



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 258

19th – 23rd 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)
19 th November	1230.46	1949.82	968.00	1930.00
20 th November	1253.95	1994.78	982.33	1973.67
21 st November	1240.42	1976.73	975.33	1959.00
22 nd November	-	-	968	0
23 rd November			969.67	
Average	931.21	1,480.33	973.42	1,465.67

Up-coming Events

*PROMOTION OF THE CONSUMPTION OF COCOA AND COCOA PRODUCTS
BY COPAL DURING THE AFRICAN CUP OF NATIONS 2008*

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Health and Nutrition

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- Indonesian Cocoa Producer Davomas To Lift Sales In 2008, 2009
- Ghana cocoa belt rainfall remains low Nov 11-20
- Ivory Coast cocoa arrivals 352,663 T by Nov 18
- Cameroon Aug-Oct cocoa exports down at 31,571T-CCIB
- RPT-Nigerian Oct cocoa arrivals climb 44 pct yr-on-yr

Markets

- DJ ICE Cocoa Review: Down Slightly; Subdued Pre-Holiday Trade
- DJ MARKET TALK: ICE Cocoa Dips Slightly In Barely There Trade
- Chocolate may be dearer soon
- ICE Cocoa Review: Weaker Dollar Pushes Market Higher
- Ivory Coast cocoa prices mixed, supply seen rising

Processing and Manufacturing

- Cargill steps up Brazilian chocolate production
- Cargill Joins the Compound and Industrial Chocolate Market - business

Business & Economy

- Fuji oil to expand overseas output of fats used in chocolate
- Nigerian Cocoa Grinder Seeks to Raise \$15.6 Million-process
- Food laws could unlock Asian market
- Chocolatiers face further cocoa market confusion
- Nigeria: Osunkeye Commends Ecobank On N450m Cocoa Project
- Nigerian cocoa risks ICCO ban over old sacks

Labour Issues

- Arizonans are sweetening the bitter cost of chocolate

Environment and Conservation

- Cadbury sweetens the conservation pill

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Do your health a favour, drink Cocoa everyday?

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

Monday 19th November 2007

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2007	922	921	-3	925	921	1970
Mar 2007	955	953	-4	957	953	4021
May 2008	970	968	-3	970	967	229
Jul 2008	986	983	-4	986	983	207
Sep 2008	995	993	-4	995S	994	11
Dec 2008		1000	-4			0
Mar 2009	1012	1011	-4	1012	1012	20
May 2009		1021	-4			0
Jul 2009		1029	-4			0
Sep 2009		1035	-4			0
Totals		991				6,458

Tuesday 20th November

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	921	936	15	939	917	3677
Mar 2007	950	967	14	971	945	8713
May 2008	965	982	14	985	960	845
Jul 2008	981	998	15	1001	979	1242
Sep 2008	987	1008	15	1011	987	319
Dec 2008	998	1015	15	1018	998	635
Mar 2009	1009	1026	15	1029	1008	63
May 2009		1037	16			0
Jul 2009		1048	19			0
Sep 2009		1060	25			0
Totals		1008				15,494

Wednesday 21st November 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	937	930	-6	950	929	3496
Mar 2007	967	960	-7	981	959	8165
May 2008	984	975	-7	995	975	1237
Jul 2008	999	991	-7	1011S	991	620
Sep 2008	1009	1001	-7	1021S	1002S	788
Dec 2008	1016	1008	-7	1027S	1007	686
Mar 2009	1026	1015	-11	1037	1019	1114
May 2009	1035	1025	-12	1035	1035	4
Jul 2009		1036	-12			0
Sep 2009		1048	-12			0
Totals		999				16,110

Thursday 22nd November 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	924	924	-6	930	917	1118
Mar 2007	963	952	-8	963	946	3786
May 2008	970	968	-7	972	963S	143
Jul 2008	983	984	-7	991	979	875
Sep 2008	993	993	-8	998S	993	13
Dec 2008	1006	1000	-8	1006	1000	26
Mar 2009	1010	1008	-7	1010S	1010S	250
May 2009		1018	-7			0
Jul 2009		1029	-7			0
Sep 2009		1041	-7			0
Totals		992				6,211

Friday 23rd November 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2007	924	920	-4	928	920	2,485
Mar 2008	956	952	0	959	952	2,314
May 2008	968	967	-1	969	967	142
Jul 2008	985	984	0	985	984	251
Sep 2008	999	993	0	999	993S	256
Dec 2008		1000	0			0
Mar 2009		1008	0			0
May 2009		1018	0			0
Jul 2009		1029	0			0
Sep 2009		1041	0			0
Totals		991				5,448

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

Monday 19th November 2007

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1905	1885	-20	1905	1885	170
Mar 2008	1925	1920	-5	1925	1916	5324
May 2008	1930	1930	-	1930	1930	1059
Jul 2008	1940	1940	-6	1940	1940	939
Sep 2008	1949	1949	-5	1949	1949	400
Dec 2008	1962	1962	-4	1962	1962	180
Mar 2009	1978	1978	-5	1978	1978	127
May 2009	1984	1984	-6	1984	1984	1
Jul 2009	2005	2005	-9	2005	2005	0
Sep 2009	2022	2022	-8	2022	2022	0
Totals		1958				8200

Tuesday 20th November 2007

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1920	1937	52	1937	1920	22
Mar 2008	1937	1966	46	1975	1937	2970
May 2008	1953	1973	43	1973	1953	303
Jul 2008	1983	1983	43	1983	1983	165
Sep 2008	1991	1991	42	1991	1991	96
Dec 2008	2005	2005	43	2005	2005	2
Mar 2009	2022	2022	44	2022	2022	51
May 2009	2030	2030	46	2030	2030	1
Jul 2009	2049	2049	44	2049	2049	0
Sep 2009	2065	2065	43	2065	2065	0
Totals		2002				3610

Wednesday 21st November 2007

Month	Open	Price	Change	High	Low	Volume
Dec 2007	1923	1916	-21	1935	1916	57
Mar 2008	1952	1951	-15	1961	1948	9861
May 2008	1960	1960	-13	1960	1960	614
Jul 2008	1969	1969	-14	1969	1969	923
Sep 2008	1977	1977	-14	1977	1977	421
Dec 2008	1989	1989	-16	1989	1989	89
Mar 2009	2004	2004	-18	2004	2004	69
May 2009	2010	2010	-20	2010	2010	102
Jul 2009	2030	2030	-19	2030	2030	0
Sep 2009	2046	2046	-19	2046	2046	0
Totals		1985				12136

Spot Prices (US\$ per tonne)

	19th November	20th November	21st November	22nd November	23rd November
Main Crop Ghana, Grade 1	2345	2389	2374		
Main Crop Ivory Coast, Grade 1	2217	2273	2258		
Main Crop Nigerian, 1	2197	2258	2243		
Superior Arriba	2402	2491	2476		
Sanchez f.a.q.	2283	2309	2294		
Malaysian 110	1890	1969	1954		
Sulawesi f.a.q.	2108	2156	2141		
Ecuador Cocoa Liquor	3392	3467	3440		
Pure Prime Press African Type Cocoa Butter	5549	5747	5703		
10/12% Natural Cocoa Press Cake	851	924	917		

Source: Cocoa Merchants' Association

News

Health and Nutrition

Phytobase makes healthy chocs with superfruits

confectionerynews.com

Breaking News on Confectionery & Biscuit Processing

By Jess Halliday

13/11/2007- Phytobase is introducing a new organic dark chocolate bonbon at Whole Foods stores in the US that contains healthy ingredients at the cutting edge of the functional foods trend. The US-based research food technology company last year introduced a chocolate aimed at women containing Amazonian berry Borojo, which researchers have claimed acts as an aphrodisiac and boosts energy levels. In 2004 it introduced ChocoLeans, a product said to help control the appetite.

Now Phytobase is extending this offering with a new product called Amoriss, which taps into some of the hottest trends in the functional foods and nutraceuticals market - superfruits and resveratrol. The new product looks to take the intrinsic healthy reputation of dark chocolate, which has been found to have a high content of antioxidants, to a new level. Such products are repositioning chocolate away from being just a luxury, indulgent product towards a healthier profile. Amoriss is said to contain the antioxidant-rich superfruits acai, mangosteen, goji, pomegranate, rhamnus rosea, as well as red wine extract ("health healthy benefits without the alcohol") and resveratrol.

The term 'superfruit' refers to any fruit that has a particularly high antioxidant content or is packed full of other beneficial nutrients. Resveratrol is an antioxidant compound found in red wine, grapes, raspberries, peanuts and blueberries, which in turn fall under the umbrella group of superfoods.

Antioxidants, meanwhile, are understood to prevent cellular damage by preventing the formation of free radicals, atoms that are formed when oxygen interacts with certain molecules. These free radicals can, in turn, damage DNA and pave the way towards serious illness like cancer, other diseases, and outward signs of ageing.

Phytobase CEO Sam Gur told ConfectioneryNews.com that the formulation was developed by the company's own PhD in physiology and plants chemistry. "The formula was developed to be effective, each ingredient working synergistically with each other, and, at the same time not to overwhelm the pallet," he said. He added that each 12g, individually-wrapped chocolate contains 1.2g of extracts. The overall taste will be a "hint of fruits, which compliment the complex chocolate taste".

As consumer tastes become more exotic and research stacks up on the antioxidant content of fruits from far-flung corners of the globe, there is a strong pull towards products that flag content of fruits like acai, goji and pomegrate - even if they do not make explicit health claims. By association with the whole fruits themselves, superfruit flavours are being developed to increase the consumer draw of a range of packaged foods; superfruit juices have also been identified as a trend for the beverage industry.

Moreover, Phytobase is taking a double-pronged approach to its marketing of the Amoriss product, since it says it can also be melted and applied to the skin on the face, as a "nourishing, moisturizing and antioxidant facemask treatment for healthy-looking skin". While saying that the response to Amoriss so far has been "remarkable", Gur said that ChocoLeans was the first satiety dark chocolate to come to market. "Being a bit early in the trends has its rewards and challenges," he said. "The satiety trend is at full speed right now in various sectors, and ChocoLeans are becoming more and more popular." ChocoLeans are sold in upscale health stores across the US, and through E-tailors.

Gur added: "The wellness industry is transforming from reacting to a problem to preventing it, with more and more consumers becoming conscious in how they live their lives."

Phytobase's aim, he said, is to allow people to improve well being, by simply eating a piece of chocolate, drinking a cup of coffee, etc - and making it an experience that is about more than just the taste. Phytobase is not the only company seeking to attract health-conscious chocolate fans.

Last month chocolate giant Barry Callebaut announced what it says are the first chocolates containing probiotic bacteria to come on the market, developed in collaboration with Lal'Foods (Lallemand-Institut Rossel). This product is said to be an effective vehicle for delivering four times as many live bacteria to the gut, where they exert their healthy action, as traditional dairy formats.

Hershey-owned Dagoba also launched a Superfruit organic dark chocolate product containing acai, currants and goji berries at the beginning of this year. The other launches in the Dagoba line were Lemon Ginger, Nibs and Seeds. The products were intended to encourage consumers to keep eating luxury goods - albeit with a healthy edge - into the traditional January dieting season.

News briefs: Healthy chocolate and gum

confectionerynews.com

By Charlotte Eyre

07/11/2007 - With heart disease and obesity levels booming in Western Europe, manufacturers and scientists are increasingly trying to make a link between health and confectionery, traditionally seen as a 'naughty' treat.

Flavonoid rich chocolate helps heart health

A new Japanese study suggests that consuming dark chocolate containing flavonoids on a regular basis improves coronary blood flow, and so reduces the risk of fatty build up in the arteries and heart attacks. Researchers from Chini University studied the affect on consumption of dark chocolate on the ability of the coronary articles to dilate, and therefore let more blood through. During a two week trial of 39 adults, half were give 550 milligrams of flavonoid rich dark chocolate to eat every day, while the other half were given normal white chocolate.

While the dark chocolate had no effect on other heart mechanisms, participants who ate the dark chocolate showed improved blood flow around the heart at the end of the study, researchers said. "Flavonoid-rich dark chocolate had acute effects in improving coronary function in healthy adults, as compared to non-flavonoid white chocolate, independent of changes in oxidative stress parameters, blood pressure and lipid profile," researchers said.

Super-antioxidant choc heads to shelves

A new chocolate bar launched this week in the UK contains a person's daily allowance of antioxidants, the manufacturers claim. UK chocolatier Prestat also claim that their new Choxi+ bar contains three times as many antioxidants, the natural compounds that help fight against heart disease and cancer, as any other chocolate bar. "Choxi+ has nothing added to it, it just retains much more of cocoa beans' natural goodness because it is made so gently and without too much heat," the company said.

Although the company does not encourage consumers to forego eating antioxidant rich fruit and vegetables such as spinach, broccoli, raisin and apples, Prestat does state that only two squares provides a day's worth of antioxidants. The bar has certainly caught the attention of the media in the UK, and Channel 4, the Independent, the Sunday Times, the Daily Mail, the Sunday Mirror and the Telegraph have all reviewed Choxi+ over the last few weeks.

Cholesterol lowering chewing gum launched

Finland-base Fennobon says its Xylident gum reduces cholesterol if chewed on a regular basis. The gum contains Reducol, a patented ingredient formulated with sterols and stanols, which can reduce cholesterol levels, by up to 24 per cent, the company claims. "The Xylident chewing gum is a clear example of innovation in a category where new products are hard to develop," the company said. "This represents an important step in a new generation of products supporting cardiovascular health that can be enjoyed by consumers as well as Reducol milk, rye bread, spreads, chocolate, yoghurt, and yoghurt drinks."

The formulation was carried out in association with Forbes Mini-Tech, a life sciences company that carries out research into products beneficial to human health.

Flavonoids linked to better breast cancer survival

beveragedaily.com

By Stephen Daniells

22/11/2007 - An increased dietary intake of flavonoids may enhance breast cancer survival by over 30 per cent, suggests a new epidemiological study from the US. The study of 1,210 women newly diagnosed with breast cancer found that individuals with the highest intake of flavones and isoflavones prior to diagnosis had a 37 and 48 per cent lower risk of all-cause mortality.

Lead author Brian Fink from the University of North Carolina states, however, that the results are limited to postmenopausal women and that larger studies are needed to confirm the findings. The study is published in the journal Cancer Epidemiology, Biomarkers & Prevention.

Flavonoids, a class of antioxidants found in tea, red wine, soybeans, fruit and vegetables, are the focus of increasing study since oxidative stress has been linked to an increased risk of various diseases including cancer, Alzheimer's, and cardiovascular

disease. The new research used a food frequency questionnaire (FFQ) to assess dietary intake of different flavonoids for the women, aged 25 to 98, during the 12 months prior to diagnosis with first primary invasive breast cancer.

The population-based, case-control study by Fink, in collaboration with researchers from six other institutions, reported 173 deaths amongst the study population, including 113 from breast cancer. The researchers report that women who reported the highest average intake of flavones, isoflavones, and anthocyanidins were associated with a 37, 48, and 36 per cent reduced risk of all-cause mortality, with similar results reported for breast cancer mortality. "Mortality may be reduced in association with high levels of dietary flavones and isoflavones among postmenopausal U.S. breast cancer patients," they concluded. The study does have several notable limitations, including the reliance on the FFQ for dietary recall over the course of one year, which is subject to recall error.

In March, Fink also reported that flavonoid- and lignan-rich diet was associated with a significant reduction in the risk of developing breast cancer in postmenopausal women (American Journal of Epidemiology, Vol. 165, pp. 514-523). Interest in flavonoids is growing rapidly and a mounting body of science, including epidemiological, laboratory-based and randomised clinical trials, continues to report the cancer-fighting potential of a number of different flavonoids, such as isoflavones, anthocyanidins and flavonols. According to Business Insights, the market potential for flavonoids in the dietetic and nutritional supplement market is in excess of €670m (\$862m) for 2007, with annual increases of 12 per cent.

Over one million women worldwide are diagnosed with breast cancer every year, with the highest incidences in the US and the Netherlands. The National Cancer Institute estimates that 13 percent of American women will develop breast cancer during their lives.

The researchers were affiliated with the University of North Carolina, University of Toledo, University of South Carolina, Mt. Sinai School of Medicine, Columbia University, Albert Einstein School of Medicine, and the National Cancer Institute.

*Source: Cancer Epidemiology, Biomarkers & Prevention
November 2007, Volume 16, Number 11, Pages 2285-2292*

"Dietary Flavonoid Intake and Breast Cancer Survival among Women on Long Island"

Authors: B.N. Fink, S.E. Steck, M.S. Wolff, J.A. Britton, G.C. Kabat, M.M. Gaudet, P.E. Abrahamson, P. Bell, J.C. Schroeder, S.L. Teitelbaum, A.I. Neugut, and M.D. Gammon

Does Organic Produce Pack More Punch?

Tampa Tribune

Published: November 23, 2007

Although some health experts claim that organic produce is more nutritious than conventional, most scientists aren't sure. One reason: Studies have produced conflicting results, perhaps due to comparisons of produce grown in different locales and varying climates.

However, in a new University of California at Davis study, researchers grew kiwis using both organic and conventional methods on the same farm at the same time. The finding: The organic kiwis contained more disease-fighting antioxidants, vitamin C, potassium and calcium than the conventionally raised fruit.

"Produce grown without pesticides is under more environmental stress, which causes it to produce more antioxidants naturally," said the lead researcher, Adel Kader.

New study says chocolate could help lower blood pressure

Florence Morning News - Nov 22 7:44 PM

Thursday, Nov 22, 2007 - 10:35 PM

By Jamie Durant



Many studies have been released touting the benefits of dark chocolate, but the newest one indicates there are even more benefits in eating dark chocolate on a daily basis. A study conducted recently in Germany said eating a small, almost minute amount of dark chocolate each day has the potential to lower blood pressure. Ellen Babb, a registered dietitian at McLeod Health, said although the news is encouraging, it's far from being concrete proof of a correlation between lower blood pressure and chocolate.

A study conducted recently in Germany said eating a small, almost minute amount of dark chocolate each day has the potential to lower blood pressure. Photo By: PHOTO ILLUSTRATION BY REBECCA J. DUCKER

“What they’ve found is that those ingredients relax the blood vessels,” Babb said. “You have to wonder how much of that is feel good, (and how much of it is actual) heart health. We know that chocolate does have ingredients that make people feel better. It also has some ingredients that seem to work on our brains that relax us.”

Babb said although eating small amounts of dark chocolate might be an enjoyable way to get a daily dose of disease prevention, the same good-for-you ingredients can be found in other food items, as well.

“There have been a lot of studies that show the benefits of eating dark chocolate,” she said. “(It) helps prevent disease. These flavinoids are the same ingredients that are found in things like tea, red wine, onions, apples cranberries, peanuts and actually in a variety of fruits and vegetables.”

Rona Wharton, a registered dietitian at Carolinas Hospital System, said she was surprised to find the amount of chocolate used in the study was only equivalent to eight dark chocolate M&Ms. She said in addition to the amount of chocolate being so small, the change in blood pressure the study recorded was minimal. Wharton said, however, that doesn’t mean eating more chocolate will lower blood pressure even more. “There’s not enough evidence to recommend eating dark chocolate as a treatment for hypertension,” she said. But if somebody wanted to eat eight M&Ms a day, it probably wouldn’t hurt them any.”

She said a better idea for reducing blood pressure would be to lower daily sodium intake and eat plenty of fruits, vegetables and low fat dairy products. Babb said the type of chocolate being eaten also could have an impact on the potential health benefits of dark chocolate. Some dark chocolate has some butter fat added,” she said. “Find one that only has the cocoa and cocoa butter.” She said some people have a tendency to search for smoother dark chocolate, but the bitter taste is where the health benefits originate.

“The way the cocoa is processed can remove a lot of those flavinoids, which are the beneficial chemicals (in chocolate),” she said. “When they reduce the pungent taste of cocoa, they often take out flavinoids, but your flavinoids are the beneficial ingredient.”

Tesco withdraws batches of chocolate and cookies

Food Standards Agency - Thursday 22 November 2007



Tesco has withdrawn certain batches of chocolate and chocolate-coated ginger cookies because of the presence of milk, which is not shown on the products' labels. This makes the affected batches unsafe for people who are allergic or intolerant to milk or milk constituents. The Agency has issued an Allergy Alert. Anyone with an allergy or intolerance to milk is advised not to eat these products.

Product details

Details of the products and affected batches are below:

Product	Batch withdrawn
Tesco Finest Plain Cooking Chocolate, 150g	April 2008 code L07117 & September 2008 code L07250
Tesco Amazonian Plain Chocolate 60%, 100g	31/07/2008 code 07212 & 01/08/2008 code 07213
Tesco Continental Plain Chocolate 74%, 100g	03/2009 code L7257
Tesco Organic Plain Chocolate, 100g	09/2008 code L7064 & 04/2009 code L7288
Tesco Finest Half Coated Ginger Cookies, 200g	18 Mar 08 code 7261B & 19 Mar 08 code 7262N

No other Tesco products are known to be affected.

Tesco has withdrawn all affected stock from sale. In addition, the company has contacted the relevant allergy support organisations, which will inform their at-risk members of the withdrawal.

Allergy Alerts

Sometimes there will be a problem with a food product that means it should not be sold. Then it might be 'withdrawn' (taken off the shelves) or 'recalled' (when customers are asked to return the product). Sometimes foods have to be withdrawn or recalled if there is a risk to consumers because the allergy labelling is missing or incorrect or if there is any other food allergy risk.

In such situations the Agency will issue an Allergy Alert. It is also possible to subscribe to an email alert system to receive automatic messages whenever Allergy Alerts are issued.

Subscribing is a two-stage process. First of all, click on the link below. Click 'Subscribe' and insert your email address before submitting your request. Then we'll send you an email asking you to confirm by clicking on a link. This is to protect you against getting unwanted emails.

If you no longer wish to subscribe to email alerts, simply repeat the process but click on 'Unsubscribe' instead. Again, we'll send you an email asking you to confirm the request. This is to prevent you being unsubscribed by someone else.

You can get details of all the latest allergy alerts as soon as they're issued by getting the details sent as a SMS text message direct to your mobile phone.

To sign up to this free service, simply send the text message 'START ALLERGY' to the number 62372. To unsubscribe, just text 'STOP ALLERGY' to the same number.

Eat Up! That Dark Chocolate May Help You

KTAL Shreveport

Thursday, Nov 22, 2007

Instead of feeling guilty about eating that piece of dark chocolate you've been saving for after your Thanksgiving Day meal, the Los Angeles County Director of Public Health says that you may actually be doing your body a favor.

Dr. Jonathan Fielding says that dark chocolate has high levels of antioxidants, which work to "gobble up free radicals." And that's not all. It may even lower your cholesterol. However, Dr. Fielding says these benefits only applies to dark chocolate -- not the fatty milk or white varieties.

Organic chocolate off market after cancer substance found

Posted : Thu, 22 Nov 2007 14:23:05 GMT

Author : DPA

EARTHtimes.org - Nov 22

Berlin - A German organic-foods company has withdrawn its "fair trade" chocolate from the market after testers found in it high levels of a substance that causes cancer. The Rapunzel company recalled all blocks of Bio Negro bittersweet chocolate after the revelation that they contained benzopyrene, a dangerous substance also found in diesel smoke and burned toast.

Heike Kirsten of Rapunzel said chemists had been engaged to analyse it and detect the source.

Fair trade products are supposed to cut out the middleman, while ensuring that Third World peasants benefit from a higher price. Bio Negro was also advertised as free of pesticides.

German consumer testing agency Stiftung Warentest detected the contamination in a product test of several bittersweet chocolate brands. Other chocolates passed the test as safe, though they contained small amounts of cadmium.

Production & Quality

Morobe, NDB to set up cocoa export firm

The National, Papua New Guinea

By JASON SOM KAUT

Nov 18, 2007

THE Morobe provincial government and the National Development Bank (NDB) will set up a cocoa export company with local farmers as the main participants. Under the set up, cocoa producers would be exporting their produce through the company. Richard Maru, NDB managing director, handed over the land title of the old Kesu plantation to the provincial government last week for parcelling out to qualified cocoa growers who will be provided with small loan capital by the bank.

Beneficiaries of the cocoa plots which are located at a plantation at Situm just outside of Lae will be given individual land titles. "The NDB is the little people's bank and we are pleased to hand the title over to the Morobe government ... we look forward to phase one of the project," Mr Maru said. "We are looking at setting up a Morobe cocoa export company ... it is high time," Mr Maru revealed, saying the people of East Sepik had already established four cocoa export companies owned by the people while Morobe is now ready to follow suit. "We congratulate the Morobe government for the foresight in acquiring

the land and its commitment to support the (cocoa) farmers,” he said. Mr Maru called on the stakeholders to come up with a model which the bank could support.

Mr Zurenuoc said: “It is the Morobe government’s priority to develop the rural economy and help the people become self-reliant to wean them away from National Government’s assistance. “We are excited over the prospect of setting up a Morobe export company and are working towards that ... the purchase (of the property) was a stepping stone to achieve this,” he said.

The provincial government had acquired the title after completing the K400,000 payment for the property.

Mr Maru also revealed that the provincial government had now a whole new micro-finance division that could issue more than K1 million in loans for cocoa growers. The bank also plans to promote co-operative societies next year by organising a workshop for stakeholders.

Fortis Ups 06-07 Global Cocoa Deficit, Trims 07-08 Surplus (DJ)

Source: Dow Jones Newswires

19/11/2007

London, Nov. 19 - Fortis Bank Monday again raised its deficit estimate for the 2006-07 global cocoa crop year and trimmed its forecast for the 2007-08 global cocoa surplus. Fortis estimated a 2006-07 global cocoa deficit of 301,000 metric tons, which is 13,000 tons above the October forecast. Meanwhile, for the 2007-08 crop year Fortis forecast a surplus of 74,000 tons, down 18,000 tons from the October monthly report.

Ivorian Cocoa Farmer Group Suspends Strike Threat

Source: Reuters

21/11/2007

Abidjan, Nov. 20 - Ivory Coast's main farmers' association said on Tuesday it was suspending a threatened strike until the end of November to work out a deal with government technicians to finance farmer cooperatives. "(The agriculture minister) asked us to work with his staff to find a solution to our demands by the end of the month ... We've decided to wait until the end of the month to allow time to resolve the problems to decide (whether to strike)," said Benoit Behi, Anaproci deputy chairman.

Anaproci wants grants and loans to enable cooperatives to buy more beans at this peak stage of the October-March main crop season in the world's top grower, when cash flow is tight. It had originally threatened to block cocoa exports from the West African country if the government did not unlock funding for the farmers' cooperatives by today. Behi said Anaproci demanded some of the subsidies paid on each kg of cocoa be raised, including amounts paid for the supply of cocoa sacks and for research into plants and diseases. He said it also wanted farmers, not the government, to manage cash raised by a rural development fund initiated last year and also paid for through levies on cocoa.

The farmers' association regularly threatens to block exports to press its grievances, but the strikes have often failed to materialise in the world's biggest cocoa producer and exporter. The cocoa sector is the backbone of resource-rich Ivory Coast's economy and groups within Anaproci are currently engaged in a power struggle for control of the various farmer-controlled structures which manage it.

Drastic plunge in Morobe cocoa output - business

The National, Papua New Guinea

By JASON SOM KAUT

21/11/2007

MORE than two million cocoa trees have been planted in Morobe during the past 10 years but production is three times less than the expected output of 2,000 tonnes. The production potential of hybrid cocoa trees is two tonnes per hectare but improper block management, use of wrong planting material and lack of extension services has stagnated cocoa growth. These figures are from the Cocoa and Coconut Institute (CCI), excluding cocoa farmers who obtained their planting materials from other sources.

Momase regional manager Peter Homu made these revelations following the announcement by the Morobe provincial administration and the National Development Bank (NDB) to establish a cocoa export company to be owned by the people. “Total provincial production is a low 1.8 metric tonnes. Total trees planted during the past 10 years should give us some 3,000 tonnes of dry bean cocoa annually,” Mr Homu said. “Setting up a cocoa export company is the way forward but we need to increase production to 2,000 tonnes-plus as a safe point to meet export demands. “Quality also needs to be maintained to keep the market open.”

Morobe smallholder production is currently only 0.3 metric tonnes, the Markham Farms produces some 900 tonnes yearly with the balance from other cocoa farmers who obtains planting materials elsewhere. “Half of the cocoa planted in the last 10 years

is wasted because of market accessibility problems and lack of sufficient extension services," Mr Homu said. "It also boils down to farmers not knowing how to properly manage their blocks," he said, adding that many farmers do not have access to get proper planting materials. "If CCI is given more support, it can focus on increasing farmers' capacity in knowing the cropping cycle and putting the right input at the right time and increase the 0.3 tonnes to 0.5 tonnes," Mr Homu said.

Agmark, one of existing cocoa exporters, currently buys a cocoa bag at about K240 each seeing farmers reaping only half of their labour's worth. Directly exporting will see them earn three times more at current world market rates.

Indonesian Cocoa Supply Likely Tight Until Mid 2008 - Fortis (DJ) - business

Source: Dow Jones Newswires

22/11/2007

Singapore, Nov. 22 - Indonesian cocoa supply is expected to remain tight until mid-2008 on poor weather conditions during critical phases of the main crop's development, according to a November report by investment bank Fortis. However, excessive rainfall may have improved soil conditions for the mid-cocoa crop later in the year for an overall output of 585,000 metric tons this crop year Oct. 1 to Sept. 30, said Fortis. Indonesia's main cocoa crop usually runs from April to July, while the mid crop runs from October to December. The main crop was delayed by nearly two months this year due to erratic weather conditions.

Fortis estimates Indonesian cocoa output for the 2006-07 crop year fell nearly 17% to 480,000 tons from the previous crop year. "(This was) a consequence of El Nino-induced drought during the development phase of the crop succeeded by very high rainfall during harvesting," said the report. As a result of the lower production, exports during May and June for the 2006-07 crop season are estimated to have fallen 37% compared to the same period for the previous crop year. "Indonesian cocoa bean supply for processing factories in Malaysia has been very poor this season and this tightness of Indonesian supply is not likely to be relieved until the middle of 2008," said Fortis.

Indonesia is the world's third-largest cocoa producer after the Ivory Coast and Ghana, and exports around 70% of its total output. It was also noted that crop development in Sulawesi, which accounts for 75% of Indonesia's cocoa output, has been relatively slow. However, Fortis is optimistic that Indonesia's cocoa crop will rise in the medium term as higher prices have encouraged more cocoa plantings, and normal rainfall patterns are expected to resume. The Indonesian government embarked on cocoa cultivation plans this year to boost the country's output to 2 million tons by 2020.

NI's first cocoa export

The National - Nov 22

By ELIZABETH VUVU

NEW Ireland will witness its first ever cocoa export shipment out of Kavieng later this month. Local agro-business company Tutuman Integrated Products Ltd will make the province's debut cocoa export. Tutuman managing director Pedi Anis confirmed the company's cocoa buying for export.

The company, which had begun buying dried cocoa beans at its depot at the Kopkop agriculture station just outside of Kavieng, obtained its export licence recently. Tutuman now becomes the second buyer of dried cocoa beans after Rabaul-based Agmark Pacific Ltd. Agmark buys cocoa from New Ireland but exports it out of Rabaul.

He said Tutuman's other major aim in the export business was to ensure local level governments and the New Ireland provincial government benefit through derivation grants, as stipulated under the Organic Law.

Mr Anis said New Ireland had lost out on derivation grants as its cocoa produce was being exported from other provinces.

He said Tutuman's move would ensure the province enjoy the full benefits of derivation grants that could go to community projects. Mr Anis said they would also ensure that cocoa prices are competitive.

INDONESIAN COCOA PRODUCER DAVOMAS TO LIFT SALES IN 2008, 2009

JAKARTA, Nov 21 Asia Pulse - Indonesia's largest producer of cocoa, PT Davomas Abadi (JSX:DAVO), is set to increase sales to Rp3.76 trillion (US\$417.6 million) in 2008 from this year's target of Rp2.5 trillion. The sales target of the publicly listed company is set higher at Rp4.03 trillion in 2009, corporate secretary Abadi Rully Junaidi said. Juaniadi said in the first nine months of this year the company already reported sales valued at Rp2.01 trillion. Sales are expected to increase after the operation of a new processing machine with a production capacity of 50,000 tons of cacao products a year, he said. (ANTARA)

Ghana cocoa belt rainfall remains low Nov 11-20

ACCRA, Nov 23 (Reuters) - Average rainfall was low across Ghana's major cocoa producing regions in the first 20 days of November, except in the Ashanti which inched up, data from the Ghana Meteorological Agency showed on Friday.

Ivory Coast cocoa arrivals 352,663 T by Nov 18

ABIDJAN, Nov 23 (Reuters) - Cocoa arrivals at Ivory Coast's ports reached 352,663 tonnes between Oct. 1 and Nov. 18, according to data from exporters obtained by Reuters on Friday. That compared with 223,027 tonnes delivered during the same period of the 2006/07 season, the data showed. The figures showed 60,716 tonnes arrived at Abidjan and San Pedro ports from November 12-18, up from 55,825 tonnes in the same period of the 2006/07 season.

Cameroon Aug-Oct cocoa exports down at 31,571T-CCIB

DOUALA, Cameroon, Nov 21 (Reuters) - Cameroon's cocoa bean exports totalled 31,571 tonnes from Aug. 1 to Oct. 31, data from the Cocoa and Coffee Interprofessional Board (CCIB) showed on Wednesday. That compared with 52,358 tonnes exported in the same period a year ago.

RPT-Nigerian Oct cocoa arrivals climb 44 pct yr-on-yr

LAGOS, Nov 23 (Reuters) - Cocoa arrivals in the port city of Lagos, Nigeria's main export route, climbed 44 percent to 13,700 tonnes in October compared to the same month of last year, an average of estimates by exporters showed on Friday. The surge in beans supply is a sign that Nigeria's 2007/08 main crop, which started strongly last month, will be good after a lower-than-usual output last season, traders said.

Markets

DJ ICE Cocoa Review: Down Slightly; Subdued Pre-Holiday Trade

23 Nov.

NEW YORK (Dow Jones)--ICE pit-traded cocoa settled modestly lower after a slow, range-bound session due to the upcoming holiday, market participants said. December cocoa futures settled \$21 lower at \$1,916 a metric ton, and March ended down \$15 at \$1,951 a ton.

Front-month contracts traded in extremely tight range and volume was low, as many traders had begun their Thanksgiving holiday early, said Louis Fabiano, president of Fabiano Trading in New York. The December contract, now in delivery, was not traded on the floor until late in the session. The ICE cocoa market will be closed Thursday and Friday in observance of Thanksgiving.

In other cocoa news, Ivory Coast's main cocoa farmers' union, Anoproci, has extended by one week its ultimatum issued last week to the government to finance farmers' cooperatives or face a cocoa trade blockade from Nov. 21, an Anoproci official said Wednesday.

Arrivals of cocoa beans from Ivory Coast farms at the ports in Oct. 1-Nov. 18, the first seven weeks of the 2007-08 season, were around 325,000 metric tons, almost 63% up on the 200,000 tons delivered in the first seven weeks of last season, according to industry estimates obtained by Dow Jones Newswires. Arrivals in the seven days to Nov. 18 were around 55,000 tons, of which 34,000 went to the main port of Abidjan and 21,000 to the southwestern port of San Pedro.

Trucks loaded with cocoa were queuing at exporters' warehouses at the southwestern port of San Pedro in Ivory Coast on Wednesday showing that harvesting of the October-April crop is in full swing but exporters said the poor quality of many beans remained a problem.

Total volume of cocoa arrivals coming in from Bahia and other Brazilian states dropped to 49,698 60-kilogram bags in the week ended Nov. 18, compared to 64,146 bags in the week ended Nov. 11, the Commercial Association of Bahia said Wednesday.

No December ICE cocoa notices were posted, leaving the cumulative total at 1,093 notices.

Liffe cocoa settled slightly lower, with Dec down GBP6 to GBP930 a metric ton and March ended GBP7 lower at 960. Volume was estimated at 5,474 contracts on the screen and 379 on the floor, ICE reported.

In options, approximately 66 calls and 15 puts traded, according to ICE data.

Open interest increased by 2,725 positions Tuesday to total 139,857 as traders sold 32 December and bought 1,605 March.

ICE	Change	Range
Dec	\$1,916 -21	\$1,916-\$1,935
Mar	\$1,951 -15	\$1,948-\$1,961

DJ MARKET TALK: ICE Cocoa Dips Slightly In Barely There Trade

22 Nov

1023 EST [Dow Jones] - ICE pit-traded cocoa is trading slightly lower and very lightly in range in the last session before the Thanksgiving holiday, a floor broker says. The March contract is lower, stuck in a 9-point range between \$1,952 and \$1,961 a metric ton, says Louis Fabiano, president of Fabiano Trading in New York. In options, approximately 64 calls and 10 puts have traded. Volume is estimated at 2,843 lots on the screen and 57 on the floor. Online, the Dec contract is \$9 lower at \$1,928 a ton, and on the floor, March is \$6 lower at \$1,960. Liffe cocoa is slightly higher with Dec up GBP2 to GBP938 and March is up GBP2 to GBP969. Warehouse stocks were up 41,063 bags of 145 pounds to total 3.049 million bags. (HEH)

Chocolate may be dearer soon

rediff.com - Nov 22

Ruchita Saxena in Mumbai

Chocolate-lovers may soon find their chocolate dearer if the problems plaguing the industry continue. Raw material costs have risen by more than 20 per cent in the last 10 months. Although retail prices have not increased, a rise in input costs will force the manufacturers to consider a price hike.

"The prices of cocoa and milk, the chief ingredients used in chocolates, have gone up by 50 per cent, while the price of sugar, another important raw material, has come down. The overall input costs have gone up by 20 per cent. If the prices of these commodities keep increasing, we may eventually have to go in for a price hike," said R S Sodhi, general manager - marketing, Gujarat Cooperative Milk Marketing Federation (GCMMF), which manufactures the Amul brand of chocolates.

The impact of the rise in costs has been severe on smaller players such as Amul. Bigger players such as Cadbury, which leads the Rs 2,500 crore chocolate market in India with a share of 72 per cent, will find it easier to absorb the surge in input costs as it has products at various price points in the market, said industry experts. Cadbury may also opt for a price hike, albeit marginal, if the current trend continues.

When contacted, a Cadbury spokesperson declined to divulge details on the company's input costs. Asked if the company would go in for a price hike, he said, "We do not have plans to increase prices now." Another player in the market, Nestle, which markets chocolates such as the wafer-based Kit-Kat, was unavailable for comment.

The chocolate market in India has only three big players, Cadbury, Nestle and Amul. However, US-based chocolate-maker Hersheys is mulling a foray into the Indian chocolate market through its joint venture with Godrej [Get Quote].

The per capita consumption of chocolate in India is 300 gram compared with 1.9 kilograms in developed markets such as the United Kingdom. Over 70 per cent of the consumption takes place in the urban markets.

The international chocolate makers are also expected to hike their prices. According to reports in the international media, the Switzerland-based Barry Callebaut, which is a \$3.7 billion giant in the chocolate industry, may be forced to go in for a price hike as input costs nearly doubled this year.

India imports most of its cocoa requirements. The prices of cocoa have risen globally due to unavailability of the commodity.

Margins in the chocolate industry range between 10 and 20 per cent, depending on the price point at which the product is placed. The input costs in India are under check owing to the 24 per cent decline in the prices of sugar this year. On the other hand, the milk prices have risen three times across the country. Dairy companies in India have increased the milk prices in tandem with the zooming rates of milk in the international market.

ICE Cocoa Review: Weaker Dollar Pushes Market Higher

INO News - Nov 20 10:43 AM

NEW YORK (Dow Jones)--ICE Futures U.S. pit-traded cocoa closed higher Tuesday after dollar weakness lent support to propel the market out of a consolidation mode, market participants said. December futures settled \$52 higher at \$1,937 a metric ton, and the most-active March contract ended up \$46 at \$1,966.

The weaker dollar acted as a catalyst for cocoa to break out of consolidation, bumping prices up and sustaining gains throughout the trading day, said James Cordier, president of Liberty Trading Group in Tampa, Fla. "With this type of momentum, we could see \$2,000 prices in near sessions," Cordier said.

Manufacturers have been buying the market for the last few sessions, he said. From the onset of the session, the weaker dollar against the pound and the euro supported prices in a historically slow trading week, said Mike Otto, broker for Otto Trading in New York. The market will be closed Thursday and Friday in observance of Thanksgiving Day.

In other cocoa news, Anaproci, the Ivory Coast's cocoa farmers' trade union, is meeting government officials Tuesday to resolve a dispute over funding for farmers. The union is threatening to strike later this week if the issue isn't dealt with to their satisfaction. However, brokers said that with such large cocoa arrivals in recent weeks, any strike action and blocking of ports is likely to have a minimal impact other than a short-lived tightening effect on the market.

Cameroon registered 3,825 metric tons of cocoa powder between August and September, down from 5,149 tons in the same period a year earlier, data released Tuesday by the Cocoa and Coffee Inter-professional Board, or CCIB, showed. Additionally, the country's farmgate cocoa prices have fallen in the past week due to ample supply, farmers and traders told Dow Jones Newswires Tuesday. Cameroon's cocoa season runs from August to July.

Liffe cocoa futures ended higher, as well, with the December contract settling up GBP15 at GBP936 and March ended GBP14 higher at GBP967.

Open interest decreased by 3,012 positions to total 219,594 Monday, as traders sold 7,923 December and bought 2,859 March and 1,664 May.

Volume was estimated at 10,801 on the screen and 683 on the floor.

In options, approximately 396 calls and 468 puts traded.

Open interest increased by 720 positions to total 137,132 Monday as traders sold 14 December and 19 May and bought 552 March and 124 July.

ICE	Change	Range
Dec	\$1,937 +52	\$1,920-\$1,937
Mar	\$1,966 +46	\$1,937-\$1,975

Ivory Coast cocoa prices mixed, supply seen rising

ABIDJAN, Nov 20 (Reuters) - Farm gate prices for cocoa in Ivory Coast's main growing regions were mixed from November 12-18, data from the Coffee and Cocoa Bourse showed on Tuesday, as more sale-ready beans became available in the bush.

In the eastern region of Aboisso, the average price rose 10 CFA francs to 435 CFA (\$0.96) in the spell and farmers said prices were supported by the good quality of well-dried beans on offer and strong competition between buyers.

"A lot of farmers sold above 450 CFA per kg because beans were well dried and of good quality. We heard that prices were up at the ports which enabled buyers to pay more," said farmer Etienne Yao.

"There's a lot of cocoa coming this year compared to last and there are a lot of buyers looking for plenty more beans."

Prices have been strong so far this season, around 100 CFA francs or roughly a third higher than they were this time a year ago. In some places, rates have exceeded the 450 CFA francs per kg minimum the BCC marketing body suggests buyers pay for beans.

Prices fell 20 CFA francs in the southern town of Divo, but remained above the BCC guideline price at 455 CFA per kg. Producers said the abundance of cocoa available there had weighed on prices.

"Supply is very strong at the moment and farmers don't have the means to stock their beans for long. Some are obliged to sell their cocoa quickly to avoid it going bad," said farmer Amadou Diallo, who said he was pleased with the rates on offer.

"All the lorries leaving town at the moment for Abidjan are piled high with cocoa," 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.

	Nov 12-18	Nov 5-11		Nov 12-18	Nov 5-11
Abengourou	460	n/a	Aboisso	435	425
Adzope	n/a	450	Agboville	n/a	450
Bongouanou	445	440	Daloa	n/a	n/a
Divo	455	475	Gagnoa	450	455
San Pedro	435	n/a	Sassandra	n/a	n/a
Sinfra	465	n/a	Soubre	440	440

Abidjan (port)	495	n/a	San Pedro (port)	470	485

Processing and Manufacturing

Cargill steps up Brazilian chocolate production

ConfectioneryNews.com, France

By Charlotte Eyre

21/11/2007 - US ingredients company Cargill today said it will increase cocoa product operations at the Sao Paulo plant in Brazil, as rising incomes in the country push up local demand for chocolate. As well as cocoa, Cargill will now also produce compound and industrial chocolate for the Latin American food industry, the company said. "Forecasts point to considerable growth in compound chocolate sales because of rising purchasing power of lower-income Brazilians," added Gerson Crisci, Cargill's chocolate and compound manager.

The company invested \$5m in the plant, which, it claims, now has a capacity of 10,000 tonnes per year. As well as cocoa liquor, powder, and butter, the company said it will also make industrial chocolate, sold in buckets, 25 kg bags, 2 kg bags and drops, to for confectioners in Latin America. Ingredients needed to manufacture the chocolate that are not made in the Sao Paulo plant - vegetable fats, flavourings and sugars - will come from other Cargill factories, the company said.

Latin American chocolate markets are some of the most dynamic globally, and figures from the International Cocoa Organisation (ICCO) show that Brazil is the eighth largest cocoa consumer in the world, after the US, Germany, the UK, France, Italy, Japan and Russia. Domestic consumption rose to 312 tonnes in 2003, a 4.6 per cent increase from 298 tonnes in 2002, the ICCO said. Ingredients company Cargill claims to be Latin America's largest cocoa provider, with factories in 18 Brazilian states. Operations in the country also export cocoa products to Europe, Japan and the US.

Cargill Joins the Compound and Industrial Chocolate Market - business

Food Ingredients First (press release), Netherlands

21/11/2007 --- In Brazil, Cargill has been active in the cocoa industry for 25 years, supplying its customers with cocoa products such as liquor, powder, and butter. Now the company will use all these to produce compounds and industrial chocolates.

Cargill, Latin America's largest cocoa processor, has advanced further in the supply chain and started producing compound and other types of chocolate for the food industry. The company's Porto Ferreira plant, in the state of São Paulo, started production in November to supply the domestic market. Cargill has ample cocoa expertise because it has been active in this industry in Europe and the United States for more than 100 years. According to Saskia Korink, who heads the Cocoa and Chocolate Business Unit, "this lets the company provide high-quality, valued-added products in Brazil." In addition, "Cargill is synonymous with quality and commitment; based on this investment the company will expand the possibilities of offering innovative solutions to its customers," adds she.

The new plant represents an investment of US\$5 million and its installed capacity totals 10,000 metric tons/year. It is also ready for future upgrades and expansions. From approval to conclusion of the works for startup, the facilities demanded 11 months of work and 50,000 accident-free man-hours.

In Brazil, Cargill has been active in the cocoa industry for 25 years, supplying its customers with cocoa products such as liquor, powder, and butter. Now the company will use all these to produce compounds and industrial chocolates. This production will also use raw materials from other areas of the company: Vegetable fats from the Cargill Foods Business Units, flavorings from Flavor Systems, and sugar – in addition to the industrial facilities – from the Starches and Sweeteners Business Unit.

Cargill will supply its industrial customers with bulk and compound chocolate in buckets, kibbles, 25-kg bags, 2-kg bars, and, in a nearby future, drops. According to the Brazilian Association of Chocolate, Cocoa, Peanut, Candies, and Related Products Manufacturers (Abicab), in 2006 the Brazilian chocolate market increased 12 percent. According to Gerson Crisci, Cargill's chocolate and compound manager, "forecasts point to considerable growth in compound chocolate sales because of rising purchasing power of lower-income Brazilians."

Cargill's compound and chocolate manufacturing plant in Porto Ferreira is part of the company's Starches and Sweeteners Business Unit's facilities. This location was of strategic importance because it is close to major customers and in sugar-producing region. In addition to the Porto Ferreira's plant quality control laboratory, customers also count on Cargill's Integrated Application Center in Mairinque, also in the state of São Paulo. This technology center designs distinct solutions for the company's customers using ingredients produced by the several Business Units comprising the Food Ingredients and Systems platform.

Currently Cargill is Latin America's largest cocoa processor. The company's high-quality products not only lead domestic sales but are also exported to the world's most demanding markets, such as Europe, Japan, and the United States. The product portfolio includes a special line of cocoa powders (Spetrum Line), different types of liquor, and cocoa butter. The company runs a state-of-the-art cocoa processing plant in the city of Ilhéus, state of Bahia, and four originating offices located close to cocoa producers. Cargill has been in Bahia for 25 years and today it is acknowledged as an innovative and committed company always working in partnership with farmers.

Business & Economy

Fuji oil to expand overseas output of fats used in chocolate

Trading Markets (press release), CA

November 20, 2007

TOKYO -- Fuji Oil Co. (TSE:2607) plans to double overseas production of cocoa butter equivalents in response to growing chocolate consumption in China and other emerging nations. The Japanese company will invest about 5 billion yen (US\$45 million) to build a new plant at subsidiary Fuji Oil (Singapore) Pte. Ltd. Ground will be broken in January, with completion slated for November. The new plant is scheduled to begin operating in January 2009 and will have annual production capacity of 20,000 tons.

Fuji Oil already produces about 10,000 tons of the cocoa butter equivalents domestically and some 20,000 tons overseas. The company has a roughly 30 per cent share of the world cocoa-butter-equivalent market and hopes to become more competitive internationally by undertaking capital spending in anticipation of future demand growth. The equivalents are fats derived from palm and other oils that are used as substitutes for cocoa butter in making chocolate. Use of them has spread because they are inexpensive and have stable quality.

Nigerian Cocoa Grinder Seeks to Raise \$15.6 Million-process

Source: Reuters

23/11/2007

Lagos, Nov. 22 - A Nigerian private cocoa grinder plans to raise 1.86 billion naira (\$15.6 million) through a private placement of shares to reduce its debts and expand operations, offer documents obtained on Thursday showed.

FTN Cocoa Processors Ltd's 12,000 tonnes-per-year plant in the southwestern city of Ibadan, which was completed in June, processes cocoa into butter, cake, powder and liquor, as well as palm kernel oil into products for local and foreign clients. "The purpose of the private placement is to enable (FTN) to reduce gearing and associated finance charges and inject more equity into the company," board chairman Abiola Aderonmu said. FTN has offered 980 million shares at 1.90 naira each in the operation which will close on Nov. 28, the documents said.

Nigeria's installed grinding capacity stands at about 100,000 tonnes a year. Around 40 percent of this is working, processing roughly 25 of national cocoa output. The government has banned imported cocoa products to try to spur local processing. Grinding capacity has increased in the last three years and is seen expanding further next year when a number of new processors are due to start up. Some moribund plants are also being revived.

Debt repayment will gulp about 40 percent of the proceeds of FTN's placement, while about 16 percent will go into fixed assets and 44 percent will serve as working capital. The company plans to list on the Nigerian Stock Exchange in the first

quarter of 2008. FTN had also secured a 450 million naira loan from Nigeria's Ecobank Plc earlier in November to grow its operations, the bank said in a statement obtained on Thursday.

Nigeria is the world's number five cocoa producer with an annual output of over 450,000 tonnes, according to government estimates. Growers and exporters give lower production figures.

Food laws could unlock Asian market

ap-foodtechnology.com/

By Alex McNally

21/11/2007 - European countries are showing a strong interest in the Asian health and nutrition market, which could be bolstered by the area's proposed harmonisation laws. According to the consultancy firm European Advisory Service (EAS), a proposal to unify food rules across ten Asian countries would make it easier for European firms to market their goods to the areas massive population.

The Asian branch of EAS is aiming to update industry on the current regulatory challenges facing Asian countries in a workshop scheduled for the New Year, where it will be talking about the future of the market and how it will be affected by legislation.

Currently one of the big developments in the region is a proposal by the Association of South East Asian Nations (Asean) to unify food laws - similar to the harmonisation rules underway by the European Union.

The Asean area could become increasingly significant to Europe as harmonisation would make it easier for Asian companies to target Europe and vice versa. This would allow easy access for European firms to market products to some of the 500 m residents in the Asean area.

EAS director Simon Pettman said in a recent podcast: "It is a particularly exciting region at present. Not only do we have some of the fastest growing markets for functional foods, for food supplements and for many other products of any markets in the world , in addition we have a drive for harmonisation of regulation which is creating new conditions for companies and many new opportunities."

He added that interest from European countries to launch in Asia is "considerable". Pettman said: "With growth rates in excess of 15 per cent in many product categories and 500 m people this huge interest both from European, American and Japanese companies. But we would also like to help many Asian countries, Singaporean, South East Asian countries to overcome the regulatory barrier to enter into Europe."

The situation in the Asean area is complicated, he said, with regulation differing vastly from country to country. While EAS has predicted significant opportunities will be created, it also said the region faces equal diversities and similar complexities as those currently being tackled in the EU harmonisation process.

The Asean supplements industry is currently estimated to be worth around US\$1.5bn (c €1.17bn), and is growing at a rate of around 10 per cent per year. Part of the reason for this growth is the rise of disposable incomes, enabling more consumers to purchase products beyond their basic food needs.

The EAS meeting will be held in January in Singapore.

Asean was formed in 1967, and in 1997 it adopted its Vision 2020 programme aimed at creating closer economic integrations and, ultimately, leading to an ASEAN economic community.

Health care was established as one of 11 priority areas of harmonisation, and the Traditional Medicines and Health Supplements working group was created to force regulation in this market that would over-ride pre-existing national regulations.

The ten countries that make up Asean are: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Chocolatiers face further cocoa market confusion

cee-foodindustry.com/

By Neil Merrett

23/11/2007 - A strong increase in cocoa supply from the Ivory Coast has failed to put an end to market uncertainty over the price of the commodity, says the International Cocoa Organization (ICCO). In the organization's full monthly report for October, the daily price of Cocoa was down \$23 (€15) from the previous month to \$1,915 (€1,293) per tonne, though a drive for top-quality beans resulted in a late rally in prices.

The findings will come as another sign of the volatility in the market for confectioners and other food manufacturers over growing concern about long-term stability in the cocoa supply chain. Leading confectionery manufacturers have already begun amending their operations due to this market uncertainty.

After Cocoa prices on both the London and New York futures markets shot up during September, an influx of the bean from the Côte d'Ivoire did result in the price reductions during the first 10 days of the month, the ICCO said.

ICCO daily prices continued to yoyo during October though with prices peaking at \$2,025 (€1,367) per tone and falling to \$1,868 (€1,261) at their lowest point over the period, the organisation said. A late rally in futures prices occurred on the back of higher physical prices in the Ivory Coast for higher quality beans and fears that Indonesia's mid crop could be delayed until December due to unfavorable weather conditions, added the ICCO.

While the organization added that the future prices were moving in no particular direction, the market continues to create difficulties for chocolate manufacturers.

In September, Barry Callebaut chief executive Patrick De Maeseire suggested to the Reuters news agency that companies may be encouraged to outsource their chocolate in light of rising prices for raw materials like cocoa and sugar. Nestle, Hershey and Cadbury have all recently made outsourcing deals for liquid chocolate with the company this year.

This pricing climate has been compounded by increased demand for more premium brands of chocolate containing high concentrations of cocoa beans in markets like the US.

According to a report on the market by Packaged Facts, overall US chocolate sales are forecast to reach \$18bn (€13.2bn) by 2011, up from \$16bn (€11.7bn) in 2006, driven in part by premium chocolate. Premium chocolate will account for 25 per cent of the market, mainly due to the reported health benefits of dark chocolate, according to Packaged Facts.

Nigeria: Osunkeye Commends Ecobank On N450m Cocoa Project

AllAfrica.com

Leadership (Abuja)

20 November 2007

Amaka Ifeakandu

The chairman, Nestle Nigeria Plc, Chief Olusegun Osunkeye, has described Ecobank's N450 million project finance of FTN Cocoa Processors Limited ultra modern factory in Ibadan , as a massive support towards industrial development of the country

Speaking during the commissioning of the FTN Cocoa Processors Limited Factory at the weekend Osunkeye said finance and the high cost of doing business has remained the greatest challenge of manufacturers in the country.

He commended the bank for taking the initiative to support the cocoa processing business, maintaining that the growth of the manufacturing sector of the Nigerian economy can only be sustained by such support.

Osunkeye expressed the need for banks in the country to focus on real sector development by extending finance facilities to them, being their own way in helping to grow the economy, even as government focuses on correcting infrastructural decay and the issue of multiple taxes that has worsen the high cost of doing business in the country. FTN Cocoa Processing Factory is located in Ibadan , Oyo State Nigeria on a land size of about 12,000 sq meters fully built with infrastructure expected in modern day factory. The company undertakes cocoa processing activities to meet the needs of industrial users locally and internationally. Their business area covers cocoa processing into cocoa butter, cocoa cake, cocoa powder and cocoa liquor.

Ecobank Nigeria, which has in the last few years been in the forefront of unique product innovation in the Nigerian financial market, is part of the Ecobank Group established in 1985 as a regional financial institution by the West African business

community with the support of ECOWAS to promote regional financial co-operation in West Africa. The bank recently financed the purchase of 200 units of 18-sitter buses presented to members of the National Union of Road Transport Workers being part of its determination to better the lot of the ordinary citizen.

The transaction also covers the acquisition of 100 units of Mega Buses for Lagos Intra City BRT bus operations at over N1.2 billion being part of its Lagos city bus initiative.

Nigerian cocoa risks ICCO ban over old sacks

Reuters

LAGOS (November 22 2007): Nigeria risks being blacklisted by the International cocoa Organisation if traders continue to export beans in old jute sacks, a top official of the cocoa Association of Nigeria (CAN) said on Tuesday.

Paul Ojong, secretary general of CAN - a grouping of cocoa farmers, buyers, exporters and grinders - said traders were using old sacks because the cost of new ones doubled after a government change of policy on import duty waivers.

The finance ministry in September said no new waivers would be granted while existing ones would be reviewed in an effort to stop corrupt deals between importers and the authorities and to avoid revenue loss for government.

The price of a bale of hydrocarbon-free jute bags - the material recommended by the global cocoa market regulator for making the sacks - has climbed to 60,000 naira (\$503) from 30,000 naira previously, Ojong said in an interview. "The sharp increase has forced many people to use old and sub-standard bags for exports which is against international regulations," Ojong said.

"The ICCO does not allow this, Western countries which are the real consumers of cocoa, do not also accept it, so Nigerian cocoa may soon be banned unless the government restores the waiver," Ojong said.

One bale of hydrocarbon-free jute-bag makes 300 sacks that take 65 kg of beans each. The ICCO had previously threatened to blacklist beans and other cocoa-based products from Nigeria over the use of copper sulphate to preserve beans. Ojong said the use of the banned chemical has declined since the government stopped subsidising its importation.

"Farmers can't afford it because it is too expensive, so people who were importing it have stopped because they can't sell it," Ojong said. The world's number five cocoa producer has seen a sharp rise in output since 2005 when it launched an ambitious development programme to lift production by supplying improved seedlings free to farmers and subsidising agro-chemicals.

The programme also aimed at encouraging domestic consumption of cocoa-based products to help depress global supply with the hope of raising international prices. Nigeria's cocoa output grew at an average of 18 percent to 400,000 tonnes in 2006 and officials say it is expected to reach the half-a-million mark next year. But CAN has estimated the 2007/08 crop lower at 300,000 tonnes compared to a little over 200,000 tonnes last season.

While production is rising, local consumption remains low. "The future of cocoa is very bleak because we consume only about one percent of what we produce. Everybody is lamenting about cocoa because of the price problem," Ojong said.

Labour Issues

Arizonans are sweetening the bitter cost of chocolate

Arizona Republic, AZ

Julie H. Sullivan

Nov. 18, 2007

Many of us, not least my family and myself, have never met a chocolate that we didn't like. But not many of us know that, that sweet confection is a \$4 billion industry and, of the 3 million metric tons of cocoa produced annually, 25 percent is consumed right here in the United States.

Cocoa beans, which are used to produce chocolate, are grown principally in West Africa, including Ghana and Côte d'Ivoire, which together account for almost 60 percent of world production. In West Africa alone, more than 10 million people live on family cocoa farms, dependent on the crop for their main source of income. But the quantities produced on each farm are often low, making it difficult for families to meet their needs and support their children - many of whom have to also work on the farms.

This has led to cocoa companies in the United States and abroad being accused of taking advantage of such families and employing business practices that contribute to child labor and conflict in the cocoa-producing areas.

What has that got to do with Arizona? The state is not the first place that comes to mind when you think of cocoa. The answer lies in the non-governmental organization founded by my father, the late Rev. Leon Howard Sullivan, who authored the Sullivan Principles that helped to bring down apartheid in South Africa. This organization, the International Foundation for Education and Self-Help (IFESH), is dedicated to working in sub-Saharan Africa and is headquartered right here in Scottsdale.

IFESH, which I have had the privilege of leading for the past two years, has as its mission to support African nations in their efforts to eradicate poverty, disease and injustice through self-help partnership programs. Since its foundation, the organization has worked in more than 30 countries on that great continent. To achieve its mission, IFESH works with governments, donors, volunteers, companies and other organizations that want to help Africa help itself.

One such organization with whom we work is the World Cocoa Foundation, whose membership includes over 50 of the world's leading chocolate companies. The foundation's aim is to support cocoa farmers and their families by programs that raise farmer incomes, encourage responsible and sustainable cocoa farming and strengthen communities.

Recently, the World Cocoa Foundation held its annual conference in the Netherlands, and I was privileged to be invited to speak to senior business executives represented there about the problems faced by cocoa farmers in Africa. But the business executives did not travel home at the end of the conference. Instead, to observe matters firsthand, they and I traveled to the rain forests of Ghana, where IFESH has been working for more than 13 years.

What did we find in that green and pristine region? We found highly dedicated farmers, keen to learn how to improve their crop at the field schools we visited. But we also observed that in many cases, they are held back by illiteracy (65 percent are semiliterate and 35 percent are illiterate). We saw that the conditions of the cocoa farmers and their families remain poor and that they have very little access to quality education and to social or health services for themselves and their children.

In Ghana, only 34 percent of children living on cocoa farms are enrolled at school.

So there is a bitter cost to the chocolate we eat. But my visit to Ghana with the World Cocoa Foundation gave me hope. Firstly, I was encouraged that senior executives from the foundation's supporting companies took time from their busy schedules to visit Africa and see things for themselves. I commend them for that.

Secondly, I was impressed by the commitment of the government of Ghana to education and sustainable development, despite the many problems faced by the country. But above all, I was encouraged that everyone - including the cocoa-farming communities, the government of Ghana and the companies of the World Cocoa Foundation - reaffirmed their commitment to work in partnership to tackle the issues.

To address concerns about education quality, the lack of opportunities for vulnerable young people, agricultural capacity, and HIV/AIDS and malaria, the World Cocoa Foundation and its member companies are partnering with the United States Agency for International Development to launch a Basic Education Program to provide high-quality, relevant education in cocoa communities in Ghana and Côte d'Ivoire. This partnership, Empowering Cocoa Households with Opportunities and Educational Solutions (ECHOES), will use relevant, quality educational inputs to expand opportunities and mobilize communities to institute their own initiatives for improving their lives and futures.

But children are not going to learn unless they have access to quality teaching methodologies and teachers who know how to teach. That is where IFESH, with its long experience of improving African educational systems with the help of U.S. volunteers, comes in. The ECHOES project is going to be instrumental in promoting access to education for children as well as the development of a curriculum in environmental sustainability and agricultural development to allow farmers to become more efficient and to understand their role in the global marketplace.

So when you next unwrap a bar of chocolate, please think about the cocoa farmers of Africa and their children. And please support the organizations, such as the World Cocoa Foundation and your own Arizona-based IFESH, that are working hard to make that chocolate have a less bitter taste. (*Julie H. Sullivan is president and CEO of Scottsdale-based IFESH.*)

Environment and Conservation

Cadbury sweetens the conservation pill

Telegraph.co.uk, United Kingdom

20/11/2007

Richard Tyler visits a project monitoring the effects of intensive cocoa farming on biodiversity in a region in Ghana. After the tenth butterfly trap, I started to get used to the "crunch". It is the sound that a butterfly makes when you press its thorax against a hard surface. I also learnt to spot a moth from a butterfly – for once, you could let the moths live. Hundreds of charaxes protoclea, bebearia cocalia and even the strikingly beautiful kallimoides rumia have met a timely death under the fingertips of volunteers like me.



A government assessor checks the quality of cocoa beans grown in eastern Ghana

Lured in by the odour of fermented banana, these beautiful creatures are unknowingly taking part in a science project funded by Cadbury Schweppes on the effects of intensive cocoa farming on biodiversity in an eastern region of Ghana.

Dufie Adu-Pakoh, a teaching and research assistant at the faculty of natural resources of the Kwame Nrumbah University of Science & Technology, has overseen the final stages of the three-year study. Pausing for breath before I tackle another almost vertical incline, high up in the Atewa Forest, there does not appear to be a shortage of any type of flora or fauna. The heat and humidity ensure that most things that hit the soil spring into life. But as we reach the next trap and "stun" the latest unlucky butterflies, you can hear the sound of chainsaws reverberating around the mountainside. Even here in a reserve, illegal logging is taking place. Ghana's forests are disappearing and so with them a lot of the plant and animal life that they sustained.

The issue for Cadbury, which has sourced its most important raw material from Ghana since 1908, is that, as the trees are chopped down, so the environment in which cocoa is grown changes. Ghana is famous for the quality of its cocoa, which comes in part from the way it has traditionally been farmed and partly from the way the state enforces high standards. The cocoa plant prospers when growing under tree canopy, in warm and wet but sheltered conditions. Take away the trees and you lose vital protection. The plants will grow in direct sunlight and in the short term will even produce more cocoa pods but they will also become more easily distressed and vulnerable to disease. Without fertilisers and pesticides, plant productivity is already falling.

Unfortunately for Ghana, many smallholders simply rely on their trees bearing fruit each season – there are two each year – and are not used to paying for fertiliser. They get paid a set amount per kilogram of cocoa bean they produce (the price is set by the Government) but as yet have not responded to the potential fall in their income from the reduced production. As a result, Cadbury's supply of cocoa from Ghana is becoming less reliable. This is a problem, particularly as the flavour of Ghana's cocoa gives Cadbury products such as Dairy Milk their distinctive taste.

One part of Cadbury's response has been to pay for Ghanaian scientists to study the effects of the changing farming patterns on the environment. The idea for the project came in 2004, when Bob Stack, global head of HR at Cadbury, found himself sitting next to the head of the Earthwatch Institute at a Prince of Wales' function. Earthwatch is an independent organisation that seeks to recruit volunteers to conduct scientific field research to promote environmental sustainability. Stack found out about programmes that other large companies had begun running. For instance, HSBC has helped 2,000 staff to take part in Earthwatch schemes. Stack describes that version of employee engagement as, "Here's some money, go and spend it". It did not appeal to him. "If we are going to give people time off work it has to be relevant to our business," he said.

So, rather than pick one of the "off the peg" projects on offer – "the counting some dolphins here, counting some butterflies there" approach, as he describes it - he challenged Earthwatch to tailor a project that would fit well with Cadbury's corporate objectives. In return he would commit the company for three years to enable them to put together a project of real scientific value. "The efficient use of water would have been a viable alternative [project]. Sugar could have been another crop. But cocoa seemed interesting. We had the heritage and more of the unique science," said Stack.

Back in the village of Adjeikrom, the final few hundred butterflies are placed into labelled envelopes and sent to join others already collected. The data from the butterfly studies will give an indication of the impact to the diversity of insect life if Ghana adopts new intensive farming practices. Butterflies take part in the pollination of cocoa trees as well as being a broader indicator of the variety of life that the environment will sustain. These studies will sit alongside a three-year study of the cocoa plants themselves and also the animal and bird life that exists in the two environments. The findings from the latter study could form the basis of a drive to support eco-tourism to the area that would replace income lost from the reversion of lower, but more sustainable, cocoa production. The overall results will be analysed by the University of Reading and it will make its findings known next spring.

Stack says: "We definitely want to renew [the project]. We are asking, do we do more of the same, more scientific research around cocoa, or do we take this and take it to another place? Perhaps we could take the science and embed it in the community. Now we have the output we could go and train the farmers." Here the interests of big multi-nationals and non-governmental organisations such as Earthwatch and the agencies that it works with in countries like Ghana, can diverge. Cadbury is keen to ensure its supply of cocoa from Ghana increases and improves in quality, while remaining "sustainable" in environmental parlance or "reliable" in plain English.

Collecting the science is one thing – taking the results and telling the Ghanaian farmers how to farm so that they and Cadbury benefit is quite another. Stack says simply: "Earthwatch are a little reluctant about that. But we have been kicking around ideas." Future programmes could include research around the production of organic cocoa, which Stack says is in short supply. "We thought that it might be an interesting scientific exercise – how to increase the amount available".

Belize would be one option. Nevertheless there will be a pause for a year, while the research is addressed. "We are confident we will come back with another three years," he said.

Even though it has involved a small number of staff, Cadbury believes it has managed to engage many more within its walls with the agenda. "If we just went and did this research with our own scientists no one would know about it. It would be buried in the lab. [This way] we have ambassadors around sustainability and biodiversity and the community side and the sourcing side of our most important sustainable crop," said Stack.

The volunteers are required to make reports to their colleagues when they get back. Some take it further; enthused by their experience they take their message outside Cadbury to their own communities. In-house there are blogs, sent via SMS text, during the trips and Cadbury champions the programme using internal communications. Stack said: "What we are trying to engage people to do is ask, what do you do when you go back to your workplace — perhaps taking this to local community groups and schools."

Cadbury's annual report suggests that staff appear happy to work for the company. Nearly 96 per cent of those responding said they were proud to work for Cadbury. "The areas where we can improve are particularly related to enabling people to achieve more – for the business, themselves and for their communities," the annual report states. Stack smiles at this. He feels that because Cadbury is telling staff about the corporate social responsibility (CSR) programmes more want to be able to take part. "The more you do and the more we publicise them you get people in the survey saying, 'I have not had the chance to do it yet'," he said.

But he admitted that Cadbury cannot ignore this trend. "The demand is growing to do more of this," he said, pointing to the now infamous Generation Y, the current generation of university leavers who scare the pants off older HR directors for their apparently new approach to life, work and the universe. "When we go out recruiting the under 35 generation, this kind of activity is a huge positive in attracting them. There's no question that people are making decisions about companies based on what they see as their core values." Stack says Cadbury's response to this is to give staff more opportunity to commit time to community projects but to direct them towards more "grass roots", local projects rather than promising all 67,000 to send them to Ghana for two weeks.

Such commitments sit against a background of job losses and upheaval at the Cadbury Schweppes group. Chairman John Sunderland is stepping down next year and pressure is growing on chief executive Todd Stitzer to improve the company's share price. Activist investors are agitating for change. Plans to sell off the US drinks arm of the business have also gone flat and Stitzer recently outlined plans to spin off the division in the new year – an announcement widely interpreted as an invitation to private equity firms to rethink their numbers and come back with a better price for the business.

The company is also restructuring, cutting 700 jobs in the UK alone and relocating production lines. Ask Stack whether job losses have more impact on morale than an active corporate social responsibility programme and he responds that it is all about consistency. "It's about the business need to take these actions. One has to be seen to take these tough business actions to make

the business credible going forward," he said. "Just as important is how do we execute it. Honestly, these things do have a business impact. You do it the right way. It effects the people leaving the organisation and the people staying. We follow all the right consultation and the outplacement, working totally transparently. It's all part of a package. It's becoming very popular to restructure by voicemail. People are asked to call into a number to be told they are being made redundant. That would not happen in this company."

Stack then offers this anecdote to show how CSR is embedded within Cadbury's daily operations. He said he cancelled a number of discretionary employee engagement schemes under a recent cost-cutting programme, but sought the chief executive's approval to continue with one three-day programme on sustainable trading led by environmentalist Jonathan Porritt. "I went to Todd Stitzer and said just to remind you we have this programme. I said it would be questioned and he said 'Go ahead'," recalled Stack. On October 8, some 26 Cadbury staff were flown in from around the world for the workshops and a glitzy dinner at the Chelsea Harbour Hotel in London, attended by Lord Patten, Cadbury's main board director for CSR, and Stitzer. Stack attended on the Monday, but had to deal with other pressing business issues 24 hours later. "I went to the US the next day and told 500 people that they were being made redundant," he said.

Others

Chocolate Industry Lobbies on Farm Bill

Conde Nast Portfolio, NY

Nov 19 2007

The Chocolate Manufacturers Association has hired the Podesta Group Inc. to lobby the federal government, according to a disclosure form. The firm will lobby on the farm bill, food legislation and cocoa growing and production in West Africa, according to the form posted online Nov. 13 by the Senate's public records office. Among the nine members of the association, which represents more than 90 percent of the chocolate processed in the U.S., are Hershey Co. and Archer Daniels Midland Co.'s cocoa unit.

Paul Brathwaite, former executive director for the Congressional Black Caucus, and John Scofield, former communications director for the House Appropriations Committee, are registered to lobby for the Vienna, Va.-based trade group. Under a federal law enacted in 1995, lobbyists are required to disclose activities that could influence members of the executive and legislative branches. They must register with Congress within 45 days of being hired or engaging in lobbying.

Are trade shows relevant?

ap-foodtechnology.com

19/11/2007- The new crop of business cards yielded by another trade show season have been duly filed away. But the big question remains. Were the three days at FIE followed, for many, by another three at SupplySide West, really worth the blisters, the jet lag, and the not inconsiderable expense?

Nowadays a face-to-face meeting with an associate overseas does not necessarily mean hopping on a plane. Video conferencing means a meeting can now take place through the medium of a screen. But is it any substitute for pressing the flesh, and having all your key contacts in the same place at the same time?

For us journalists, there's no question that trade shows give an injection of enthusiasm for our metier. Most of our year-round interviewing takes place on the phone, but meeting executives in a physical context does, without a doubt, take our coverage to a new level. Every year the organisers declare a better turn out than ever before. SupplySide saw some 8,100 visitors this year, with 11 per cent more exhibitors. Final figures for FIE are yet to be released, but they are expected to reflect an increase on the 2005 edition.

What about the exhibitors, many of whom spend vast sums creating eye-catching booths and transporting an army of staff to man them? Many of the people we visited said they had had no time to walk the floor, being tied to their booths fielding enquiries. The fact that they have a steady stream of visitors would seem to be a good thing - after all, the floor-walking population should largely be made up of buyers.

But are they the right kind of visitor? One value-added ingredient company we visited said that 90 per cent of its drop-by trade was Asian distributors looking for bulk quantities of a commodity - way off the target audience for its highly specialised technology. Of the other 10 per cent, will the enquiries turn out to be serious and translate into a fruitful deal that will more than justify the expense of going in the first place?

That is the million dollar question (or at least a few hundred thousand, one would hope). CMP, the organiser of FIE, is keyed in to the need to show relevance. It has said that over 70 per cent of visitors were upper-level managers - more than made it to Paris two years ago. Certainly trade shows are an important platform for launching new ingredients, and talking up their benefits. Increasingly, tips and tricks are being used to make people stop and take notice. Why not hire a chef to whip up edible creations, or a couple of actors to walk the floor wearing little more than the brand logo?

The marketing jamboree is much more in action in the US than in Europe, where the trade show atmosphere is much more stayed and business-like. Even so, on both sides of the Atlantic, if you are going to be there, you want to make sure everyone who is anyone knows you are there.

But what about who isn't there? The big flavour and fragrance houses are notable by their absence from the major trade shows. Firmenich and Mastertaste were there, but of Givaudan and IFF there was not a sign at FIE. Perhaps they feel they are secure enough in their reputation and marketing networks for a physical appearance not to be mandatory. Or they believe they are so well known that any potential new client will knock on their door first.

If so, good for them. If you are not there, though, you don't know what you are missing. You could be giving the competition, or eager-beaver smaller players, a chance to grab the limelight. What if you are not so secure that your customers know you, love you, and don't therefore expect you to put in an appearance with the rest of the industry? Are trade shows, ultimately, built on the fear that someone will step in on your patch (wearing obligatory trade show comfy shoes, of course)?

It may well be so, but there is more to it than that. Technology and virtual meetings certainly have their place in day to day business dealings, but they are no substitute for good old, traditional human contact a couple of times a year at least.

You can get more done, more quickly, and race off to the next half-hour rendez-vous.

Plus, when was the last time you clinked champagne glasses with an associate over Skype?

Chocolate lorry goes to Timbuktu

BBC News - Nov 23

Two British adventurers are setting off on a journey across Europe to west Africa in a lorry powered by chocolate. Andy Pag, of London, and his co-driver John Grimshaw, of Poole in Dorset, were leaving Mr Grimshaw's home town on a cross channel ferry on Friday. They are travelling in a Ford Iveco Cargo lorry powered by fuel that began life as chocolate, in a bid to raise awareness of green fuels. The 4,500 mile (7250km) trip across the Sahara should take about three weeks.

The pair will take a small processing unit with them to convert waste oil products into fuel, which they will then donate to an African charity, along with the lorry.

“ If we can make it [to Timbuktu] with bio-fuel there's no reason why motorists can't use it on the school run or on their commute to work ”

They are taking 2,000 litres (454 gallons) of bio-diesel made from 4,000kg (8,818lb) of chocolate misshapes, the equivalent of 80,000 chocolate bars, to fuel their adventure. But they will not be able to dip into their tank if they feel peckish as the bio-diesel does not look or smell like chocolate. The fuel is made from cocoa butter, which has been extracted from the waste chocolate.



The pair will begin their journey by driving through France and Spain and then catch another ferry to Morocco.

Mr Pag, who is 34 and from Croydon, and 39-year-old Mr Grimshaw, an electrician, will then cross the length of the country to Mauritania.

From there they will cross the desert until they reach the city of Timbuktu, in the west African country of Mali.

The journey is expected to take about three weeks

Both men are keen environmentalists and want to raise awareness of the benefits of bio-diesel, which produces lower carbon emissions than fossil fuels and is made from renewable resources.

Mr Pag, an engineer-turned journalist, has already been to Africa several times but said he wanted to make this trip carbon-neutral.

He approached Ecotec, a firm in north-west England which makes fuel from renewable resources and had been in talks with a large chocolate manufacturer about recycling chocolate into green fuel.

Mr Pag said: "Timbuktu is a city which is being eaten away by the encroaching desert. It's at the sharp end of climate change. "Timbuktu is renowned as being the back of beyond, the furthest place away that you can possibly imagine and if we can make it there with bio-fuel there's no reason why motorists can't use it on the school run or on their commute to work. "I have made many expeditions and visited these amazing landscapes but to get there I have contributed to their destruction by driving a guzzling diesel engine.

"I wanted to do something that's carbon neutral. What we have actually done is carbon negative."

Chocolate's grandfather would have sent you high

By IANS

Wednesday November 21, 11:28 AM

New York, Nov 21 (IANS) The ancients discovered cacao -- the source of cocoa and chocolate -- much earlier than believed. And they first used it to brew alcoholic beverages, a new study has found. Recent chemical analyses of residues on pottery excavated at Puerto Escondido in Honduras suggests that the cacao seed was first used somewhere between 1400 and 1100 BC, Sciencedaily.com reported.

The study also found that much before the cacao bean flavour became popular, it was the sweet pulp of its fruit, used to make a fermented alcoholic beverage, which first drew attention to the plant. 'This development probably provided the impetus to domesticate the chocolate tree,' said Patrick McGovern of the University of Pennsylvania. 'An alcoholic beverage from the pulp, carrying on this ancient tradition, continues to be made in parts of Latin America.'

The famous chocolate beverage of the Mayan and Aztec kings, served on special occasions, came later. It was made from the cacao beans, often mixed with chillies, special herbs, honey, and flowers. The liquid was frothed into foam, and both inhaled and drunk.

McGovern has worked on techniques to determine what food and, more often, drink, once filled the ancient pottery and other food vessels that archaeologists find. And time and again, he has seen that alcoholic beverages go hand in hand with the earliest development of human cultures. 'The beverages of China and the Near East also became the prerogative of the elite, and were incorporated into religious ceremonies and celebrations,' he noted.

'They were often of considerable economic value, just as the cacao bean was the medium of exchange in the Aztec empire, and they were traded, given in tribute, and offered as gifts to fellow rulers and the gods.'

Ghana, EC sign eight million-Euros agreement

Afrique en ligne, France –

Nov 24, 2007

Accra, Ghana - Ghana and the European Commission on Friday signed two financing agreements totalling eight million Euros to support programmes in the Cocoa sector and the Ghana Police Service. Mr Kwadwo Baah-Wiredu, Minister of Finance and Economic Planning and Mr Filiberto Ceriani Sebregondi, head of the European Commission in Ghana signed the agreements.

Under the deal, an amount of five million Euros will be used to execute programmes to improve the livelihood of smallholder cocoa farmers and to ensure sustainability of cocoa production in the country. The state-owned Ghana Cocoa Board would implement the first component aimed at improving farmer's access to high quality hybrid planting material. The second and third components would be implemented by the sustainable Tree Crops Programme, a consortium bringing together chocolate industry, producers, researchers, government agencies and conservation people. It will involve intensified extension services to cocoa farmers through participatory training, methods and tools, address the environmental and social impacts of cocoa production and support the replanting of hybrid cocoa varieties in former cocoa growing areas. Cocoa is Ghana's main foreign exchange earner.

Three million euros will be used to enhance the capacity of the Criminal Investigations Department of the Ghana Police Service to enable it to deal effectively with crime. As part of the programme, the Forensic Science Department of the CID will be rehabilitated and equipped with state of the art equipment, including an Automated Fingerprint Identification System to enable it undertake various types of analysis. Mr Baah-Wiredu said government had made significant investment to improve the capacity and operations of the security apparatus, especially to maintain peace and security. He said the Police Service would recruit and train more Ghanaians as police officers to improve the police-citizen ratio.

Mr Baah-Wiredu said the cocoa project would address the environmental and social impacts of cocoa production, strengthen the management capacities of existing and emerging cocoa farmers and community-based organisations.

Mr Sebregondi said the support in the cocoa sector would help reduce income vulnerability and thereby improve livelihoods in line with Ghana's will to improve competitiveness, foster growth and become middle-income country.

TIT BITS

(Source: Business Recorder – www.brecorder.com)

Nigerian cocoa grinder seeks to raise \$15.6 million

LAGOS (November 24, 2007): A Nigerian private cocoa grinder plans to raise 1.86 billion naira (\$15.6 million) through a private placement of shares to reduce its debts and expand operations, offer documents obtained on Thursday showed.

Nigerian October cocoa arrivals climb

LAGOS (November 24, 2007): cocoa arrivals in the port city of Lagos, Nigeria's main export route, climbed 44 percent to 13,700 tonnes in October compared to the same month of last year, an average of estimates by exporters showed on Friday.

Indonesia cocoa prices gain, demand ebbs on poor beans

JAKARTA (November 23, 2007): Prices of Indonesia cocoa beans have risen, boosted by a weakening rupiah currency and gains in cocoa futures, but poor quality beans and high freight rates are holding down demand from US buyers. Prices of Sulawesi's fair-average cocoa beans averaged 16,600-16,800 rupiah (\$1.77-\$1.79) a kilogram this week, up from 16,400-16,500 rupiah a kilo last week.

London cocoa slip; coffee and sugar steady

LONDON (November 23, 2007): cocoa futures slipped in London on Thursday, while coffee and sugar also traded steadily in commodities markets becalmed by the absence of US business owing to the Thanksgiving holiday, traders said. Robusta coffee ended the day marginally higher, while white sugar was slightly down.

New York cocoa futures settle lower

NEW YORK (November 23, 2007): US cocoa futures fell on Wednesday on liquidating long positions after a quiet session of light volume, dealers said. "We're just seeing some light long liquidation after yesterday's move higher. Overall, volume's just light," one trader said.

London coffee up; cocoa and sugar down

LONDON (November 22, 2007): London cocoa futures ended lower on Wednesday as producer and speculative selling emerged after prices had earlier risen to the highest level in almost three weeks, dealers said. Robusta coffee ended mostly firm with the exception of the spot month which rose on concern about a supply squeeze while white sugar finished little changed.

US MIDDAY: cocoa and coffee fall

NEW YORK (November 22, 2007): New York cocoa futures were lower early on Wednesday after a spike in prices during the previous session, and Arabica was slightly down, traders said. "We've seen some early weakness, I think because of the slightly stronger dollar. On the platform, it appears that there's some scale-down buying," one cocoa trader said.

Nigerian cocoa risks ICCO ban over old sacks

LAGOS (November 22, 2007): Nigeria risks being blacklisted by the International cocoa Organisation if traders continue to export beans in old jute sacks, a top official of the cocoa Association of Nigeria (CAN) said on Tuesday.

New York cocoa surges

NEW YORK (November 22, 2007): US cocoa futures jumped on Tuesday, settling sharply higher on a technical rally fuelled by the weak dollar, dealers said. "It was a rally initially in the face of a weak dollar and then the funds buying that breakout on a chart pattern," one trader said.

Brazilian cocoa arrivals down

SAO PAULO (November 22, 2007): Brazilian 2007/08 (May/April) cocoa arrivals from Bahia and other states totalled 2.21 million 60-kg bags by November 18, down around 8.5 percent from 2.42 million bags a year ago, Bahia Commercial Association said Wednesday.

London coffee and cocoa up; sugar mixed

LONDON (November 21, 2007): London robusta coffee futures ended higher on Tuesday, boosted by a pick-up in industry buying, while cocoa settled firmer, driven by sharp gains in New York where a weak dollar sparked fund buying. London white sugar futures finished little changed in brisk volume after a sell-stop triggered a brief burst of fund selling, dealers said.

US MIDDAY: cocoa and coffee up

NEW YORK (November 21, 2007): New York cocoa futures jumped on the weak dollar that triggered fund-led buying early on Tuesday, while Arabica rose slightly, traders said. Volume was estimated a strong 7,000 by traders.

New York cocoa slightly weaker in New York

NEW YORK (November 21, 2007): US cocoa futures settled lower on Monday after a day of range-bound trade with very light volume as the market slowed ahead of the Thanksgiving holiday, dealers said. "It's been one of the quietest days in cocoa in the last two months it was a diabolical day. No fundamentals, no change in the technical picture, the December contract just keeps expiring," one trader said.

Ivory Coast cocoa prices mixed

ABIDJAN (November 21, 2007): Farm gate prices for cocoa in Ivory Coast's main growing regions were mixed from November 12-18, data from the Coffee and cocoa Bourse showed on Tuesday, as more sale-ready beans became available in the bush.

London coffee tumbles; cocoa and sugar rangebound

LONDON (November 20, 2007): London robusta coffee futures dropped sharply on Monday with front-month November falling more than 5 percent as sellers took some heat out of a supply squeeze, dealers said. cocoa was stitched into tight ranges as West African producer selling countered industry buying, while sugar was also little changed in light volumes.

Cameroon cocoa prices fall

YAOUNDE (November 20, 2007): Farmgate prices for cocoa in Cameroon have fallen in November as farmers anxious to earn money have brought their produce out of the bush to sell despite persistent rainfall and bad roads, buyers and farmers say.

Ivory Coast cocoa arrivals seen up

ABIDJAN (November 20, 2007): cocoa arrivals at ports in Ivory Coast reached around 351,000 tonnes between October 1 and November 18, compared with 223,027 tonnes in the same period a year ago, exporters estimated on Monday. Around 60,000 tonnes of beans arrived at the two ports in the world's top cocoa grower from November 12-18, compared with 55,825 tonnes in the same week last year, exporters estimated.

PROMOTION OF THE CONSUMPTION OF COCOA AND COCOA
PRODUCTS BY COPAL DURING THE AFRICAN 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