prices are exclusive of VAT.

Further inform and bookings can be obtained at the following website:

<http://www.leatherheadfood.com/confectionery/booking.asp>

Training courses in the areas of **Crisis Management, Food Safety, Ingredients, Legislation, Nutrition & Sensory** and **Product Development** are all running during **October, November & December 2007.**

Unless otherwise indicated all events take place at LFI's offices in Leatherhead, Surrey, UK.

