



# COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 267

21<sup>st</sup> – 25<sup>th</sup> January 2008

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)
21 <sup>st</sup> January	0	0	1137.67	0
22 <sup>nd</sup> January	1383.89	2181.22	1139.00	2155.00
23 <sup>rd</sup> January	1387.27	2191.70	1154.00	2157.33
24 <sup>th</sup> January	1419.39	2247.30	1166.67	2213.00
25 <sup>th</sup> January	1426.29	2260.00	1171.00	2227.00
<b>Average</b>	<b>1123.00</b>	<b>1776.00</b>	<b>1154.00</b>	<b>1750.00</b>

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Do your health a favour, drink Cocoa everyday

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

**Monday 21st January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1130	1116	-12	1130	1113	5,474
May 2008	1147	1135	-11	1147	1132	3,410
Jul 2008	1167	1162	-10	1170	1160	473
Sep 2008	1146	1148	-12	1154	1145	56
Dec 2008	1153	1152	-12	1154	1153S	905
Mar 2009	1153	1152	-12	1153S	1153S	900
May 2009		1163	-11			0
Jul 2009		1173	-11			0
Sep 2009		1183	-11			0
Dec 2009		1197	-11			0
<b>Totals</b>		<b>1158</b>				<b>11218</b>

**Tuesday 22nd January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1110	1117	1	1123	1098	8,224
May 2008	1131	1136	1	1140	1119	2,605
Jul 2008	1159	1164	2	1166	1148	1,451
Sep 2008	1136	1150	2	1151	1131	808
Dec 2008	1140	1155	3	1158	1138S	1,053
Mar 2009	1139	1154	2	1155	1139	387
May 2009	1160	1165	2	1160S	1160S	10
Jul 2009		1175	2			0
Sep 2009	1177	1185	2	1183S	1177	56
Dec 2009	1187	1199	2	1201S	1187	9
<b>Totals</b>		<b>1160</b>				<b>14603</b>

**Wednesday 23rd January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1118	1132	15	1138	1117	4,630
May 2008	1136	1151	15	1157	1135	1,405
Jul 2008	1163	1179	15	1185S	1163	1,099
Sep 2008	1153	1166	16	1168	1150	854
Dec 2008	1161	1172	17	1174	1156S	471
Mar 2009	1161	1171	17	1163	1155	324
May 2009		1182	17			0
Jul 2009		1192	17			0
Sep 2009		1202	17			0
Dec 2009	1205	1216	17	1222	1205	286
<b>Totals</b>		<b>1176</b>				<b>9069</b>

**Thursday 24th January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1129	1145	13	1148	1,121	6,316
May 2008	1149	1164	13	1166	1,142	2,365
Jul 2008	1175	1191	12	1194	1,172	1,137
Sep 2008	1162	1179	13	1178	1160	1,725
Dec 2008	1166	1185	13	1184	1166S	839
Mar 2009	1176	1184	13	1180	1169	128
May 2009	1180	1195	13	1180	1180	3
Jul 2009		1205	13			0
Sep 2009		1215	13			0
Dec 2009		1229	13			0
<b>Totals</b>		<b>1189</b>				<b>12513</b>

**Friday 25th January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1146	1149	4	1152	1142	3,590
May 2008	1165	1169	5	1170	1161	1,583
Jul 2008	1194	1195	4	1196	1189S	662
Sep 2008	1178	1185	6	1185	1177S	262
Dec 2008	1187	1190	5	1190	1182	1,043
Mar 2009	1180	1189	5	1188	1179	711
May 2009		1200	5			0
Jul 2009		1210	5			0
Sep 2009		1220	5			0
Dec 2009	1235	1234	5	1236	1235	31
<b>Totals</b>		<b>1194</b>				<b>7882</b>

<b>Average for the week</b>		<b>1202</b>				<b>13821</b>
<b>Total for the week</b>						<b>55,285</b>

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

**Monday 21st January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1130	1116	-12	1130	1113	5,474
May 2008	1147	1135	-11	1147	1132	3,410
Jul 2008	1167	1162	-10	1170	1160	473
Sep 2008	1146	1148	-12	1154	1145	56
Dec 2008	1153	1152	-12	1154	1153S	905
Mar 2009	1153	1152	-12	1153S	1153S	900
May 2009		1163	-11			0
Jul 2009		1173	-11			0
Sep 2009		1183	-11			0
Dec 2009		1197	-11			0
<b>Totals</b>		<b>1158</b>				<b>11218</b>

**Tuesday 22nd January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2088	2131	-10	2135	2088	20750
May 2008	2111	2153	-9	2155	2111	6306
Jul 2008	2170	2170	-10	2170	2170	3753
Sep 2008	2172	2172	-10	2172	2172	1115
Dec 2008	2177	2177	-11	2177	2177	470
Mar 2009	2181	2181	-15	2181	2181	38
May 2009	2186	2186	-14	2186	2186	5
Jul 2009	2209	2209	-14	2209	2209	-
Sep 2009	2231	2231	-14	2231	2231	-
Dec 2009	2229	2229	-9	2229	2229	79
<b>Totals</b>		<b>2184</b>				<b>32516</b>

**Wednesday 23rd January 2008**

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2130	2138	7	2160	2111	10886
May 2008	2154	2161	8	2173	2154	3078
Jul 2008	2176	2176	6	2176	2176	1226
Sep 2008	2177	2177	5	2177	2177	220
Dec 2008	2182	2182	5	2182	2182	107
Mar 2009	2189	2189	8	2189	2189	94
May 2009	2193	2193	7	2193	2193	1
Jul 2009	2214	2214	5	2214	2214	-
Sep 2009	2230	2230	-1	2230	2230	53
Dec 2009	2257	2257	28	2257	2257	6
<b>Totals</b>		<b>2192</b>				<b>15671</b>

### Thursday 24th January 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2155	2192	54	2192	2155	9910
May 2008	2195	2216	55	2216	2195	4111
Jul 2008	2231	2231	55	2231	2231	1310
Sep 2008	2233	2233	56	2233	2233	424
Dec 2008	2239	2239	57	2239	2239	527
Mar 2009	2244	2244	55	2244	2244	293
May 2009	2248	2248	55	2248	2248	1
Jul 2009	2270	2270	56	2270	2270	-
Sep 2009	2278	2278	48	2278	2278	16
Dec 2009	2291	2291	34	2291	2291	286
<b>Totals</b>		<b>2244</b>				<b>16878</b>

### Friday 25th January 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2198	2212	20	2215	2194	8660
May 2008	2226	2236	20	2238	2226	2210
Jul 2008	2253	2253	22	2253	2253	399
Sep 2008	2256	2256	23	2256	2256	160
Dec 2008	2259	2259	20	2259	2259	194
Mar 2009	2265	2265	21	2265	2265	129
May 2009	2268	2268	20	2268	2268	3
Jul 2009	2287	2287	17	2287	2287	832
Sep 2009	2299	2299	21	2299	2299	1
Dec 2009	2309	2309	18	2309	2309	-
<b>Totals</b>		<b>2264</b>				<b>12588</b>

<b>Average for the week</b>	<b>2273</b>				<b>22218</b>
<b>Total for the week</b>					<b>88,871</b>

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

	21 <sup>st</sup> January	22 <sup>nd</sup> January	23 <sup>rd</sup> January	24 <sup>th</sup> January	25 <sup>th</sup> January
Main Crop Ghana, Grade 1	-	2569	2576	2630	2647
Main Crop Ivory Coast, Grade 1	-	2444	2451	2505	2532
Main Crop Nigerian, 1	-	2433	2440	2494	2514
Superior Arriba	-	2523	2530	2584	2720
Sanchez f.a.q.	-	2511	2518	2572	2579
Malaysian 110	-	2121	2128	2182	2202
Sulawesi f.a.q.	-	2348	2355	2409	2415
Ecuador Cocoa Liquor	-	3601	3613	3704	3945
Pure Prime Press African Type Cocoa Butter	-	6244	6264	6423	6489
10/12% Natural Cocoa Press Cake	-	945	948	972	1047

Source: Cocoa Merchants' Association

# News

## Health and Nutrition

### **Hot cocoa even better with extra chocolate, heavy cream**

MLive.com, MI

By Monetta L. Harr; mharr@citpat.com -- 768-4972

January 21, 2008

Whether it's after sledding all afternoon with family and friends, or feeling like a survivor after bracing against the bitter wind that blasts down Michigan Avenue as we walk against it, wrapping our frozen hands around a mug of steaming hot chocolate is a just reward. And if it comes topped with a hill of whipped cream and a drizzle of chocolate syrup, all the better.

Given the growing number of coffeehouses and restaurants dotting the Jackson-area landscape, there are plenty of opportunities for ordering hot chocolate. Almost all offer hot chocolate as a seasonal beverage, some year-round. If you make hot chocolate at home, there are good and not-so-good choices, according to a rating of cocoa brands in a recent Consumer Reports magazine article.

Mary Lou Heiss, author with her husband, Robert J., of "Hot Drinks" (Ten Speed Press), said there are many versions of hot chocolate, some getting very sophisticated as American palettes progress. "We like hot chocolate to be as rich as it can be. Europeans, particularly the French, like it very, very rich and decadent. Some add coffee to it, others drink it straight hot chocolate," she said. Of course, there is the fun side, like garnishing a mug with vanilla ice cream. Or serving hot chocolate in tiny demitasse cups. "There are lots of ways to serve it, for children or grown-ups," Heiss said. The couple have owned and operated Cooks Shop Here in western Massachusetts since 1974.

It's hard to know which age group -- children or grown-ups -- Ciara Thaley referred to as she enthusiastically described the hot chocolate she serves at Cuppy's Coffee, Smoothies & More in the Westwood Mall. "It begins with Ghirardelli chocolate and we steam the milk to 140 degrees. Then we top it with whipped cream and drizzle liquid chocolate on top," said Thaley, who noted it comes in 12-, 16- and 20-ounce cups. The milk for the children's version isn't heated to 140 degrees, but otherwise, it has the same ingredients.

Another menu item that actually seems to defeat the purpose is a cup of frozen hot chocolate. Hard to believe, but Thaley said it is just as popular as the traditional hot chocolate. "It's milk, ice, chocolate, whipped cream and more chocolate. It kind of tastes like chocolate ice cream and big chocolate lovers love it," she said.

If you are making hot chocolate at home, here are the top-rated cocoas by Consumer Reports: Ghirardelli double chocolate made with milk, and Cacao Reserve Myan Blend by Hershey's made with water (as recommended) got "excellent" ratings. "Very good" went to Swiss Miss Dark Chocolate Sensation and Hershey's Cocoa. Six other cocoas were also rated, with Nestle Rich Chocolate and Nestle Milk Chocolate receiving the lowest.

Brian Carey, associated brand manager with Swiss Miss, said the dark chocolate variety was added in November 2006. "The Dark Chocolate Sensation is still a relatively small portion of our business, but it is growing in distribution as consumers try it and like it," he said. Hot chocolate sales are highest from October through March, but the peak -- not surprising, said Carey -- is during "cold and snowy weather."

### **5 Easy and Enjoyable Natural Ways to Lower Blood Pressure**

American Chronicle, CA

David O'Hara

January 22, 2008

Many people think of medicine as a bitter pill. This applies especially to high blood pressure treatment, a common condition for which medications are rampantly over-prescribed. Side effects are almost inevitable and range from merely annoying to completely debilitating. This is a tragedy because up to 95% of high blood pressure cases could be successfully tackled with lifestyle adjustments. But doctors often lack faith that their patients will make the necessary changes and thus hand out prescriptions as a matter of routine.

Many times doctors may be judging correctly about our lack of willpower. Turning over a new leaf by losing weight, getting in shape and giving up junk food can seem overwhelming. Luckily there are a number of quick and easy ways to make a real start on lowering your blood pressure without drugs that are not only simple but even enjoyable:

1. Eat chocolate. This has to be top of the list and is a chocolate lover's dream. It's also surprisingly effective at lowering blood pressure. Chocolate, like tea and grapes, contains natural antioxidants called flavinoids, which are known to affect blood vessels and lower blood pressure.

Generally speaking, the darker the chocolate, the higher the concentration of flavonoids and the greater the potential effect on your blood pressure. Go for a quality rich, dark chocolate with more cocoa and less sugar. If you really need to watch the calories or if you're diabetic you can get a good sugar-free chocolate.

Why not double up the benefits with a glass of hot cocoa at bedtime? Though not as concentrated as dark chocolate, all cocoa has flavonoids. Plus it also releases endorphins in the brain that make you feel good and which, together with the calcium and magnesium in milk, calms and relaxes you for a good night's sleep – something that can further reduce high blood pressure!

2. Yes, sleep more. Insufficient sleep definitely plays a role in raising blood pressure. It's also a sign of stress, another factor in hypertension. If you're suffering from the vicious circle of chronic stress and lack of sleep it's almost sure to be affecting your blood pressure.

The answer is simply to allow more time for sleep. Different people need different amounts of sleep so it's no good to prescribe a specific amount. But if you can't fall asleep at night, sleep poorly and wake up dragging it's a sure sign you need more sleep.

And why not? Doesn't sleeping feel good? So ditch that last cocktail, don't eat late and hit the sack with a cup of hot cocoa!

3. Listen to music. The right kind of music, that is. Gentle, relaxing music has been clinically demonstrated to produce significant drops in blood pressure. It's not just wishful thinking. Reductions are usually temporary but using music to relax consistently can have cumulative, long-lasting effects on blood pressure.

What's more, just add a little slow breathing to your music session and you have a powerful, proven formula for lower blood pressure. Slow, gentle breathing with a long, relaxed exhale – especially when done with music - can be as effective as the most powerful blood pressure medications.

Music is something absolutely anyone can use because it's so enjoyable.

4. Laugh. Humor and laughter are some of the most powerful natural remedies known. Laughter produces endorphins, relieves stress and, like slow breathing, ends up relaxing you deep into the diaphragm where it has a positive effect on major blood vessels.

When was the last time you had a good belly laugh? If it hasn't been recent and often there is something missing from your life. Watch a comedy movie, connect with your kids or seek out old friends... anything for a laugh.

5. Finally you may be ready for some gentle exercise. Nobody enjoys the usual approach to getting in shape. What usually happens is that you feel you need to show your commitment and so you go all out, only to end up crippled with soreness 24 hours later... and that's the last of your New Year's resolution!

On the other hand, a leisurely stroll without looking forward to the demands of the future can be truly enjoyable, and that's what it's all about for now. Enjoy the present. In fact, if you're really out of shape only gentle exercise will have a positive effect on you and your blood pressure. Other easy options include gardening, dancing, yoga or soft martial arts like Tai Chi.

Of course, anything requires getting up out of the Barco-Lounger but it's a lot easier when you don't have a punishing – and unnecessary – "work-out" ahead of you.

Conclusion:

The point of these 5 simple and enjoyable ways to lower your blood pressure is to start some positive momentum. These methods alone may not prove the entire solution to your problem but you will almost certainly see benefits. These will encourage you to expand your efforts into further lifestyle improvements.

On the other hand, you may be surprised with the results you get from these simple methods. Slow breathing with music, for example, has been used successfully to wean people off blood pressure medications with spectacular results. You don't have to be a saint or have iron willpower to be healthy. These five tips are a painless entry to a healthy lifestyle with a lifetime payoff.

## **Indulge in chocolate without the guilt**

### **Honolulu Advertiser**

By Jim Romanoff

January 23, 2008

It's hard to imagine a better way to demonstrate love than by making a healthy chocolate dessert for Valentine's Day. This recipe for mocha banana cream pie offers a one-two health punch. It has loads of antioxidant-rich cocoa and dark chocolate, and is low in fat.

Most chocolate cream pie fillings are full of fat because they're made with whole milk and up to four egg yolks. This lighter, version uses one whole egg and evaporated low-fat milk for a creamy result. Unsweetened cocoa powder and semisweet chocolate chips are combined with a few teaspoons of instant espresso to create that familiar, rich-tasting, mocha flavor. Using a chocolate crust simply puts this pie over the top, though a graham cracker crust works well, too.

When choosing a prepared pie shell, look for those made without partially hydrogenated oils. Healthy versions of graham cracker and chocolate cookie pie shells can be found in the natural-foods sections of most grocers.

Additional cocoa and espresso powder are whipped into a light version of whipped dessert topping. Using a pastry bag to pipe the mocha cream onto the pie creates an elegant look, but you can just as easily place spoonfuls of the topping around the edge of the pie, or in the center of each slice. To add a final special touch, top the pie with shavings of dark chocolate or dust the pie with cocoa powder.

To make the pie, arrange the banana slices over the bottom of the pie shell. Set aside. In a medium saucepan off the heat, whisk together the sugar, cocoa powder, cornstarch and espresso powder. Whisk in the evaporated milk and egg. Place the pan over medium-low heat and whisk constantly until the mixture is thickened and steaming, about 6 minutes. Add chocolate chips and continue whisking until the chips have melted and the mixture comes to a simmer.

Remove the pan from heat and whisk in vanilla. Pour the filling over the banana slices in the pie shell. Place a piece of plastic wrap on the surface of the filling (this prevents a skin from forming on the pudding). Refrigerate the pie until the filling is firm, about 2 hours.

Once the pie is firm, make the topping.

In a medium bowl, whisk together the whipped topping, cocoa and espresso powder. Spoon the topping into a pastry bag fitted with a large star tip and pipe a decorative border around the edge of the pie. Alternatively, spoon the topping into a large zip-close plastic bag, snip off one corner of the bag, then pipe the topping around the edge of the pie by gently squeezing the bag.

## **Ghanaians Urged To Consume More Cocoa Products**

Modern Ghana, Ghana

ZAKARI MUSAH (ISD)

26 Jan 2008

The Minister for Tourism and Diaspora Relation, Mr Stephen Asamoah Boateng, yesterday, urged Ghanaians to develop the liking for consuming more cocoa products, especially, chocolate, saying it is a product for good health that helped in controlling diseases such as cancer, diabetes and other related diseases. Consequently, he has exhorted Ghanaians to really include chocolate as their gifts to their love ones during the Valentine day.

In a speech read on his behalf by his Special Assistant, Mr Abaiku Dickson, at a Press briefing in Accra, the Minister assured the public that the Second National Chocolate Day Celebration which has the theme "Chocolate- Gift of Love and Health"™ will take place on February 14 in Accra and the regional capitals as well.

Mr Asamoah Boateng said his Ministry deemed Valentine day for the Chocolate celebration because it is a love day that people give out gifts to their loved ones and chocolate could be used as substitute for flowers which have been in the system for a long time. He noted that the celebration was introduced last year as a tourism event in order to make Ghana tourism destination, saying Ghana is the largest producer of premium cocoa in the world. He added that this has made Ghana unique. Mr Asamoah, therefore, urged the private sector to come on board so that they could also introduce innovative products in the country.

On the celebration day, he said donations would be made to the aged people at Osu as part of the Ministry's™ contribution to show their love to them. In addition, there would be an exhibition at the National Theatre by the Ghana Association of Chefs to showcase what they had acquired with their exposure to the Tourism Ministry.



On his part, the Public Relations Officer at the Cocoa Processing Company (CPC), Mr Ekow Rhule, assured the public that measures had been put in place to supply more chocolate during the celebration in order to forestall last year's occurrence.

### **The sweet route to health and happiness**

GulfNews, United Arab Emirates

By Fatma Salem, Staff Reporter

26/01/ 2008



Dark chocolate is a rich source of the flavonoids epicatechin and gallic acid, which are thought to possess cardiovascular-protective properties

Dubai: Most chocoholics will tell you that chocolate tastes wonderful, soothes the soul and even possesses magic powers. And some of those claims are true.

According to nutritionists, chocolate is good for you - and can even contribute to preventing certain illnesses. It's now known to reduce cholesterol, improve brain activity and, most significantly, possibly destroy cancer cells. The positive effects of chocolate on the mind and body are well-known. It releases serotonin in the brain, which produces a feeling of pleasure and satisfaction. Studies show that melting chocolate in one's mouth increases brain activity and heart rate.

It also reduces cholesterol levels and clears the arteries. Cocoa, an antioxidant, helps to reduce the level of LDL or "bad" cholesterol in the blood. Dark chocolate, with its high cocoa content, is also a rich source of the flavonoids epicatechin and gallic acid, which are thought to possess cardiovascular-protective properties. Small but regular amounts of dark chocolate are known to reduce the possibility of heart attack. Other research shows that chocolate may be effective in preventing persistent cough. Theobromine, another component of chocolate, was found to be almost one third more effective than codeine, a widely used cough medicine.

Chocolate also appears to soothe and moisten the throat. Current research indicates that chocolate has a stimulant effect, due mainly to its theobromine content, one of the reasons for chocolate's mood-elevating effects. It's been suggested that even the smell of chocolate is enough to improve one's mood. But getting chocolate into your lunchtime brownie is the story of hundreds of years. It has come a long way since its discovery in South America, where the Mayans began using the fruit of the cacao tree in the seventh century BC. The Mayans made a religious tonic out of cocoa beans they called "Chacau haa" or "Xocoatl", meaning "bitter water".

After the collapse of the Mayan empire, the Toltecs continued to cultivate cacao, calling it the "tree of paradise". The beans became a unit of currency throughout Central America. The Aztecs also gave great importance to cocoa, claiming it gave them their wisdom and strength.

Christopher Columbus encountered chocolate when he landed in the Americas, but the Conquistadors were the first to realise the value of "the silver which grows on trees".

In 1657 the first chocolate house opened in London, although the high price of cocoa limited its access to only the most affluent classes. But as prices fell, establishments of this type multiplied and even replaced cafes, tea rooms and pubs. For the next century, chocolate was enjoyed all over Europe as a frothy water- or milk-based drink. Cocoa was added to cakes and made into pastilles, but it wasn't until the early 19th century that it was made into bars for the mass market.

#### **Important ingredient**

Since those early days, the market for chocolate has exploded, with white, milk and dark varieties available and infinite combinations of chocolate in desserts and even in cooking. (A popular Mexican dish, mole, consists of meat cooked in a thick sauce of spices and chocolate.)

But what is actually contained in a chocolate bar? Apart from sugar and flavourings like vanilla, the quality and flavour of chocolate depends on the quantity of cocoa mass. Dark and milk chocolate contain both cocoa mass and cocoa butter, while white chocolate contains only cocoa butter. The higher the percentage of cocoa mass in a slab of chocolate, the higher the quality. Top-quality dark chocolate contains anywhere between 50-90 per cent cocoa mass, whereas fine milk chocolate usually contains 36-50 per cent. The percentage of people in the world (according to Wikipedia.com) that prefer dark, milk, and white chocolate, are 68 per cent, 22 per cent, and 10 per cent respectively.

Samantha Brown, a housewife from the US is a chocolate lover.

"Certainly no one can deny its magical impact, especially when it comes to you as a present. It has such a nice meaning and leaves a nice feeling too". "I'm definitely a chocoholic, especially when I'm happy I like a bar while watching TV".

Hind Kheir, from Sudan, says: "I like chocolate but in general I'm not a chocolate lover. However, I always make sure to buy it at Eid and I give it to my family and friends on their birthdays. Everybody knows that chocolate leaves a good impression".

For Nanny Khider, a student from Lebanon, chocolate's powers are obvious.

"I cannot imagine life without chocolate; it would be boring and meaningless. Chocolate brings joy and gives energy too. Once I was having an exam and my teacher told the class to have a piece of chocolate beforehand because it gives energy and improves the memory. It really has various benefits, besides its irresistible taste," said Nanny.

## **Production and Quality**

**Germans to rejuvenate cocoa industry, says Sandy**

Tobago News

January 19th 2008

Efforts are being made to rejuvenate the once lucrative Tobago cocoa industry with the assistance of a German company.

In disclosing this on Thursday, Agriculture, Marine Resources, Marketing and the Environment Secretary Hilton Sandy said the firm RUSH Chocolate Company whose representatives were here two weeks ago for further discussions wanted to establish a factory to manufacture cocoa paste as against exporting the beans to Germany for the manufacture of chocolates.

He said the Cove Eco and Industrial Park was identified for the construction of the factory. He said the Germans also wanted to be part of the rejuvenation of the cocoa estates in Tobago to get the production up and going again. He said the Louis D'Or Nursery was being prepared for this purpose and farmers would be able to access cocoa plant free of cost for planting. He said a cocoa conference will be held at the Rovanel's Resort on Tuesday to discuss all aspects of the cocoa industry and invited stakeholders to attend. Registration starts at 7.45 a.m.

## **Rediscover chocolate at its best**

Nevada Appeal, NV

Brian Wilkin For the Appeal

January 23, 2008

At this time of year, chocolate has a way of showing up on a lot of "Things I'm going to give up" lists. Many of us credit chocolate for those extra pounds that show up during the holiday season. Before we launch into how to make some delicious chocolate candies at home, let us look at some data that will not only justify our indulgence in chocolate, but recommend it as part of a heart-healthy diet.

On Nov. 4, 2007, the Washington Post published an article stating "Chocolate lovers, take heart: A Japanese study finds that flavonoid-rich dark chocolate can improve coronary blood flow."

Victoria Laine, who teaches courses on healthy food preparation, has written a book, "Health By Chocolate." She states that "studies have found that chocolate protects against heart disease and probably some cancers, while boosting mood and energy." I must in all good conscience state that both these sources are talking about dark chocolate ... 70 percent dark chocolate.

So, what does all this mean you might ask?

What this means is that all of us need to cultivate a taste for high percentage chocolate. The best news is that this is an exciting time to begin exploring the world of chocolate. Chocolate is now classified by varieties, by estates, and by regions of origin. Thus we discover that all chocolates are not created equal.

In Carson City, there are two places with enough variety to offer a beginning foray into the world of chocolate, World Market, and just recently, Raley's Supermarket.

Now that we have established the benefits of chocolate, and where to get some good quality chocolate, let's make some truffles with it. A truffle is, in its simplest form, a chocolate ganache center with some type of exterior coating. Chocolate ganache is simply chocolate melted and mixed with cream and allowed to cool.

In Germany, a chocolate candy cannot legally be called a truffle without this formula as its base: The exterior coating can be provided by dipping in chocolate, or by using cocoa powder, ground nuts, coconut, grated chocolate, or just about anything else you can think up. Some avant guard chocolatiers even use various chili powders or other spice combinations.

As dipping chocolate has precise temperature requirements, I recommend using either cocoa powder or grated chocolate if you desire an all chocolate truffle. Other suitable (and easy) coatings include ground nuts and flaked coconut. To toast coconut, spread on a cookie sheet in a 350-degree oven for about 10 minutes turning once or twice. The procedure is the same, just alter the ingredients to make the kind of truffles you want.

Put chocolate and cream in a microwavable bowl and put in microwave for 30 seconds. Wait 30 seconds and do it again. Stir and repeat, until chocolate is well on its way to melting and incorporating smoothly with the cream. Don't get the mixture too hot. This could scorch the chocolate. Heat only enough so the chocolate will incorporate with the cream.

Set aside, stirring frequently until all the chocolate is melted and you have a smooth mixture. Allow to cool completely in the refrigerator until firm enough to roll into balls, about four hours. Do not stir during cooling as this triggers some unpleasant side effects such as breaking or hard setting.

Put some corn starch in a bowl and coat your hands. Re-coat as needed.

Scoop some ganache onto your work surface and pinch off small amounts (1/3 to 1/2 ounce) and roll into balls. Drop these into your choice of coatings, rolling to coat thoroughly. Place on a cookie sheet and repeat until all ganache is rolled.

To flavor with your favorite liqueur, substitute 1 oz (2 T.) liqueur for 1 oz of the whipping cream.

• *Brian Wilkin is the chocolatier for Grimaldi's Fine Chocolates and can be reached at 846-7567.*

## **EU Clamps Down On Nigerian Cocoa**

Modern Ghana, Ghana

Thu, 24 Jan 2008

Following the decision of Nigeria not to endorse the Economic Partnership Agreements (EPAs) with the European Union, cocoa processing firms in that country have been facing stiff export hurdles, resulting in multi-million dollar losses since the beginning of January. The EPAs operative mandate was due to have taken effect on January 1, 2008.

According to the processors and exporters of manufactured cocoa products to European countries and ports, the non-endorsement of the agreements by the Federal Government has been attracting stiff penalties in the form of higher duties on exports. The cocoa processing firms, under the aegis of the Cocoa Processors Association of Nigeria said in Lagos last Friday that the survival of their operations was under serious threat. The body therefore called on the Federal Government to give effect to all necessary incentives, which had been suspended, as effective cushion against the impending collapse of the sector.

The National Secretary, COPAN, Oladunjoye Felix, who spoke on behalf of the association, said within the short period of the regime of reprisal by Europe against Nigeria, cocoa processors from Nigeria had lost close to \$2m. "The fact is that 90 per cent of Nigerian processed cocoa and raw cocoa go to the European market. Before the end of March 2008, not less than \$5m would have been lost by processors." According to him, whereas countries like Cote d'Ivoire and Cameroon have been having their products exported to Europe free of duty, Nigerian processors have been losing \$6 per tonne. COPAN members' average export capacity per week stands at 60,000 metric tonnes.

Ghana, Cote d'Ivoire and Cameroon had, earlier in December 2008, endorsed an interim agreement with the EU which makes their exportable products to the EU duty-free.

Felix said, "The non-endorsement of the agreement by the government of Nigeria means every processed cocoa shipped from Nigeria now attracts 4.3 per cent for cocoa butter; 6.1 per cent duty from cocoa liquor and cake."

This further aggravates the already tight situation in the manufacturing environment caused by poor infrastructure and its attendant high cost of operation. A litre of diesel now goes for between N103 to N106 per litre, depending on location of the factory which had eroded the low margin in the cocoa processing sectors in the country. "To forestall the collapse of the industry, we call on the government to immediately resume the processing of the balance outstanding of 2005/2006 so as to assist the industry in this difficult situation."

### **Hershey Net Falls 65%; Lower Profit Forecast for 2008 (Update5)**

Bloomberg

By Josh Fineman

Jan. 24, 2008

(Bloomberg) -- Hershey Co., the largest U.S. candy maker, said fourth-quarter profit plunged 65 percent and forecast an unexpected drop in 2008 earnings, sending the shares lower.

Net income fell to \$54.3 million, or 24 cents a share, from \$153.6 million, or 65 cents, a year earlier, Hershey said today in a statement. Excluding one-time expenses, profit was 54 cents, 1 cent less than analysts' estimates.

Annual earnings declined for the second time since 2001 as the chocolate maker lost market share to Mars Inc. while milk and cocoa prices climbed. The trust that controls the company replaced eight of 11 board members in November after saying it wasn't "satisfied" with the company's results. "Nothing is new, things are just worse," Vincent Andrews, an analyst at Morgan Stanley, wrote in a note today. "Guidance will likely more than overwhelm the otherwise disappointing-on-all-levels fourth quarter." He recommends investors hold their shares.

Hershey forecast profit, excluding one-time costs, of \$1.85 to \$1.90 a share this year, down from \$2.08 in 2007. Thirteen analysts surveyed by Bloomberg estimated average profit of \$2.19. The company sees sales rising 3 percent to 4 percent. Hershey fell 71 cents, or 2 percent, to \$35.68 at 4:05 p.m. in New York Stock Exchange composite trading. The shares dropped 30 percent in the past 12 months.

#### Sales Rise

Fourth-quarter sales climbed less than 1 percent to \$1.34 billion, the Hershey, Pennsylvania-based company said. Costs for dairy and cocoa are at "significantly" higher levels than historical averages and Hershey expects commodity and energy costs to increase at similar levels in 2008.

Executives said today that higher expenses for milk will hurt first-quarter profit.

"It's kind of a perfect storm for them," said Walter Todd, a principal at Greenwood Capital Associated LLC in Greenwood, South Carolina, which sold its Hershey shares last year. "They've got the input cost situation, which is squeezing margins, they're having to spend more on advertising, which is squeezing margins, and the competition is more intense."

Nonfat dry milk prices during the fourth quarter were 93 percent above last year's, and cocoa surged in December to \$2,400 a metric ton, above the long-term average of \$1,600, Eric Katzman, an analyst with Deutsche Bank Securities Inc., wrote in a Jan. 17 note to investors.

#### David West

Hershey, which also makes Reese's Peanut Butter Cups, lowered its annual forecast three times last year. Rick Lenny stepped down as chief executive officer in October and was replaced by President David West.

Excluding costs to cut jobs and change production, Hershey earned 54 cents. Analysts estimated profit of 55 cents a share, according to the average of 13 projections compiled by Bloomberg. Ten analysts predicted sales of \$1.31 billion. "Hershey's share losses to Mars show no signs of abating," Alexia Howard, an analyst at Sanford C. Bernstein & Co., wrote in a Jan. 17 note. She recommends holding Hershey shares.

For the year through Dec. 29, Hershey retail sales rose 0.4 percent, compared with a 4.3 percent industrywide increase, according to Howard. Closely held Mars's chocolate sales climbed 9.2 percent. Hershey said today that market share dropped 1.3 percentage points during the quarter.

## Credit Outlook

Standard & Poor's said today it was more likely to lower Hershey's 'A' credit rating following the report. About \$2.1 billion would be affected. "While Hershey is still the leader in the U.S. candy market, we are concerned about continued market share loss, performance deterioration, and weak guidance for 2008," S&P said.

Hershey's attempt to lift profits by selling more dark chocolate has fallen short of efforts by Lindt & Spruengli AG, the maker of Ghirardelli chocolate, and Nestle SA. Competitors are taking advantage of growing demand from consumers seeking health benefits from cocoa, an ingredient in all chocolate.

Hershey is trying to counter flagging sales by cutting expenses. Last February it announced plans to reduce 1,500 jobs and move production to Mexico. The company is also working to boost its advertising budget. Most confection companies spend about 10 percent of sales on advertising, while Hershey spends less than 3 percent, according to Katzman.

## Higher Advertising

Hershey plans to increase advertising and coupon spending 20 percent next year, executives said on a call with analysts and investors. Hershey increased prices in April for the first time in two years, boosting Reese's and its namesake chocolate bars 4 percent to 5 percent.

The company will outline new growth targets in a meeting during the second quarter, West said on the call. The company has forecast in the past that sales will rise 3 percent to 4 percent annually, resulting in earnings gains of as much as 11 percent. Hershey said it will introduce in March chocolate under the Starbucks Corp. brand and start selling a new line of premium chocolates called "Bliss."

The Hershey Trust controls 78 percent of the voting power and 31 percent of the equity in Hershey. It was established by founder Milton Hershey and his wife, Catherine, in 1909, and exercises voting rights on behalf of the private Milton Hershey School. *To contact the reporter on this story: Josh Fineman in New York at [jfineman@bloomberg.net](mailto:jfineman@bloomberg.net) Last Updated: January 24, 2008 16:31 EST*

## **Cameroon 07-08 Cocoa Output to Be Higher on Year (DJ)**

Source: Dow Jones Newswires

25/01/2008

Douala, Jan. 25 - Cameroon's cocoa output in the ongoing 2007-08 season will witness a rise from the previous 2006-07 season, a senior official of the Cocoa and Coffee Inter-professional Board, or CCIB, told Dow Jones Newswires Friday. "We're confident that the cocoa harvest for the 2007-08 season will be higher than that of the last season," CCIB Special Duties Officer Andre-Marie Lema said.

Cameroon produced 179,239 tons of cocoa beans in the 2006-07 season, up from 164,301 tons in the previous season, CCIB data showed. Cameroon's cocoa season officially runs from August to mid-July. "I can't give you any exact figure of the 2007-08 output, but we believe that the cocoa that will be produced this year in Cameroon will be at least 3% higher than the last harvest," Lema told Dow Jones Newswires.

The CCIB official said there was "still much cocoa on the farms, and we believe not long from now more cocoa beans will be declared to us here at the port." Lema said cocoa production will continue to increase because farms that were re-opened some five-seven years ago have started to bear fruit heavily. "We're also expecting more cocoa from the non-traditional cocoa region of the Northwest province," he said. Cameroon is in the main crop cocoa harvest, which routinely runs from September through February/March. At least 50% of Cameroon's annual cocoa output comes from the Southwest province, and 30-35% comes from the Center province, according to CCIB data.

## **The Markets**

### **Cocoa: Sweet Opportunity**

Elliott Wave, GA

By Nico Isaac

24/1/2008

When it comes to pointing out a clear direction for prices in the world's key commodity markets, the mainstream financial experts can be as helpful as a pocket compass on the surface of the moon.

Take, for example, the news items on Cocoa beginning January 17. That day, cocoa prices soared to a new, lifetime high. And, as far as many in the business could see, there was no stopping the rush to the upside. "Cocoa probably has the most bullish fundamentals on the board... prices should continue to make new highs," began one same-day Dow Jones Newswire. As for what those "bullish fundamentals" were, the article cites the following factors:

\* Continued "uncertainty over the new director of Ivory Coast BCC cocoa body could lead to persistent shipment interruptions."

\* Ongoing weakness in the U.S. stock market: "Commodities have been seen as a safe haven from the current economic turmoil." Adding to that, one Reuters report writes: "The last time we had a slowdown in the economy, chocolate consumption was not affected. Some times, a recession encourages the consumption of goodies."

\* Last: "A breakdown in the US dollar is also supporting prices."

Yet -- 24 hours later, cocoa prices turned DOWN to a two-week low. Suddenly, a whole new light was shed on those very same "bullish fundamentals":

\* Ivory Coast disruptions? As late as November 2007, the cocoa exporting body registered their numbers in advance in anticipation so that exports would not be hampered.

\* Safe-haven premium? "Cocoa lower on stock market slide. A US recession could cut deep into global commodities demand." (DJ Newswire)

Basically, the usual suspects changed which "side" of each fundamental they chose to look at in order to fit the day's price action. Last time we checked, exact sciences were not subjective.

Now for the good news: In the January 24 Daily Futures Junctions, editor Jeffrey Kennedy offers another side of the story. In tonight's issue, Jeffrey presents a pair of original price charts and objective Elliott wave analysis of the near-term patterns unfolding in COCOA.

In Jeffery's own words, so long as "prices take a solid step in the right direction," the next move in this market could be a wonder to behold. You can read the full analysis in the January 24 Daily Futures Junctions online now by following the quick subscription steps below.

### **Prices Advance in Cocoa**

Inside Futures, IL

Jurgens Bauer of RJO Futures

25/01/ 2008

Thursday was a stellar day for cocoa bulls, in that prices advanced nicely and again probed above 2200 in the March contract. March closed up on the day 54 points, settling at 2192. March has been the focus of my comments for quite a while now, but I'm soon going to shift my focus to May. March is going to lose liquidity as positions get moved. Futures markets seldom used for delivery and the specs involved (and even hedgers) doubtfully wish to go that route and play that game. As a result, you should be looking for the spread difference to widen between the March (H) and May (K) cocoa contracts in favor of the May.

Longs should be preparing to roll out of March, and will likely move their longs into May. Yes, they can move out of cocoa entirely (and some will), or move their position into a different month. Shorts too may need to move, but the long only position trades will move their longs as a general rule-and they tend to do it systematically and over the course of a few sessions. That time is swiftly approaching.

We are already seeing signs of this shift as the March open interest (OI) (the number of contracts outstanding) went down by 2,277 in March on Wednesday and is now at 95,987-while May went up by 1,192 to 39,680. Overall (or net, net OI) for all contract months declined by 690 contracts on Wednesday; the total is now 190,006. Thursday's data hasn't been released at this writing. (Open interest figures always lag by a day, but are generally available by the opening of trading.)

I'm a cocoa bull, and most of you should already know that. I remain bullish on cocoa and still look for a move to 2350 (or even higher), but remember that markets do not move in one direction. Cocoa especially has experienced some sharp down moves within the past four months, while generally the trend has been upward. Appropriately dealing with the moves against your position is where fear comes in. The other market force, greed, sometimes has you hold onto a position when you really shouldn't. I know because I play that game everyday.

Where can this spread go? I suspect it will widen to 35 points and maybe more. It closed at 24 points. It may go to 40 and perhaps even further. I suggest looking for 30, and then scale out of the spread until you are totally out should it reach 40. It can go further, and may not widen at all. That is the risk. It could even go the other way! It has and it can-trust me. But prudence suggests that if you are currently holding March positions, you should seek to move them sooner than later.

I still feel that March will have a chance of revisiting the 22.37, and it may do so sooner than later as it works its way into new higher ground. My upside target is 2350. But be mindful that as objectives are reached, profit taking results and traders move in and out-and so should you.

News: Wuxi Huadong Cocoa Food, based at Wuxi near Shanghai, has increased its imports from Ivory Coast, and neighboring Ghana, to feed its expanded grinding capacity in China.

I remain confident that should March prove itself able to move back above 2175-2188 then 2200, it won't be long before 2237 is back in play.

While I believe that cocoa may still be confined to a range between 2220 and 2150, I still suggest playing that range. Any break above or below will carry, but again I like the long side of cocoa and would rather buy weakness than sell strength. The trend is up.

## **Business & Economy**

### **AIbom to pay counterpart funding on cocoa soon**

The Tide, Nigeria

Friday, Jan 18, 2008

The Akwa Ibom government says it will soon pay its 40 per cent balance of the counterpart funding on cocoa development to the National Cocoa Development

Programme.

Mr Patrick Ekpotu, the deputy governor, gave the assurance in Uyo when members of the sub-committee on cocoa development visited him. Represented by Prof. Etok Ekanem, the commissioner for agriculture, Ekpotu said the state government was ready to partner with the Federal Government in the development of agriculture. He said government was also interested in the success of the committee's programme on the development of cocoa, adding that it should be extended to other crops.

The leader of the team and coordinator, Farmers Field Support Programme, Mr Friday Idahor, said they were in the state to monitor the implementation of the programme. He expressed satisfaction with the early implementation of the programme in Akwa Ibom. Idahor urged the government to establish field schools in new communities to enable the committee to extend its services to more farmers.

### **Ghana cocoa purchases up**

New Vision, Uganda

20th January, 2008

ACCRA

Cocoa purchases declared by private buyers to Ghana's Cocobod industry regulator reached 364,472 tonnes between October 19 and December 6, an industry source said. This was a rise of 29% from the amount declared in the first seven weeks of last season's main crop. Total purchases for the week ending December 6 were 35,358 tonnes, up from the previous week's total of 34,517 tonnes.

Cocobod has set a target of 650,000 tonnes for the 2007/08 season, including a 600,000-tonne main crop harvest. Production fell to around 600,000 tonnes in the 2006/07 season. In recent weeks, the year-on-year increase in the cocoa crop has halved from a high of 60%. Despite this fall, industry officials are upbeat about meeting the output target.

### **UPDATE 1-Barry Callebaut Q1 sales rise 22%, sees tough year**

Reuters

Jan 22, 2008

ZURICH, (Reuters) - Barry Callebaut (BARN.S: Quote, Profile, Research), the world's largest chocolate maker, posted a forecast-beating 22 percent rise in first-quarter sales on Tuesday, but warned margins could face pressure due to high raw material prices.

Sales for the period rose to 1.42 billion Swiss francs (\$1.29 billion), beating the 1.34 billion franc average forecast in a Reuters survey of six analysts. "We expect the cost environment to remain challenging throughout the remainder of fiscal year 2007/08 due to sustained high raw material prices," the group said in a statement. "In addition, consumer sentiment in North America is weakening and is expected to wane in Europe. This may lead to increased price and margin pressure." But the group confirmed its four-year targets for the period 2007/08 through to 2010/11 and said it was on track to continue its strong sales-volume performance thanks to four large long-term supply agreements.

Barry Callebaut is aiming for annual top-line growth of 9 to 11 percent, operating income growth of 11 to 14 percent and net profit growth of 13 to 16 percent for the four-year period. Barry Callebaut won contracts from Nestle (NESN.VX: Quote, Profile, Research), Hershey Co (HSY.N: Quote, Profile, Research) and Cadbury (CBRY.L: Quote, Profile, Research) last year, as companies outsource the production of chocolate amid high prices for ingredients.

Last week, cocoa prices climbed to their highest level in more than four years and sugar prices rose to the highest level since December 2006, boosted by fund buying.

Barry Callebaut provides the food manufacturing industry with cocoa and chocolate products, fillings, coatings and cocoa powders and has more than 1,650 recipes. (Reporting by Katie Reid; Editing by Quentin Bryar)

### **Nigerian Cocoa Processors Hit by Govt Not Signing EU Pact (DJ)**

Source: Dow Jones Newswires

21/01/2008

Ibadan, Jan. 21 - The Cocoa Processors' Association of Nigeria, or COPAN, is losing huge revenue by paying higher duties on products exported to the European Union because the government hasn't signed the European Partnership Agreement, a COPAN official said. The E.U. introduced a regulation under the EPA, which stipulates duty ranging from 4.2% to 6.1% on imports of cocoa butter, liquor and cake. The law took effect from Jan. 1.

COPAN Secretary Felix Oladunjoye said at the weekend that Nigerian processors have so far lost close to \$2 million and this would rise to \$5 million by the end of March 2008 over the failure to ratify the EPA. He said the government's not signing the pact had attracted stiff penalties in E.U. countries in form of higher duties.

Ivory Coast and Ghana, the world's two largest cocoa producers and Cameroon had in December endorsed an interim agreement with the E.U., which allowed their cocoa products to be exported duty-free to the E.U. "This means that sales price of Nigerian products are now discounted against similar products from Ghana, Ivory Coast and Cameroon," Oladunjoye said. He added "the fact that 90% of Nigerian processed and raw cocoa go to the European market, before the end of March 2008, not less than \$5 million would have been lost by processors."

Oladunjoye said Nigerian processors sell cocoa butter at \$5,840 a metric ton as against \$6,100/ton by other countries, which have partially signed the EPA. He said the association appreciated government's resolve to protect local industries but stated that not signing of the EPA agreement would have "a serious effect on the processing sector," Oladunjoye called on the government to cushion the effects of its non-endorsement of EPA by restoring the payment of the Export Expansion Grant to its members. He said the suspension of the EEG and non-payment of over 14 billion naira (\$121.35 million) arrears owed CPAN members under the scheme is threatening the industry.

The EEG is an export promotion incentive that offsets 30% of production costs suffered by Nigerian exporters as a result of poor infrastructure. The scheme was suspended by the Nigerian government last year following alleged discovery of its abuse by some exporting companies.

### **Lindt, Barry Callebaut Sales Rise on Dark Chocolate (Update1)**

Bloomberg

By Thomas Mulier

Jan. 22, 2008

(Bloomberg) -- Swiss chocolate makers Lindt & Spruengli AG and Barry Callebaut AG reported higher sales after consumers ate more confections made from dark chocolate. Sales gained 14 percent to 2.95 billion Swiss francs (\$2.7 billion) in 2007, Kilchberg, Switzerland-based Lindt, the maker of Lindor praline balls, said today in a statement. Zurich-based Callebaut, the world's biggest producer of bulk chocolate, reported a 22 percent increase to 1.42 billion francs in the three months through November on its Web site.

Confectioners are making more goods from dark chocolate, which has less sugar and fat than other varieties, as consumers become increasingly concerned about their health. Companies in the industry have introduced products from dark-chocolate



versions of Mars Inc.'s 3 Musketeers and Milky Way bars to Hershey Co.'s Cacao Reserve by Hershey's selection. "A move toward premium products, such as origin chocolate and dark chocolate with a higher cocoa content, helped increase sales," said Callebaut, which opened a Chinese factory two weeks ago to capitalize on Asian demand.

Buying policies and cost controls will help shield its 2007 results from higher commodity and energy prices, Lindt said as it stuck to a goal for improving earnings before interest and taxes. Costs will be "challenging" in the current fiscal year, and price and margin pressure may increase, Callebaut said as it maintained four-year financial targets.

Supply Contracts

Lindt shares fell 2,540 francs, or 7.9 percent, to 29,460 francs at 9:22 a.m. in Zurich as equities plummeted worldwide for a second day on concern the U.S. may enter a recession. Callebaut stock dropped 26 francs, or 3.2 percent, to 784.5 francs. The Bloomberg Europe Food Index slid as much as 3.6 percent.

Callebaut, whose sales are rising on contracts to supply Hershey and Nestle SA, also named Steven Retzlaff, who was born in 1963, as head of sourcing and cocoa. He replaces Benoit Villers, who is leaving after two decades.

Lindt, which sells a chocolate bar with 99 percent cocoa content, has created bars mixed with flavorings such as chili peppers. The company is raising prices by as much as 10 percent this year to pass on higher commodity expenses.

Lindt shares rose 30 percent in 2007, the fifth straight annual advance, compared with gains of 20 percent for Vevey, Switzerland-based Nestle and 14 percent for Cadbury Schweppes Plc. Callebaut stock added 40 percent, also the fifth full-year gain in a row.

### **Lindt Shares Fall on Concern U.S. Demand May Slow (Update1)**

[Bloomberg.com](http://Bloomberg.com)

By Thomas Mulier

Jan. 22, 2008

(Bloomberg) -- Lindt & Spruengli AG, the Swiss maker of Ghirardelli chocolates, fell in Zurich trading on concern that U.S. demand may weaken.

Sales growth slowed to 13 percent in 2007's second half from 16 percent in the first six months, according to calculations based on annual figures released today. Revenue rose 14 percent for the year, the Kilchberg, Switzerland-based company said.

Lindt gets a quarter of sales from the U.S., according to Rene Weber, an analyst at Bank Vontobel AG in Zurich. The country is going through the worst housing slump in 27 years, and Lehman Brothers Holdings Inc. today estimated the chance of a U.S. recession at 40 percent. Local per-capita chocolate consumption "stagnated" last year, the confectioner said. "Lindt's growth is heavily dependent on the U.S., so a recession there would have a considerable impact," Weber wrote in a note to investors. He has a "hold" rating on the stock.

Weber also gives a "buy" recommendation to shares of Zurich-based Barry Callbaut AG, the world's biggest maker of bulk chocolate. The company reported a 22 percent gain in sales to 1.42 billion Swiss francs (\$1.3 billion) for the fiscal first quarter through November on its Web site today.

Lindt fell 1,290 francs, or 4 percent, to 30,710 francs in Zurich after dropping 6.1 percent yesterday. The stock slid as much as 12 percent today, the biggest loss since Oct. 28, 1997. Callebaut declined 10.5 francs, or 1.3 percent, to 800 francs.

### **More Competition**

Sales of confections made from dark chocolate, which has less sugar and fat than other varieties, are rising as consumers become more concerned about health. Competition has intensified as companies have introduced products such as dark-chocolate versions of Mars Inc.'s 3 Musketeers and Milky Way bars and Hershey Co.'s Cacao Reserve by Hershey's selection.

Buying policies and cost controls will help shield its 2007 results from higher commodity and energy prices, Lindt said as it stuck to a goal for improving earnings before interest and taxes. Costs will be "challenging" in the current fiscal year, and price and margin pressure may increase, Callebaut said as it maintained four-year financial targets.

Lindt, which sells a chocolate bar with 99 percent cocoa content, has created bars mixed with flavorings such as chili peppers. The company is raising prices by as much as 10 percent this year to pass on higher commodity expenses. Annual sales rose to 2.95 billion francs last year from 2006's 2.59 billion francs.

Lindt shares added 30 percent in 2007, the fifth straight annual advance, compared with gains of 20 percent for Vevey, Switzerland-based Nestle and 14 percent for Cadbury Schweppes Plc. Callebaut stock added 40 percent, also the fifth full-year gain in a row. To contact the reporter on this story: Thomas Mulier in Geneva at [tmulier@bloomberg.net](mailto:tmulier@bloomberg.net).

### **Ivory Coast Cocoa Body Factions Clash, Export Register Open (DJ)**

Source: Dow Jones Newswires

23/01/2008

Abidjan, Jan. 23 - A brief clash between factions backing outgoing and incoming management at the main office of Ivory Coast's BCC Coffee and Cocoa Marketing Body prevented some employees from working, but the export register was open and accessible through the Internet, BCC officials told Dow Jones Newswires Wednesday.

Recently trouble at the BCC closed down the register for eight days, causing exports from the world's top cocoa grower to slow considerably.

Assisted by police, the agriculture minister Wednesday had locks on office doors changed before handing over the keys to new Managing Director Fabrice Ette, who was appointed Monday by the BCC's board of directors.

Supporters of outgoing MD Tano Kassi say the board is illegal as some of its recently appointed members haven't been approved by a General Assembly as is statutory.

Police separated the two factions Wednesday after one person was injured, while the agriculture minister convened a meeting of the incoming and outgoing MDs and their close collaborators.

### **Liberia: Bringing Cocoa Back to Life**

AllAfrica.com, Washington

Zorzor

25 January 2008

In some areas of Liberia cocoa trees are being cut and burned for charcoal even as the government and aid groups are working to revive the crop that once provided a living for tens of thousands of people. "Some of us [farmers] are now back in our towns and we desperately want to start our cocoa farming as it is the only means of us gaining income to sustain ourselves," said Kolubah Gayflor, a cocoa farmer in the town of Zorzor, northern Lofa County, and one of some 22,000 people who the Agriculture Ministry says produced cocoa before the 1989-2003 war.

Another former cocoa farmer, Mulbah Akoi, told IRIN, "If we were working on those plantations, replanting trees and cultivating cocoa, [people] would not be cutting and burning cocoa trees." Liberia's 14-year civil war, which ended in 2003, displaced hundreds of thousands of people and left Liberia's agriculture sector and basic infrastructure in ruins. Today according to the UN some 80 percent of Liberians are jobless.

The US Agency for International Development (USAID) says getting cocoa farms back on track could go a long way to helping. It is already supporting cocoa projects in Liberia, where industry experts estimate cocoa production could provide incomes for some 30,000 families, or 150,000 of Liberia's 3.1 million people. "Before the war, the cocoa contribution to the GDP was around 10 percent and in 2000 it was 0.5 percent," according to MacArthur Pay-Bayee of the International Institute for Tropical Agriculture (IITA), which is running cocoa revitalisation projects in Liberia. "The latest figure we have is from 2005, when cocoa was at 5.1 percent [of GDP]."

In a project backed by USAID, the IITA has trained and provided seeds to more than 300 farmers who in turn train others. "The idea is rehabilitation but with sustainability built in," Pay-Bayee said. Building a profitable cocoa industry will require more than providing tools and refurbishing plantations. Liberia's road system is in tatters and this severely hampers farmers' efforts to bring any product to market, experts say. A vast UN-World Bank road rehabilitation project, launched last year, will be crucial for success of cocoa and all crops.

A 2006 crop and food security assessment by the Food and Agriculture Organization and the World Food Programme said: "Producers have to pay for transport to buyers' substations or sell to middle-men at lower prices at the farm gate. Poor infrastructure thus dampens production, limits the marketing network, and constrains people's access to goods and cash." "You cannot do agriculture without road networks," said IITA's Pay-Bayee.

### **FTN Cocoa Processors set for stock exchange listing**

Business Day, Nigeria

24 January, 2008



Ndi Okereke Onyiuke, Director General,  
Nigerian Stock Exchange

FTN Cocoa Processors Limited is to be quoted on the Nigerian Stock Exchange (NSE) this quarter after a successful private placement which preceded the company's desire to be a public limited company. Competent market sources disclosed that the company's outstanding shares of 980 million will be listed by introduction at N2.80 per share.

Wale Jubril, stockbroker and consultant to the company said the private placement which has seen the company's share capital increased by N1.8 billion was the first step towards the listing of the shares on the exchange. He said the stock will be investors' delight and a special company in the Food and Beverages sub-sector. The company's reconstituted board of directors has Segun Osunkeye as chairman and S.O oguntimehin, former president of the institute of chartered accountants of Nigeria (ICAN) as non executive director.

Managing Director, Abiola Aderounmu said that the company has over the past twelve years processed over 40,000 tons of cocoa beans just as it ventured into full scale manufacturing in 2005. "Our operations have evolved into a major area of agriculture produce to effectively meet the needs of industrial users locally and internationally. Our experience in the business informed the decision to lease Cocoa Products Company Limited, Ile-Oluji in 2003 at a time the company was moribund. The successful turn-around of the company paved way for its privatization in 2006", he said.

FTN Limited commenced operations in 1995 and has through the years distinguished itself as a provider of processed agricultural commodities. The company's business area covers Cocoa processing into cocoa butter, cocoa cake, cocoa powder and cocoa liquor. Some of the company's local and international customers include Nestle Nigeria plc, Cocoa Industries Limited, Promasidor Nigeria Limited, Unicom International Bv, Amsterdam, Union Chocolate, Poland, among others.

## **Labour Issues**

### **Ivory coast workers win cocoa strike - labour**

ibcom.org, UK

By [Saii](#)

25/01/ 2008



Workers across the cocoa industry in Ivory Coast have gone back to work after winning a strike action which brought shipments to a standstill at the beginning of January. The strikers wanted to secure better pay and working conditions, and ousted senior management in government agencies accused of severe malpractice.

Work resumed after the government conceded and raised wages, but unionists, and industry analysts, have warned that further strike action is highly likely if their demand for the sacking of the director general of the Coffee and Cocoa Bourse (BCC, which regulates the marketing and export of cocoa) is not met. Towards the end of the industrial action, SYNASGFICC unionists at the BCC and other industry bodies blocked registration of cocoa shipments for export. The strike followed walkouts in early December, which were called off for negotiations which never happened.

Philippe Zohou Bi, deputy secretary general of the union representing staff at the BCC, said some staff who had initially scabbed by continuing to process some cocoa exports during the first three days of the strike had been physically stopped by union activists.

"We're getting tougher and prevented the alternative (export) registration system which the BCC director set up near his office, from working," he said at the time. It's true that exporters could register (shipments) during the strike... but we barricaded the office where the computers are and chased out the workers using them." If the tactic is repeated in future, it could cause major problems for bosses who are anxious to get this year's wares away on time.

Ivory Coast's cocoa industry, the largest producer in the world accounting for 40% of world production and selling to Mars, Kraft and Nestle among others, is highly controversial. The extremely profitable cocoa fields in the region have been a major source of funding both for the rebel armies in the north and the government in the south.

An investigation by anti-corruption organisation Global Witness found that in the most recent conflict, the civil war of 2002, \$112m was illegally diverted towards war materiel by both sides from cocoa sales. Thousands died. Global Witness further allege that the two sides in the civil war, which recently signed a peace accord and are said to be disarming, are continuing to draw profit from the sector through embezzlement and corruption.

The war has undermined cocoa prices for farmers who until recently had been able to sell their beans direct to companies for a reasonable profit, but who are now reliant on buyers thanks to the destruction of the transport network, who are gouging them over prices. As a result, despite growing demand for cocoa and rising prices on world markets, farmers have been receiving less.

The \$1.2bn industry has also come in for fierce criticism for its child labour practices, with a recent expose by a major newspaper tracking child slaves across the continent and finding that the number of enslaved could be as high as 12,000.

## **Others**

### **Chile and chocolate predicted to be one of the hot flavor pairings for 2008**

#### **Salisbury Post**

By Katie Scarvey

Wed, Jan 23, 2008

It might sound like a strange pairing, but it's actually an ancient one, part of authentic regional Mexican cuisine. As the chocolate struck our palates, we waited for the final kick, unsure of whether we would like it or not. It was actually quite good. We noticed that because the chile flakes add such a punch to the rich, dark chocolate, we felt satisfied with less. And when it comes to chocolate, less is a very good thing.

Chefs are having fun experimenting with the dynamic duo of chile and cocoa. The McCormick Spice people have noticed and have included the pairing in their Flavor Forecast for 2008 — which predicts the tastes that will "shape the way we eat in the coming year." (Other pairings predicted to be popular this year are orange peel and natural wood; allspice and exotic meats; oregano and heirloom beans; vanilla bean and cardamom; coriander and coconut water; lemon grass and lychee; red curry and masa.) "I love the complex flavors and textures that both cocoa and chile provide," says Graham Elliot Bowles, Chef de Cuisine at Avenues, The Peninsula Hotel in Chicago.

Except for the chili con carne recipe, which is from "The Lee Bros. Southern Cookbook," the following recipes are courtesy of McCormick. Heat one tablespoon of the oil in a 5-quart Dutch oven or saucepot on medium high heat. Add half of the beef; brown on all sides. Repeat with remaining beef. Remove beef; set aside. Heat one tablespoon of the oil in the same pot on medium heat. Add onion; cook and stir 3 minutes. Add water; stir to loosen browned bits in bottom of pan. Add beef, beef broth, tomato paste and seasonings; mix well. Bring to boil. Reduce heat to low; cover and simmer 30 minutes, stirring occasionally. Stir in chocolate. Simmer, uncovered, an hour or so until beef is tender and sauce has thickened, stirring occasionally.

Brush both sides of tortillas lightly with remaining tablespoon oil. cook each tortilla in nonstick skillet on medium heat one minute per side or until tortilla is slightly crisp but still pliable. Drain on paper towels. Spoon about 1/4 cup beef mixture into center of each tortilla. Top with desired garnishes. Fold and serve.

Preheat oven to 375 degrees. Mix sugar, cocoa powder, garlic salt, chipotle chile pepper, and cinnamon in small bowl. Reserve one tablespoon spice mixture for basting sauce. Rub remaining spice mixture on ribs until well-coated. Place ribs in single layer on foil-lined roasting pan. Cover with foil.

Bake one hour or until meat starts to pull away from bones. Meanwhile, for basting sauce, mix apple juice, tomato paste and reserved one tablespoon spice mixture in small bowl. Grill ribs over medium high heat one to two minutes per side or until heated through and evenly browned, brushing with basting sauce.

Preheat oven to 350 degrees. Generously spray 8 (6-ounce) oven-proof coffee cups or ramekins with no-stick cooking spray with flour or grease and flour cups. Place on large baking sheet. Mix flour, 3/4 cup of the granulated sugar, 4 tablespoons of the cocoa powder, baking powder, chile pepper, cinnamon and salt in large bowl. Stir in milk, oil and one teaspoon of the vanilla. Batter will be stiff. Spoon evenly into prepared cups. Mix remaining cup granulated sugar and two tablespoons of the cocoa powder in small bowl. Sprinkle evenly over batter. Spoon two tablespoons boiling water into each cup. Do not stir.

Bake 20 minutes or until tops are dry to the touch and toothpick inserted into centers comes out almost clean. Cool cups slightly on wire rack.

Beat cream and confectioners' sugar in large bowl with electric mixer on high speed until soft peaks form. Add remaining two tablespoons cocoa powder and one teaspoon vanilla; beat until stiff peaks form. Serve "cup" cakes warm with a dollop of whipped cream. Sprinkle with additional cinnamon, if desired.

From "The Lee Bros. Southern Cookbook," this is a recipe for rich Texas chili, with no beans.

My daughter and my husband made this last weekend, downsizing the recipe by about half since we didn't think the three of us needed five pounds of chili. The preparation was a bit time-consuming, but the chili was fantastic. Its hot, smoky sweetness is downright addictive.

The original recipe says the chocolate is optional, but we felt that the chocolate was a necessary component, adding just the right note of rich sweetness. We found ourselves returning to the pot too many times. The Lee Brothers suggest pairing this chili with wedges of corn bread and garnishing with fresh avocado and sour cream.

Place the ground beef in a large bowl and season with one teaspoon salt and 1/4 teaspoon black pepper ( you don't need to mix seasonings into the meat).

Scatter the diced bacon in a 6-quart stockpot or Dutch oven over medium heat. With a wooden spoon, move the pieces around until the bacon is firm and barely crisp, about 4 minutes. Remove with a slotted spoon and reserve in a small bowl. Add the torn chile pieces to the bacon fat in batches and gently toast until they discolor and release some of their fragrance, about 30 seconds. Remove and reserve in the bowl with the bacon.

Working with 1 1/4 pound batches, add the beef to the pot and cook stirring to break it up, until the beef is cooked through, about 8 minutes. Remove and reserve in the large bowl. Repeat until all beef has been cooked. add the beef broth to the pot and using a wooden spoon, stir in tight circles, scraping up any browned bits from the bottom. When the broth boils, pour it over the bowl of chiles and bacon. Submerge the chiles and let stand for 10 minutes.

Turn off the heat beneath the stockpot and return the reserved beef to it. Place the yellow onions and garlic in a 9- by 13-inch roasting pan and drizzle the olive oil over them. Shower them with 1/2 teaspoon salt and 1/4 teaspoon black pepper and turn them with a serving spoon until they are evenly coated with the oil. Place the pan under a broiler, three to four inches from the flame or heating element and broil until the onions are nicely charred, about 8 minutes. Peel the garlic cloves by squeezing them at the step end with tongs, or let cool and peel by hand. Transfer half the garlic and half the onions to a food processor; add one can tomatoes and their juice and process to a smooth puree, about a minute. Pour the puree into the pot with the beef, than process the remaining garlic and onions with the remaining tomatoes and add to the pot. Place the reserved bacon, chilies and beef broth in the process bowl, you do not need to wash it, and process to a smooth puree about a minute. Add half the chile puree to the pot and stir with a wooden spoon until the ingredients are thoroughly mixed.

Turn the meat to medium and heat the chili. When the surface begins to bubble, reduce the heat to low, partially cover and simmer gently, stirring every 15 minutes to ensure even cooking until the chili has thickened and darkened to a chocolate brown about an hour. Add the chocolate and stir to distribute them. When they have melted completely taste the chili and adjust seasonings to taste with salt, pepper and more chile puree. Simmer gently for an hour more, partially covered, stirring every 15 minutes, until the chili is very thick. Taste again and add salt and pepper if desired.

For optimal flavor, let the chili cure in the refrigerator for 24 hours, then reheat over low heat. Garnish with green onions. Serves 12.

## Chile Chocolate Brownies

According to the McCormick Web site, these brownies have "bold flavor with a pleasant warmth, but not too much heat." Simple but impressive when topped with caramel sauce and whipped cream.

Preheat oven to 350 degrees. Prepare brownie mix as directed on package, stirring in ancho and chipotle chile peppers, cinnamon and vanilla with dry mix. Gently stir chocolate chips into batter. Spread in greased 9-inch square baking pan.

Bake 35 to 40 minutes or until toothpick inserted in center comes out with fudgy crumbs. Cool in pan. Cut into 16 squares.

Serve with caramel sauce and/or whipped cream, if desired.

Test Kitchen Tip: For easy clean-up, line pan with foil with ends of foil extending over sides of pan. Use foil handles to remove baked dessert from pan. Place on cutting board and cut into bars. Over the holidays, someone gave my daughters some dark chocolate flavored with chile flakes. It might sound like a strange pairing, but it's actually an ancient one, part of authentic regional Mexican cuisine. As the chocolate struck our palates, we waited for the final kick, unsure of whether we would like it or not.

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Mexican Hot Chocolate 'Cup' Cakes with Cocoa Whipped Cream

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# TIT BITS

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

## **US MIDDAY: coffee and cocoa tumble**

NEW YORK (January 23, 2008): Arabica coffee futures sank to a six-week low in early trade on Tuesday, on heavy selling pressure while US cocoa futures also fell, traders said. "It's across the board, everything's down," a coffee dealer said, adding further pressure was expected if the March contract hits \$1.2940.

## **Barry Callebaut first quarter sales rise 22%, sees tough year**

ZURICH (January 23, 2008): Barry Callebaut, the world's largest chocolate maker, posted a forecast-beating 22 percent rise in first-quarter sales on Tuesday, but warned margins could face pressure due to high raw material prices. Sales for the period rose to 1.42 billion Swiss francs (\$1.29 billion), beating the 1.34 billion-franc average forecast in a Reuters survey of six analysts.

## **London sugar, cocoa and coffee remain down**

LONDON (January 23, 2008): London sugar futures fell on Tuesday, feeling the impact of falling oil prices as investors worried about the growing risk of a recession in the United States. Coffee and cocoa were also lower as speculators reduced exposure to long positions after heavy recent gains.

## **US MIDDAY: coffee and cocoa down**

NEW YORK (January 24, 2008): Arabica coffee and US cocoa futures eased in early trade on Wednesday, keeping within the previous day's ranges and feeling pressure from outside markets, traders said.

## **New York cocoa lower on long liquidations**

NEW YORK (January 24, 2008): US cocoa futures finished weak but well off session lows on Tuesday, on steady long liquidation while commercial buying helped trim losses that were felt across the board, traders said. US markets were closed on Monday in observance of Martin Luther King Jr. Day.

## **US MIDDAY: coffee and cocoa up**

NEW YORK (January 25, 2008): Arabica coffee futures were moderately higher early Thursday, after taking a dip on speculative selling, while US cocoa moved higher, traders said.

## **London coffee steadies, cocoa up**

LONDON (January 25, 2008): London robusta coffee futures were steady on Thursday after climbing to a nine-and-a-half-year high on Wednesday on renewed speculative and fund buying. Soft commodities proved resilient to weakness in global financial markets, as cocoa edged up towards its recent four-and-a-half year peak, while sugar was mixed.

## **Cameroon August-December cocoa exports slip 20 percent**

YAOUNDE (January 25, 2008): Cameroon's August-December cocoa exports fell 20 percent year-on-year to 97,995 tonnes, the cocoa and Coffee Interprofessional Board (CCIB) said on Thursday, after heavy rains delayed the flow of beans from the bush.

## **New York cocoa higher**

NEW YORK (January 25, 2008): US cocoa futures settled firm on Wednesday, after a choppy session that saw speculators on both sides of the market, traders said.