



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 271

18th – 22nd February 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)
18 th February	1602.30	2527.24	1312.00	2528.83
19 th February	1596.20	2528.32	1311.00	2530.67
20 th February	1565.43	2472.16	1297.67	2457.33
21 st February	1585.05	2506.94	1304.67	2487.33
22 nd February	1624.73	2583.00	1338.00	2567.67
Average	1594.72	2523.53	1312.67	2514.37

In the News (from Newspapers worldwide)

Health and Nutrition

- Eat dark chocolate for health benefits in moderation only
- Chocolate as health food
- A Box of Chocolates
- Are Lotions For Stretch Marks Really What They Claim To Be?
- Sinful foods not so bad after all

Production and Quality

- Cameroon Aug-Jan cocoa exports down 3 pct on year
- Ivory Coast Starts Fighting Swollen Shoot Cocoa Disease (DJ)
- Fortis Sees 07-08 Global Cocoa Deficit of 32,000 Tons (DJ)
- Ivory Coast cocoa arrivals 963,321 T by Feb 17
- Ivorian San Pedro cocoa arrivals 405,478 T by Feb 17

The Market

- Scarce cocoa supplies push Cameroon prices higher
- Market News: TradeSignals Cocoa Futures Morning Commentary
- Price hikes benefit sales for speciality-focused AAK
- Supplier instability helps push soft commodities to fresh highs
- Commodities boom as Fed money printing weakens dollar
- Softs - Coffee edges up as funds step back in, taking mkt near recent peaks
- NYMEX To Change Margins For Some NYMEX Softs Futures Contracts
- Additional Profit Taking Eases Cocoa Prices

Processing and Manufacturing

- Ritter Sport to Stop Chocolate Production in Russia; Blames Ingredient Prices and Wrigley
- Agro processing is difficult in Nigeria, Olam
- CPCRI debates technology adoption

Business & Economy

- Cameroon's Cocoa Exports Jumped Almost Sevenfold Last Week

Labour Issues

- Mars Joins Effort to Certify Sustainable Cocoa
- Colombia Chocolates Net Pft Up 16% in 2007 to COP244.3B (DJ)
- Ghana pledges sustainable cocoa push – report
- Hershey eyes supply chain, new markets to save costs
- Cocoa smuggling undermines Ivorian peace process
- Veriflora certified? Organic cocoa? The greening of Valentines Day
- Canada Suit Accuses Chocolate Makers of Price-Fixing (DJ)
- Nestle price rises help drive up 2007 profits
- Nestle CEO sees no further coffee, cocoa price rises
- Cuba to import cocoa from Ghana

Others

- Ghana: Ministry Assists Cocoa Producing Districts to Eliminate Child Labour
- West Africa: Efforts Too Small to Curb Child Labour On Cocoa Farms
- Cocoa haulers strike at Takoradi Harbour
- Blood and chocolate
- Children on cocoa farms bring world censure
- Chocolate manufacturers accused ...Of encouraging child labour
- Dockers' Strike Slows Cocoa Exports at Ivory Coast Port (DJ)
- Ivory Coast Port Fully Operational, Dockers' Strike Broken (DJ)
- Your Letters, 22nd February 2008: The modern slaves

Others

- Isaac Osei recommended as NPP running-mate
- Lawyers go loco for cocoa : \$50 million class action lawsuit launched
- Fair Trade Valentine Lectures Come to Five College Area
- Business Briefs: Nestle price rises help drive up 2007 profits
- Biofuels push up cost of farm goods
- Bush declines Ghana chocolate

INSIDE THIS ISSUE:

- ✓ ICCO DAILY COCOA PRICES
- ✓ LONDON AND NEW YORK FUTURES MARKETS UPDATE
- ✓ SPOT PRICES
- ✓ NEWS
- ✓ TIT BITS

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

Monday 18th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1280	1271	-16	1284	1268	2,062
May 2008	1307	1298	-14	1308	1293	4,920
Jul 2008	1330	1320	-15	1330	1318	2,809
Sep 2008	1320	1318	-12	1320	1315	1,617
Dec 2008	1328	1328	-10	1331	1325	1,327
Mar 2009	1323	1323	-11	1326S	1321S	84
May 2009		1333	-13			0
Jul 2009		1341	-14			0
Sep 2009		1353	-12			0
Dec 2009		1368	-12			0
Totals		1325				12819

Tuesday 19th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1277	1269	-2	1296	1268	4,958
May 2008	1306	1295	-3	1322	1293	10,116
Jul 2008	1327	1319	-1	1344	1318S	3,093
Sep 2008	1327	1319	1	1344	1319	619
Dec 2008	1337	1329	1	1352	1330	2,245
Mar 2009	1338	1325	2	1350	1331S	112
May 2009		1335	2			0
Jul 2009		1345	4			20
Sep 2009		1357	4			0
Dec 2009	1344	1372	4	1344S	1344S	0
Totals		1327				21163

Wednesday 20th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1271	1253	-16	1273S	1229	2,517
May 2008	1297	1280	-15	1299	1254S	7,658
Jul 2008	1319	1303	-16	1323	1280S	5,579
Sep 2008	1321	1310	-9	1323	1290	1,894
Dec 2008	1331	1321	-8	1332	1300	2,584
Mar 2009	1327	1318	-7	1328S	1290S	1,263
May 2009	1324	1327	-8	1331	1296S	183
Jul 2009		1337	-8			0
Sep 2009		1349	-8			0
Dec 2009		1364	-8			0
Totals		1316				21678

Thursday 21st February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1261	1260	7	1263	1,247	3,285
May 2008	1288	1287	7	1290	1,275	5,271
Jul 2008	1311	1310	7	1312	1,299	2,158
Sep 2008	1319	1317	7	1319S	1308	449
Dec 2008	1330	1327	6	1330	1318	943
Mar 2009	1320	1324	6	1330	1317	238
May 2009	1327	1334	7	1335S	1327S	11
Jul 2009		1345	8			0
Sep 2009		1357	8			0
Dec 2009		1372	8			0
Totals		1323				12355

Friday 22nd February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1256	1294	34	1297	1252	2,024
May 2008	1284	1322	35	1324	1280	5,396
Jul 2008	1307	1346	36	1347	1303	3,403
Sep 2008	1318	1346	29	1347	1314S	2,657
Dec 2008	1325	1357	30	1359S	1325	1,481
Mar 2009	1335	1354	30	1357	1334S	87
May 2009		1365	31			0
Jul 2009		1375	30			0
Sep 2009		1387	30			0
Dec 2009		1402	30			0
Totals		1355				15048

Average for the week		1365				20766
Total for the week						83,063

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

Monday 18th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008						
May 2008						
Jul 2008						
Sep 2008						
Dec 2008						
Mar 2009						
May 2009						
Jul 2009						
Sep 2009						
Dec 2009						
Totals		#DIV/0!				0

Tuesday 19th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2489	2489	-7	2489	2489	522
May 2008	2543	2508	-18	2544	2502	7197
Jul 2008	2508	2508	-18	2508	2508	1260
Sep 2008	2510	2510	-19	2510	2510	439
Dec 2008	2522	2522	-19	2522	2522	605
Mar 2009	2521	2521	-16	2521	2521	116
May 2009	2524	2524	-15	2524	2524	1
Jul 2009	2531	2531	-23	2531	2531	-
Sep 2009	2547	2547	-19	2547	2547	-
Dec 2009	2563	2563	-20	2563	2563	-
Totals		2522				10140

Wednesday 20th February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2456	2456	-33	2456	2456	171
May 2008	2475	2457	-51	2491	2435	8457
Jul 2008	2457	2457	-51	2457	2457	2377
Sep 2008	2478	2458	-52	2478	2458	620
Dec 2008	2468	2468	-54	2468	2468	905
Mar 2009	2465	2465	-56	2465	2465	186
May 2009	2468	2468	-56	2468	2468	1
Jul 2009	2487	2487	-44	2487	2487	-
Sep 2009	2499	2499	-48	2499	2499	-
Dec 2009	2510	2510	-53	2510	2510	-
Totals		2473				12717

Thursday 21st February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2460	2485	29	2485	2460	208
May 2008	2485	2485	28	2488	2462	12174
Jul 2008	2462	2488	31	2488	2462	2057
Sep 2008	2489	2489	31	2489	2489	398
Dec 2008	2480	2500	32	2500	2480	1108
Mar 2009	2500	2500	35	2500	2500	144
May 2009	2503	2503	35	2503	2503	102
Jul 2009	2522	2522	35	2522	2522	-
Sep 2009	2532	2532	33	2532	2532	2
Dec 2009	2543	2543	33	2543	2543	4
Totals		2505				16197

Friday 22nd February 2008

Month	Open	Price	Change	High	Low	Volume
Mar 2008	2554	2562	77	2562	2554	50
May 2008	2509	2562	77	2574	2509	6573
Jul 2008	2572	2571	83	2572	2571	1319
Sep 2008	2570	2570	81	2570	2570	467
Dec 2008	2545	2574	74	2576	2545	364
Mar 2009	2569	2569	69	2569	2569	84
May 2009	2572	2572	69	2572	2572	1
Jul 2009	2591	2591	69	2591	2591	-
Sep 2009	2600	2600	68	2600	2600	-
Dec 2009	2600	2600	57	2600	2600	-
Totals		2577				8658

Average for the wee	2580				11978
Total for the week					47,912

Spot Prices (US\$ per tonne)

	18 th February	19 th February	20 th February	21 st February	22 nd February
Main Crop Ghana, Grade 1	-	2930	2882	2910	2987
Main Crop Ivory Coast, Grade 1	-	2821	2767	2795	2872
Main Crop Nigerian, 1	-	2813	2757	2785	2862
Superior Arriba	-	2956	2899	2927	3004
Sanchez f.a.q.	-	2863	2814	2842	2919
Malaysian 110	-	2508	2457	2485	2562
Sulawesi f.a.q.	-	2711	2660	2688	2765
Ecuador Cocoa Liquor	-	4406	4300	4349	4484
Pure Prime Press African Type Cocoa Butter	-	7248	7060	7140	7361
10/12% Natural Cocoa Press Cake	-	1095	1057	1069	1102

Source: Cocoa Merchants' Association

News

Health and Nutrition

Eat dark chocolate for health benefits in moderation only

The News-Press, FL

By Ginger Patterson

February 19, 2008

To believe the media hype today is to believe that chocolate is the best way to get more antioxidants into the diet, is a way to lower blood pressure and is the route to other various healthful benefits. Is it really true the "food of the gods" is the answer to good health?

Ancient Americans drank a concoction made from the cocoa bean and the Spaniards took it back to Europe, so there is a long history of mankind's love of chocolate. Here in the United States, consumption is about 10 pounds per person per year. The chocolate that seems to promote health benefits is at least 70 percent dark chocolate. Most Americans prefer milk chocolate, which has added sugars and milk, or dark chocolate only when it covers, nuts, caramel or other fillings. These do not promote the same health benefits as the dark chocolate.

Some of the studies used 100 grams of the dark chocolate per day. Hershey's Dark Chocolate is about 530 calories for that amount. With obesity at epidemic proportions, one would hesitate to recommend that as a means of lowering blood pressure. Many more antioxidants can be found in vegetables for very low calories.

Cocoa powder is a good way to get the benefits. Mix 2 tablespoons cocoa, 2 tablespoons Splenda and 2 tablespoons water. Bring to a boil, then add 8 ounces of fat-free milk and a touch of vanilla. Whisk until hot. This makes awesome hot chocolate, adds a dairy serving and gives the health benefits of chocolate without the calories. When it comes to chocolate, moderation is key.

— *Ginger Patterson has been working in the field of wellness in Fort Myers for the past 23 years. She maintains an office at Fitness On The Move, where she specializes in weight management.*

Chocolate as health food

By Megan Reece

The Berthoud Recorder

Feb 22 2008

Now that Valentine's Day is past and all that candy is on sale, let's talk chocolate. Chocolate has been getting a lot of press over the last few years. Some call it an antioxidant powerhouse, others a blood pressure-lowering food and still others call it out for what it is – delicious.

According to the Web site www.cacaoweb.net, chocolate is made from the cacao bean, grown in tropical countries. The pods that hold the beans are roasted and ground. This produces cocoa liquor. Cocoa liquor under pressure makes cocoa butter, the part of the cacao that we begin to recognize as having that smooth, chocolate texture. Cocoa liquor, sugar and cocoa butter are all ground together, often with the addition of other flavors such as vanilla, until smooth. Finally, the mixture is mixed and agitated for an entire day in order to achieve the perfect, melt-in-your-mouth delight that is edible chocolate.

The taste and texture of chocolate cannot be recreated, as folks who have tried to satisfy their chocolate cravings with chocolate-flavored diet bars or sprays can attest. It is a very unique food with many unique properties.

Some of chocolate's individuality comes from the fact that it can almost be considered a "health food," but one that tastes sublime. Chocolate is rich in antioxidants, the molecules that help our bodies fight cancer-causing free radicals, according to WebMD. Some small studies have also suggested that chocolate can help to lower blood pressure. These benefits are also found with red wine, tea and blueberries.

There is always a catch, though. Chocolate is high in fat, calories and artery-clogging saturated fat. Therefore, moderation is the way to go.

Eating one ounce of chocolate a day provides these great benefits, not to mention that it gives you a chance to really enjoy a treat. An ounce of milk or dark chocolate contains around 150 calories on average, according to the Calorie King Web site.

Also, if you're a milk or white chocolate fan, then brace yourself. Milk and white chocolate do not provide the same benefits as dark chocolate. You need to eat dark chocolate that contains 70% cacao in order to reap these health claims.

If you're a dark chocolate person, then you're in luck here. Enjoy dark chocolate as a treat that just happens to be good for you, but don't overdo it. Milk chocolate fans can still enjoy their chocolate as a treat, but if they're after antioxidants or blood-pressure-lowering effects, they might consider drinking a cup of coffee or green tea with their breakfasts.

Chocolate as a health food? Try not to push too many people over in the supermarket line.

A Box of Chocolates

WHOI, IL - Feb 22, 2008

By Jen Christensen

The Love of Chocolate

According to the Chocolate Manufacturers Association, 57 percent of women and 46 percent of men say chocolate is their most favorite flavor. In fact, more than 3 billion pounds of chocolate were consumed in the U.S. in 2002.

Several different types of chocolate are available. The traditional eating chocolate is milk chocolate. It contains 12 percent whole milk, at least 10 percent chocolate liquor (the liquid, unsweetened product made from the cacao nib), cocoa butter, sweeteners and other flavors. Sweet, or dark chocolate, is traditionally used for baking. It contains 15 to 35 percent chocolate liquor and less than 12 percent milk solids, and has a moderate to deep chocolate flavor. Semi-sweet chocolate, also called bittersweet chocolate, has the strongest flavor. It contains at least 35 percent chocolate liquor and extra cocoa butter for smoothness and melting. It's also used in baking. White chocolate is not really a chocolate because it is made from cocoa butter and contains no chocolate solids.

Valentine's Day: The "Healthy" Gift of Chocolate

Valentine's Day and chocolate seem to go hand-in-hand. The National Confectioners Association estimates more than 36 million heart-shaped boxes of chocolate will be sold for Valentine's Day.

Recent research suggests the gift of chocolate may be a smart choice. Chocolate contains flavanols, healthy antioxidants associated with a decreased risk for a number of chronic health conditions, like high blood pressure, atherosclerosis, cardiovascular disease and diabetes. The highest levels of flavanols are in dark chocolate. However, experts point out that chocolate is also high in fat, sugar and calories. So the limited health benefits can be quickly lost by overindulgence.

Sue Cunningham, Ph.D., R.D., a Nutritionist with UT Health Science Center, San Antonio, has some tips to help gift-givers and their sweethearts this Valentine's Day:

Choose dark chocolates. They have higher levels of health-promoting flavanols.

Consider chocolate with nuts. Nuts have their own health-promoting properties and chocolate with nuts often contain less sugar than a creamy filling.

Select a good quality chocolate. Though these chocolates are more expensive than cheaper varieties, they tend to be more satisfying. Thus, you may be better able to control your portion sizes.

Drink something hot with your chocolate. Cunningham says chocolate goes well with coffee and tea. Even a glass of wine will enable you to savor the chocolate flavor and enjoy your special treat.

Are Lotions For Stretch Marks Really What They Claim To Be?

Apurva Shree

American Chronicle, CA - Feb 22, 2008

There is no concrete evidence that proves that lotions for stretch marks are the ultimate solution for pregnancy stretch marks. However, a large number of women prefer them. And it's possible that benefits obtained from these creams and lotions could have been obtained without them too.

Tall Claims

Some lotion claim to eradicate them completely. However, the truth is that the damage caused by these nasty marks takes place at such a deep level of skin that it's impossible for any lotion in the world to reach there. And if, as advertised by the

companies, there was such a substance present in the world of medicine or cosmetics, then we would have certainly found a vaccine for AIDS too! In future, there may or may not such a substance but at present, there is no such thing.

The Truth

What the lotions for pregnancy spots actually do is minimize them. And it's not due to some "wonder" compound added to them. Any cream or lotion that has the quality of restoring the lost natural oil of skin will be effective on these lines. Formulations containing Vitamin A are quite helpful. However, they need a doctor's prescription and can be used only after pregnancy period. The popular ones are Retin A and Trenitoin.

It has been found that products that induce general health of the skin are found to be most effective in the prevention and reduction. They may be creams, oils, and lotions containing AHAs (alpha hydroxyl acids, better known as fruit acids) and vitamin E. Their ability to work well on blots might be due to their quality of improving collagen production, something that laser treatment for stretch marks also works on.

The Wonder Cream For Stretch Marks

Cocoa butter is found to give excellent results and is regarded the most natural remedy. However, the biggest pitfall is that cocoa butter may cause horrible allergic reactions in some people. Therefore, carry out a sensitivity test before going for this remedy.

In addition to this, you should strictly avoid lotions as well as creams containing steroid like hydrocortisone. In case you are using them, discontinue.

Precautions

Before buying lotions for these marks, look out for testimonials as well as "Before" and "After" pictures showing how the product has worked. Next, always go for guaranteed products. This way, you can try the product without the fear of your money going down the drain.

Remember, lotions for pregnancy lines that have worked for somebody might not always work for you. So, keep your eyes and ears open while going for any remedy for stretch marks.

Lotions for stretch marks come with attractive ads claiming to give you a spotless skin after pregnancy. Before being lured by such claims, it's better to check out certain facts about these products. Laser treatment for pregnancy marks is another alternative today, though it can hit your pocket really hard.

Sinful foods not so bad after all

Sydney Morning Herald, Australia - Feb 20, 2008



Heart-smarter than you think ... in small doses, cocoa-rich chocolate is almost a health food.

Photo: AP

Some of the foods that we think of as forbidden offer surprising benefits when enjoyed in moderation. The case for the health benefits of chocolate and red wine has already been made with clinical studies suggesting a connection to heart health.

Chocolate contains antioxidants that may increase healthy cholesterol levels and phenols that can reduce blood pressure, and research suggests that eating the treat can also have positive effects on mood. Red wine contains resveratrol from the skin of red grapes, a compound that can improve cholesterol levels and reduce clotting, said Andy Bellatti, a graduate student at New York University's Department of Nutrition, Food Studies, and Public Health and the author of *Small Bites*, a nutrition blog.

But these foods can also provide too much of a good thing, Bellatti said. Studies published in 2003 and 2005 showed that eating dark chocolate had a positive effect on lowering blood pressure, but the participants who saw a 10 per cent drop in blood pressure ate 100g of chocolate a day - 550 calories worth. They were getting chocolate's helpful compounds, he said, but it was along with a lot of fat, sugar and calories, all things that could lead to weight gain. Other foods can also help reduce blood pressure, Bellatti said, including fruits, vegetables, whole grains and legumes.

"Nobody ever got high blood pressure from not eating chocolate," Bellatti pointed out. "It's not like it's chocolate or nothing."

It's also important to keep the type of chocolate you eat in mind, Bellatti said. The health benefit of chocolate comes from the cocoa beans it's made with, and the milk chocolate commonly used to make many popular chocolate bars has more milk than cocoa beans.

In addition, milk can interfere with the absorption of the antioxidants in chocolate, negating the health benefits, he said. If you are looking for heart-healthy chocolate, look for bars labeled as being high in cocoa, 85 per cent, for example. "'Dark' does not necessarily mean it has a high percentage of cocoa beans," he advised.

For wine, the recommended intake to enjoy its health benefits is about one glass of red wine a day, Bellatti said; more can be harmful, and less can have no effect. Also of concern, he said, is that wine is a liquid, which doesn't leave you satiated because it contains nothing filling, and which allows you to consume more calories in a shorter period of time.

But if you don't like wine or want to avoid its alcohol or calories, you have other options. "You could also just eat grapes and get the same health benefit," Bellatti said.

Production and Quality

Cameroon Aug-Jan cocoa exports down 3 pct on year

YAOUNDE, Feb 18 (Reuters) - Cameroon exported 133,082 tonnes of cocoa beans during the first six months of the 2007/2008 season, from Aug. 1 to Jan. 31, down 3 percent from the same period a year earlier, according to official data on Monday. Bean exports for January were 34,271 tonnes, sharply up from 14,783 tonnes a year earlier, according to information from the Cocoa and Coffee Interprofessional Board (CCIB).

Ivory Coast Starts Fighting Swollen Shoot Cocoa Disease (DJ)

Source: Dow Jones Newswires

19/02/2008

Abidjan, Feb. 19 - Ivory Coast's agricultural extension and research services on Tuesday launched a two-year project to fight swollen shoot, a disease which destroyed 8,600 hectares of cocoa trees in the past five years, the head of the CNRA National Agricultural Research Center said. "Since 2003 our researchers have found the presence of important centers of this serious disease called swollen shoot," Tiemoko Yo told a news conference in Abidjan.

Ivory Coast, the world's top cocoa grower, has almost two million hectares planted with cocoa trees and the destruction of 8,600 hectares has not significantly lowered annual output of around 1.3 million metric tons of cocoa beans.

Swollen shoot is contagious and infected trees need to be cut down and burnt but some cocoa analysts play down the risks for Ivory Coast, notably for the main southwestern and western growing areas, saying trees there are young and resistant. Partners in the Swollen Shoot Project are the CNRA, the FDPCC Coffee and Cocoa Farmers Development Fund, the FIRCA Agricultural Research and Investment Fund, the ENSEA National School for Applied Statistics and the BNETD/CCT National Bureau For Technical Development.

Fortis Sees 07-08 Global Cocoa Deficit of 32,000 Tons (DJ)

Source: Dow Jones Newswires

London, Feb. 19 - Fortis Bank Tuesday forecast a 2007-08 global cocoa deficit of 32,000 metric tons, a switch from the previous forecast made in November for a surplus of 74,000 tons. In May, Fortis had looked for a 2007-08 surplus of 128,000 tons, but has gradually reduced that projection before changing to a deficit in Tuesday's fresh figures. The bulk of the most recent change was mostly due to lower-than-expected Ivory Coast production.

Fortis now projects 2007-08 global cocoa output at 3.659 million tons, down 116,000 tons from the previous forecast. Of the reduction, 90,000 tons stemmed from Africa, of which 60,000 tons stemmed from the Ivory Coast.

Global grindings for 2007-08 were revised down 10,000 tons from the November report to 3.691 million tons. Fortis revised its grindings for Asia down by 15,000 tons and 2,000 tons in the Americas, which was partially offset by a 7,000-ton rise in Europe's grindings.

Ivory Coast cocoa arrivals 963,321 T by Feb 17

ABIDJAN, Feb 22 (Reuters) - Cocoa arrivals at ports in world top grower Ivory Coast reached 963,321 tonnes by Feb. 17, up from 877,384 tonnes in the same period a year ago, according to data from exporters obtained by Reuters on Friday. The figures showed 18,201 tonnes of beans arrived at the ports of Abidjan and San Pedro between Feb. 11-17, up from 9,316 tonnes in the same week of the 2006/2007 season.

Ivorian San Pedro cocoa arrivals 405,478 T by Feb 17

ABIDJAN, Feb 22 (Reuters) - Cocoa arrivals at Ivory Coast's port of San Pedro reached 405,478 tonnes from Oct. 1 to Feb. 17, according to data from the Coffee and Cocoa Bourse (BCC) obtained by Reuters on Friday. That compared with 361,986 tonnes delivered to the port during the same period of the 2006/07 season, the data showed. The figures showed 7,156 tonnes arrived at San Pedro port from Feb. 11 to Feb. 17, up from 4,165 tonnes in the same period of the 2006/07 season.

The Market

Scarce cocoa supplies push Cameroon prices higher

By Tansa Musa

YAOUNDE, Feb 18 (Reuters) - Cocoa prices in Cameroon climbed higher in February as the supply of beans from upcountry slowed to a trickle and the main crop harvest ground to a close, farmers said on Monday. At Kumba, in the South-West province which produces half of Cameroon's cocoa, farmers said cocoa beans were selling at up to 800 CFA francs (\$1.78) per kg, versus 740 CFA francs last month. "We have very little cocoa on the market now because the main crop harvest is coming to an end," said Joseph Nde, manager of Cameroon Marketing Commodities (CAMACO). "There is almost no more cocoa coming from the areas around Kumba."

Nearly all of the cocoa available in the region was coming from the town of Mamfe, 180 km (112 miles) north of Kumba, where farmers were not able to transport their produce during the rainy season because of bad roads. Lawrence Nkemnji, Ministry of Agriculture representative in Mamfe, said many licensed buyers were arriving in Mamfe now that roads were dry and beans were selling there at 700-750 CFA francs per kg.

Cameroon is the world's fourth biggest cocoa producer, with the 2006/2007 harvest rising 9 percent to 179,239 tonnes. In Centre province, which produces around 30 percent of Cameroon's cocoa, prices also inched higher.

At Eman, some 70 km (43 miles) north of the capital Yaounde, prices rose to 800 CFA francs per kg, versus 750-780 in January. At Bafia, 50 km further north, prices ranged from 800 to 820 CFA francs, up from 750-800 last month. "The main crop harvest is almost completely over," said Emmanuel Nguile from Bafia. "Only a few people whose farms are located along river beds are still picking up some remnants of pods."

"If we were in the military we will be talking of a mopping up operation." Farmers in the South and East provinces, which make up the remaining 20 percent of Cameroon's production, said the main crop was finished and there were no more beans on the market.

Farmers expect the mid crop to get underway by April. "The good news here is that we have just received a good consignment of insecticides from the Ministry of Agriculture to treat our farmers as we await the mid crop harvest," Moise Edou said from Sangmelima in the South province.

Cameroon's cocoa season runs from Aug. 1 to July 31, with peak harvesting from November to January. This year it was delayed till December because of heavy and prolonged rainfall.

Is It Time to Get on Cocoa's Bull Wagon?

Friday, February 22, 2008

by Jurgens Bauer of RJO Futures

While the other soft commodity markets were all pushing higher, cocoa was not. Instead, it continued to correct from its bullish advance with additional profit taking-and perhaps even some aggressive speculative shorts being put in place. But at day's end, prices did manage to forge gains with the May contract closing at 2485 +28. Likely, some comments from Nestle's Chief Executive Peter Brabeck contributed to the market's downbeat stance.

When asked about the business, Brabeck (who will step down later this year) implied to Reuters that he expected continued global economic growth in 2008 to support his business (especially in emerging markets). And he expects the recent record rises in commodity prices to start to cool off in the second half of 2008.

"When I look at coffee and cocoa, those prices should come down rather than go up," he said at a press conference.

Now, is that wishful thinking? I think it is. Instead, I think cocoa prices will soon resume their ability to press into new high ground, and therefore recommend approaching this market from the long side. I like buying calls and call spreads, but I will not however suggest selling puts short. The relative strength indicators still have this market overbought in my book. And being that it is cocoa, I still have a healthy fear of a dramatic drop, should something crazy get going.

Basis May, I see Support: 2450-2400, 2350-46, 2320-2313, 2283

Resistance: 2560-2600, 2650-2700, and maybe even 3000

Market News: TradeSignals Cocoa Futures Morning Commentary

TradeSignals Cocoa Futures Morning Commentary -- 2008-02-21 07:05:03

Cocoa:

Nearby Cocoa futures finished the previous session weaker extending the prior days weaker tone. Trend indicators are indicating a bullish market. However the overall strength of the trend, as indicated by the ADX, is weak and should be watched as a result. Momentum readings are also bullish. However, the recent downturn in the difference between the MACD and the MACD signal line may indicate a short term decline over the next few days and should be watched.

TREND INDICATORS:

Simple Moving Average (10-Day): The closing price finished above this moving average. Also, the slope of the moving average is in an upward slope from the previous session indicating further strength. As a result the 10-Day simple moving average has a strong bullish bias.

Simple Moving Average (25-Day): The closing price finished above this moving average. Also, the slope of the moving average is in an upward slope from the previous session indicating further strength. As a result the 25-Day simple moving average has a strong bullish bias.

Simple Moving Average (50-Day): The closing price finished above this moving average. Also, the slope of the moving average is in an upward slope from the previous session indicating further strength. As a result the 50-Day simple moving average has a strong bullish bias.

ADX: The Average Directional Change (ADX) indicates the strength of a markets underlying trend. A rising ADX is interpreted as building trend strength, while a falling ADX indicates weakness in the underlying trend and the potential of a market reversal. On this market, the 14-Day ADX is falling, while the long term trend, based on a 50-Day moving average, is up. However, as the ADX has turned lower, it indicates weakness in the current trend. As a result, the market may turn choppy here and has the potential to move lower.

MOMENTUM INDICATORS:

MACD: The MACD is in bullish territory. However, the recent downturn in the difference between the MACD and the MACD signal line may indicate a short term decline over the next few days.

RSI: The 14-Day RSI is in neutral territory. (RSI is at 66.56). This indicator issues bullish signals when the RSI line dips below the oversold zone (currently set at 20.00); a bearish signal is generated when the RSI rises into the overbought zone (currently set at 80.00). Nevertheless with the RSI at 66.56 the market is somewhat overbought. However, this by itself isn't a strong enough indication to signal a trade. Look for additional evidence of weakness from this indicator before getting too bearish here.

VOLATILITY INDICATORS:

Bollinger Bands (20-Day Average +/-1 Standard Deviation): As prices are closer to the bottom band than the top band, the Bollinger Bands are indicating overbought prices. The market is overbought and appears to be weakening. Look for a potential top in this area.

Price hikes benefit sales for speciality-focused AAK

FoodNavigator.com, France - Feb 22, 2008

By Laura Crowley

22-Feb-2008 - AarhusKarlshamn's (AAK) strategy of focussing on speciality over bulk has pushed up sales, though the fire in Denmark is predicted to have a negative impact on 2008 Q1 results.

The Danish vegetable oils manufacturer has reported net sales increases of 21 per cent in its 2007 fourth quarter, up to SEK 3,709m (€399m) from SEK 3,057m (€329m) at the same time in the previous year. This represents a 19 per cent net sales increase for the full year.

Operating profit increased 65 per cent, up from SEK 108m (€12m) in 2006, to SEK 178m (€19m) in 2007. This translated into a 44 per cent increase over the whole year.

The chocolate and confectionery fats group contributed most to these increases, particularly in the fourth quarter where earnings increased by 47 per cent. The food ingredients sector had strong earnings growth in the same quarter however, with an increase of 14 per cent.

"Earnings for 2007 are the AAK Group's highest since the merger of 2005, primarily on account of increased Cocoa Butter Equivalents (CBE) sales and implemented synergies," said CEO Jerker Hartwall.

In 2005, Aarhus United and Karlshamns merged to form one company.

"The company has filed an insurance claim of SEK 47m for December, related to the impact of the Danish incident. This amount has not yet been recognized as income," Hartwell added.

Raw materials impact

Net sales in the chocolate and confectionery fats sector increased by 24 per cent in the fourth quarter, largely as a result of higher CBE volumes on the back of the rising cost of cocoa butter - the component CBE replaces. The cost of cocoa butter rose to over SEK 40,000 (€4,300) in 2007 and 2008.

The sector's earnings experienced a significant increase as the company sold a higher quantity of specialty CBE products against a lower amount of less complex chocolate fat replacers.

In the food ingredients sector, net sales rose by 20 per cent in the fourth quarter, an increase the company attributes to higher raw materials prices.

The cost of palm, rapeseed and soya have all rocketed during 2007. According to AAK, this is a result of the accelerated consumption of vegetable oils, which has in turn placed further competitive pressure in the food industry.

Bo Svensson, corporate communications, told FoodNavigator.com that AAK's food ingredients sector has maintained a solid performance because of its strategy of concentrating on speciality ahead of bulk.

Last July, it acquired Croda Food Services in a bid to expand its specialist product range in the bakery sector.

Impact of tragic fire

Last December, a fire caused by an explosion in AAK's factory in Denmark resulted in the death of one employee.

The incident was in a part of the factory where vegetable oils are used as components in special fats for chocolate and confectionery products. The commissioning of a new factory has been delayed as a result of the fire, but the raw material inventories of shea were unaffected.

However, it resulted in delays of CBE deliveries to customers, which the company said will impact on first quarterly sales for 2008. It hopes to start production again in the second half of 2008.

Svensson said: "Some of our customers have gone to other suppliers while we restart up production, and others have accepted the delays. However, we have communicated well with our customers and we are not concerned that they will not return."

AAK has filed an insurance claim of SEK 47m (€5m). The insurance compensation will be recognised as revenue when the insurance company has completed its approval process.

The company said its specialisation strategy will develop further, and CBE will continue to stimulate growth after the start-up of the new factory and restoration of the old factory. It hopes acquisitions and organic growth will progressively improve margins in food ingredients.

Supplier instability helps push soft commodities to fresh highs

Financial Times, UK - Feb 18, 2008

By Chris Flood and Javier Blas in London

Coffee, cocoa and tea markets are nearing boiling point, with prices at multi-year peaks as supportive demand and supply conditions and fears about foodinflation have fuelled high levels of speculative buying.

Arabica coffee - the highest quality bean - surged last week to a 10-year high of \$1.6015 per pound, up 36 per cent in the past year. Tea prices are also likely to jump to an all-time high, underpinned by production disruptions in Kenya, the United Nations' Food and Agriculture Organisation (FOA) will forecast today. "Tight fundamentals tend to exacerbate speculative investment," says Nestor Osorio, executive director of the International Coffee Organisation, who expects coffee to rise this year.

Wholesale tea prices surged last year to an annual average of \$1.95 a kilogram, a 6.5 per cent rise on the previous year and the highest annual level since 2002. Average tea prices "are expected to reach even higher and possibly record levels" this year following a 10 per cent reduction in shipments from Kenya, the FAO has forecast in a report to the Global Dubai Tea Forum.

Prices in Kenya, the largest exporter of black tea, have jumped to about \$2.50 a kilogram amid civil unrest since disputed presidential elections in December.

The soft commodities market has traditionally attracted large speculative flows, making the price of coffee and cocoa particularly volatile. The current situation is no different, with financial investors, for example, having built the largest bet on higher cocoa prices in 14 years. Cocoa prices in New York last week reached a 24-year high of \$2,585 per tonne, up 45 per cent in the past year.

Industry executives say, however, that blaming only speculators for recent price increases is misleading. They say the coffee market's fundamentals have tightened significantly, while fears about political instability and forthcoming elections in Ivory Coast, the world's largest cocoa producer, are also supportive.

Of the three soft commodities, coffee is the best example of a tight market, with consumption rising faster than production. That has led to the lowest stocks on record at 18.3m bags, leaving the market vulnerable.

Mr Osorio said some producers, particularly Vietnam, were even restraining exports to tighten supplies, pushing prices higher.

The unrest in Kenya has also hit the coffee market as supplies from neighbouring Uganda, Africa's largest exporter, have virtually ground to a halt.

Supply and demand in the cocoa market looks less constrained. However, latest data on speculative positions from the US Commodity Futures Trading Commission shows the net long position - bets on price gains - at 61,300 lots, equal to 33 per cent of open interest. This is close to a 14-year high.

This large bet on even higher prices increases the risk of a sharp correction if hedge funds decide to liquidate some of these positions.

Part of the rise in speculative activity is related to political instability and uncertainty over supplies from the Ivory Coast.

Sudakshina Unnikrishnan, at Barclays Capital, forecasts a strong rebound of 9.3 per cent in global cocoa production to 3.68m tonnes in 2007-08 and with demand growth remaining stable at 2.1 per cent, this should result in a small supply surplus of about 36,000 tonnes.

Because they attract so much speculative interest, soft commodity markets also tend to react excessively to higher prices with rapid supply expansions that trigger boom-and-bust cycles.

Looking ahead, the FAO warns that the tea market faces precisely that danger, with "supply over-reacting to the current prices hikes".

Commodities boom as Fed money printing weakens dollar

LONDON, Feb 22, 2008 (AFP) - The price of oil soared to an historic high above 101 dollars this week, while gold and platinum also scored record peaks as speculators dived into already buoyant commodities markets.

Prices of raw materials are surging on concerns over tight supplies and strong demand for raw materials, particularly from emerging economic powers China and India.

COCOA:

Cocoa prices surged to multi-year peaks in London and New York. "This market, and many in the softs complex, seem to be ... influenced by the large quantity of seemingly endless (investment) fund money that they are attracting," said Sudden analyst Stephanie Garner.

By Friday on LIFFE, London's futures exchange, the price of cocoa for May delivery rallied to 1,324 pounds a tonne from 1,311 pounds a week earlier.

On the New York Board of Trade (NYBOT), the May cocoa contract spiked to 2,567 dollars a tonne from 2,530 dollars a week earlier.

Softs - Coffee edges up as funds step back in, taking mkt near recent peaks

Tue, Feb 19 2008, 13:21 GMT

<http://www.afxnews.com>

LONDON (Thomson Financial) - Coffee edged up as yesterday's attempted correction from recent record highs ran out of steam, with funds stepping back in to drive the market higher yet again. At 12.44 pm, Robusta coffee for May delivery was up 55 usd at 2,345 usd a tonne in the Liffe in London. On Friday, the contract hit a new 10 and a half year peak of 2,450 usd a tonne, before retreating yesterday.

Traders said while supplies out of top Robusta producer Vietnam might be slightly lower this year, they are adequate overall and that real push prices is due to record fund demand. "I think its still good production (in Vietnam) but then there's good demand for Vietnamese coffee... the difference in demand comes a long way from funds who want a piece of the action," said a trader.

"Fundamentals aren't the issue here you've got huge fund involvement... the market is to some extent self serving, there's no shortage of coffee but a tight enough balance that funds make the difference," said a trader.

Recent data from the US Commodity Futures Trading Commission showed net long positions or bets on price gains by funds rose to new record peaks in the week to Feb 12. Traders said these increased fund bets on more price gains in coffee is tempting producers in Vietnam and elsewhere to hold back on sales in anticipation of higher prices.

In other softs traded on Liffe, cocoa for May delivery was up 22 stg at 1,320 stg a tonne. On Friday, the contract hit a 5 year peak of 1,335 stg per tonne, before retreating yesterday.

Traders said as in coffee, cocoa is being driven by rampant fund buying, although they added they anticipate a small correction before the market heads higher again.

Producers in West Africa, the world's top cocoa producing region, have been selling strongly in the last few weeks, and while the selling has not yet capped prices, this could still change. "Technically the market is overbought," said a trader. He added, however, that any price correction in cocoa would not be long lasting in current market conditions.

"Amid fears of global a recession, inflation, etc, funds are more interested in commodities as a wise investment, this is not really down to fundamentals," he said.

He added the fund led rally is forcing manufacturers or end users with short positions or bets on price falls to cover those positions by stepping in and buying, even at these high price levels.

In other softs traded on Liffe, No. 5 white sugar for May was up 4 usd at 380.00 usd a tonne, while feed wheat for May delivery was up 1.50 stg at 184.50 stg a tonne.

Meanwhile on the Liffe in Paris, milling wheat for May delivery was up 1.25 eur at 266.00 eur a tonne.

NYMEX To Change Margins For Some NYMEX Softs Futures Contracts

Exchange News Direct, UK - Feb 19, 2008

The New York Mercantile Exchange, Inc. today announced margin changes for its NYMEX Cocoa and Sugar No.11 contracts, effective at the close of business on February 21.

Margins for the NYMEX Cocoa futures contract will increase to \$2,500 from \$1,800 for clearing members, to \$2,750 from \$1,980 for members, and to \$3,375 from \$2,430 for customers.

The margins for the NYMEX Sugar No.11 futures contract will increase to \$1,500 from \$1,000 for clearing members, to \$1,650 from \$1,100 for members, and to \$2,205 from \$1,350 for customers.

Additional Profit Taking Eases Cocoa Prices

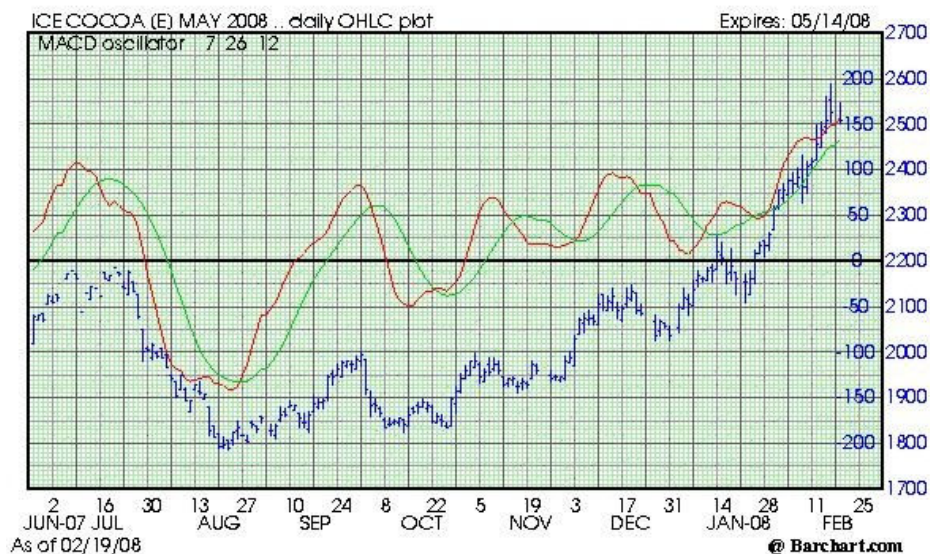
Inside Futures, IL

February 20, 2008

By Jurgens Bauer of RJO Futures

After reaching new highs, cocoa prices have frequently experienced bouts of profit taking. The situation before us suggests that it is profit taking that pressured values to close down on the day, while most every other market was up.

I'm looking for a spot to buy, as indicated by my frustration at not buying the lower opening Tuesday in early e-trading. The trend is up and still strong. I think that we will learn of more bullish reasons as time passes, but I want to be long cocoa as I have repeatedly stated in this forum time and time again.



I continue to be a strong advocate for higher cocoa prices. I think that the trend is your friend, and this one's a supporter of the bulls. As a result, I suggest that one should seek to take advantage of any price dips and use them to establish long positions. My objective is 2700, and maybe even 3000, for the May contract.

I believe that there is still much more upside left to come.

Basis May, I see Support: 2450-2400, 2350-46, 2320-2313, 2283,

Resistance: 2560-2600, 2650-2700, and maybe even 3000?

Processing and Manufacturing

Ritter Sport to Stop Chocolate Production in Russia; Blames Ingredient Prices and Wrigley

Source: FLEXNEWS

18/02/2008

German chocolate manufacturer Alfred Ritter plans to move its Russian production activities back to Stuttgart, in Germany. Currently, the company produces Ritter Sport bars at the Odintsovo Confectionery Plant, near Moscow.

Ritter made the decision due to high prices for quality ingredients. "A sharp increase in the price of raw ingredients would inevitably lead to higher production costs," Alexei Yarovoi, the company's local general director, told the Russian press. "Unfortunately, it was impossible to find raw materials that meet the high standards of the company in the Russian market," it said. "As a result, we have had to resort to importing all ingredients needed for production." Ritter will continue to supply the Russian market and improve its distribution.

Last year, Wm. Wrigley Jr. Company acquired an 80% stake in chocolate maker A. Korkunov for USD 300 million. As a result, the US candy maker also owns 80% of the Odintsovo plant where Ritter manufactures its bars. Wrigley said it would buy the remaining 20% over time. The takeover of the Odintsovo plant has made it difficult for Ritter to continue production there, said another company spokesperson.

Earlier this month, Germany's Federal Cartel Office and prosecutors raided the offices of 7 confectionery groups including Ritter on suspicion of chocolate price fixing, according to a report on FLEXNEWS.

Agro processing is difficult in Nigeria, Olam

Vanguard, Nigeria

Jimoh Babatunde

22 February 2008

The Vice-President, Corporate Affairs, Olam Nigeria, Mr. Prakash Kanth, has disclosed that the company has made significant investments in agro-processing in most commodities, be it cashew, rice, cocoa, sesame, cotton and ginger among others. He said the company's total investments into these agro-processing facilities in Nigeria is well over USD20 million so far.

Prakash Kanth made this disclosure at the first anniversary celebrations of Olam Nigeria Ltd's Cashew processing facility in Kwara State recently. He said "Cashew has a special place for all of us in Olam. Olam today operates in 56 countries across the world. But it is interesting to note that Olam started its operations with Cashew exports in 1989 from Nigeria. Olam went on to add more agro products like cocoa, cotton, sesame, ginger, rice etc. Olam developed export markets for Nigerian agro products and soon became a leading exporter of agro products from Nigeria.

He added that over the past several years, "Olam has made significant investments in agro-processing in most commodities, be it cashew, rice, cocoa, sesame, cotton, ginger. Our total investments into these agro-processing facilities in Nigeria is well over USD20 million so far. This has resulted in greater value addition into Nigerian agric sector and has enabled Olam to emerge as the Largest Non-Oil Exporter from Nigeria, a fact acknowledged by CBN in their annual reports of 2005 & 2006."

Prakash Kanth said there is need for the public and private sectors to join hands and pool resources and capabilities to identify areas of maximum possible impact and channel investments into such projects. He noted that their experience in Nigeria and across the world, suggests that lasting improvements are brought about by impacting across the value chain, like farming, sourcing & procurement, processing & storage and export and marketing.

Olam, according to him, has end-to-end capabilities as they are present virtually from farm gate to factory gate in most of the agro-products in their portfolio. "On our part, Olam has undertaken investments in cashew processing, rice milling, cocoa processing, sesame hulling, cotton ginning, and farmer outgrower programmes for rice, sesame, ginger, cotton, and cocoa." Prakash Kanth told the gathering that agric sector growth is vital to Nigerian economy because it has a far superior impact on employment generation and poverty alleviation with lesser environmental impact. "Moreover, agriculture is a non-depleting resource and therefore, deserves serious and long-term priority and policy support."

For Mr. Ranjeet Pradeep Branch Manager, Cashew Processing, the company has been able to employ over 1,500 workers in Kwara in the last one year with over N103,475,000 invested for cashew processing in Kwara State. These investments, he said, have been in two forms: Technological Improvements, Upgrading hygiene conditions and the work environment. "The

investments in technological improvement include the importation of hand & hand type of cutting machines, tunnel borma & single industrial boilers among others.”

While noting with delight what they have been able to achieve, he said processing in Nigeria is a very difficult business as they are faced with a lot of challenges. The major issues faced by Olam and other processors in Nigeria according to him, are lack of sufficient infrastructure (roads, electricity etc); inherent nature of Nigerian nuts makes it difficult to peel thereby resulting in inefficiency in processing and buyers' reluctance in purchasing Cashew Kernels (CKN) directly from Nigeria as they feel it is of inferior quality.

CPCRI debates technology adoption

Newindpress, India

February 22 2008

KASARGOD: A brainstorming session on adoption of technologies and research gaps in coconut, arecanut and cocoa held at the Central Plantation Crops Research Institute here on Thursday has called for strengthening arrangements for production and distribution of quality planting material in coconut, arecanut and cocoa.

The session also decided to strengthen research on product diversification. Dr. H.P. Singh, deputy director general (Hort), Indian Council of Agriculture Research, New Delhi chaired the session.

Dr. Singh also released publications related to the research highlights and integrated nutrient management in coconut and cocoa. Dr. George V.Thomas, director, CPCRI welcomed the gathering.

Dr. P. Rethinam, chairman, Research Advisory Committee, RAC, of the CPCRI and other members of the RAC attended the meeting along with representatives of various development and extension agencies.

Thomas Mathew, chief coconut development officer, Coconut Development Board, Dr. Venkitesh N. Hubballi of the Directorate Cashew and Cocoa Development, V. Suresh, deputy director of agriculture, state agriculture department, Dr. C.G. Nagaraju, deputy director of horticulture, Karnataka and S.R. Selvaraj, deputy director of agriculture, Tamil Nadu made presentations on the status of technology adoption in coconut, arecanut and cocoa as well as on the expectations from research.

Business & Economy

Cameroon's Cocoa Exports Jumped Almost Sevenfold Last Week

Bloomberg

By Pius Lukong

February 18, 2008

(Bloomberg) -- Cocoa exports from Cameroon, the world's fourth-largest producer of the chocolate ingredient, increased almost sevenfold in the week ended Feb. 17 from a year earlier, the country's Cocoa and Coffee Board said.

The central African country exported 1,023 metric tons of cocoa beans during the week, Richard Adzogo, the board's chief cocoa statistician, said in a telephone interview from the port city of Douala yesterday. That is a 37 percent decline on the 1,623 tons exported the previous week, he said. "Cocoa farmers are disposing of the last of their crop to get ready for the new season," Andre Lema, an official at the the Cocoa and Coffee Interprofessional Council, said by telephone from Douala yesterday.

The average export price climbed to 1,035 Central African CFA francs (\$2.32) a kilogram (2.2 pounds), from 984 francs a week earlier, Adzogo said. Beans from the western part of the country were sold at 796 francs a kilogram, compared with 788 francs a week earlier, while those from the southern region increased to 790 francs from 781 francs. Cocoa from the central region fetched 793 francs, from 783 francs previously.

Cocoa for May delivery rose to \$2,587 a ton, the highest since June 4, 1984, on ICE Futures U.S., the former New York Board of Trade, on Feb. 15. Cocoa for March delivery rose nine pounds, or 0.7 percent, to 1,287 pounds (\$2,512) a ton, at the close of trading on London's Liffe exchange on Feb. 15.

Ivory Coast, Ghana and Indonesia are the world's biggest cocoa growers. *To contact the reporter on this story: Pius Lukong in Yaoundé via the Johannesburg bureau at +27- abolleurs@bloomberg.net .*

Mars Joins Effort to Certify Sustainable Cocoa

Food Ingredients First (press release), Netherlands

Feb 18, 2008

[The first pilot project will take place in early 2008 in Côte d'Ivoire, the world's largest cocoa producing country, with additional pilot projects in 2009. Initially UTZ hopes to certify as many as 10,000 farmers.]

18/02/08 Mars joins effort to certify sustainable cocoa. Furthering its longstanding efforts to improve the situation facing families in cocoa farming communities around the world, Mars has joined an independent program to create global certification standards for sustainably grown cocoa in West Africa.

The initiative, called UTZ CERTIFIED "Good Inside Cocoa Program," is spearheaded by a not-for-profit, non-governmental organization called UTZ. Based in Amsterdam and founded in 1997, the group is known for recognizing responsible producers through its worldwide coffee certification program. Now, UTZ is drawing on its experience with coffee to expand into other commodities, including cocoa, which faces similar economic, social and environmental challenges.

Mars and seven other companies have committed to the UTZ CERTIFIED program, which is supported by Oxfam Novib, a Dutch organization striving to eliminating poverty and injustice. As a member of the Program Steering Committee, Mars will lend its knowledge of the cocoa industry to help develop a Code of Conduct with criteria and standards for cocoa farmers.

Peter van Grinsven, a manager for sustainable cocoa supply for Mars, discussed in an interview how Mars began its involvement. "UTZ invited cocoa industry players to work with them to make sure the code they write is functional and meaningful for farmers who apply it".

Van Grinsven describes certification as a "win-win" situation for all parties involved. Not only do farmers benefit from better business practices, but the program also responds to rising consumer expectations about quality assurance and supply chain traceability.

The first pilot project will take place in early 2008 in Côte d'Ivoire, the world's largest cocoa producing country, with additional pilot projects in 2009. Initially UTZ hopes to certify as many as 10,000 farmers, and the first "Good Inside" cocoa is expected to be available in the second half of 2009.

Mars participation in this initiative reinforces its commitment to cocoa sustainability and complements its \$4.5 million investment in a separate long-term program called Impact (Mars Partnership for African Cocoa Communities of Tomorrow) announced in April 2007.

Colombia Chocolates Net Pft Up 16% in 2007 to COP244.3B (DJ)

Source: Dow Jones Newswires

19/02/2008

Bogota, Feb. 19 - Grupo Nacional de Chocolates, Colombia's largest food company, booked a net profit of 244.3 billion Colombian pesos (\$129 million) last year, up 16% from 2006, the company said in a filing to the securities regulator Tuesday. Chocolates' operating income dropped to COP252.87 billion last year, down from 297.92 billion in the January-December period of 2006.

Chocolates recently purchased Panamanian meat processor Ernesto Berard, following the purchase of five food companies in Peru, Costa Rica, Colombia and Panama in 2006, where the company spent more than \$300 million.

Chocolates' chief executive Carlos Enrique Piedrahita recently told Dow Jones Newswires, the company is eyeing the purchase of existing food companies in Peru, Mexico, Costa Rica and other Central American countries. Shares of Chocolates are trading at COP15,160, or 2.6% higher from Monday's closing mark, while the stock market was up 0.6%.

Ghana pledges sustainable cocoa push – report

ConfectioneryNews.com, France

By Neil Merrett

19-Feb-2008

The Ghanaian cocoa board is planning to significantly step up cocoa production in the country over the next three years in a nationwide shake-up of how the crop is farmed, according to press reports. Board deputy chief executive Charles Bernard Ntim said that a new program of crop husbandry schemes was being implemented in a move expected to lift output to 1m tonnes, the Dow Jones Newswires service reported Friday.

Some leading confectioners, particularly those operating in Europe and the US, are particularly reliant on cocoa coming from Ghana and other African producers, as worldwide supply of the crop struggles to meet demand. Ntim was speaking at last week at the fifth African Fine Coffee Conference in Kampala, Uganda, stating that that a number of schemes were currently being put in place, the report said. The programs are expected to include supplying improved planting materials to farmers, using fertilisers to improve soil fertility and replanting schemes in the country.

According to the International Cocoa Organisation, African countries now provide about 70 per cent of the world's cocoa, up from 61 per cent in the mid-1990s, with Cote D'Ivoire and Ghana cultivating the lion's share. Together the two countries account for 65 per cent of global net exports.

Most of the cocoa cultivated in Africa is exported to the major centres of cocoa consumption in Europe and North America, with the Netherlands and the US maintaining their positions as the world's two leading cocoa processing countries, the ICCO added. As a result of this dependence, leading groups like Cadbury have pledged their own initiatives to encourage more sustainable supply in the region.

At the end of last month, the UK-based confectioner said that it would be launching a fund to aid its suppliers in the country after company research found average production in the region to be 40 per cent lower than the potential yield.

The Cadbury Cocoa Partnership, was established in partnership with the United Nations Development Programme (UNDP). Rivals like Mars and Nestle have also signed up to sustainable cocoa programmes recently, with both manufacturers initiating a traceability system for all farmers in the Ivory Coast.

Hershey eyes supply chain, new markets to save costs

Reuters

By Rina Chandran

Feb 19, 2008

MUMBAI, Feb 19 (Reuters) - Top U.S. chocolate maker Hershey Co (HSY.N: Quote, Profile, Research) will overhaul its supply chain and tap fast-growing markets in emerging economies to help offset the high cost of commodities, its chief executive said on Tuesday. Hershey recently announced a 13 percent increase in the wholesale prices of about a third of its U.S. candy products to mitigate the rising costs of commodities including wheat, cocoa and milk.

The chocolate maker is also overhauling its supply chain, cutting jobs and outsourcing production of some products amid aggressive competition from Mars Inc. "Costs are up pretty much across the board, so to the extent that we can, we manage our input costs," said Chief Executive David West, on a short visit to a mall in central Mumbai. "We continue to monitor the situation," he said in reference to the high cost of commodities such as cocoa, which has jumped to multi-decade highs helped by a speculative frenzy.

Hershey is also betting on a new premium chocolate candy, Bliss, to recapture market share lost to rivals such as Mars. It is also developing a new line of chocolates with Starbucks Corp (SBUX.O: Quote, Profile, Research) to help it gain ground in the premium segment. "The market in premium and dark chocolates is growing fastest, and consumer response to Bliss has been very positive," said West, who will also visit China on this trip.

Emerging markets such as India and China will be an important part of Hershey's plan for a bigger international presence. The maker of Hershey Kisses and Reese's peanut butter cups last year set up a joint venture in China with South Korea's Lotte Confectionery Co (004990.KS: Quote, Profile, Research) and owns 51 percent in a joint venture in India, Godrej Hershey Food & Beverage Ltd.

The Indian venture is test marketing a chocolate syrup mix for milk, and will look at other products developed specifically for the local market, said Ted Jastrzebski, president of Hershey International. More than 13 percent of Hershey's total revenue now comes from overseas markets, which are growing at a much faster pace than the U.S. market, he said. "In the U.S., even in a good year, the confectionery market is growing at about 2 percent and that's not dramatic," he said. "Our international business is growing at more than 25 percent a year."

Cocoa smuggling undermines Ivorian peace process

Reuters South Africa, South Africa

By Ange Aboa

19 Feb 2008,

MAN, Ivory Coast (Reuters) - Ivory Coast's northern rebels are still profiting from cocoa smuggling to neighbouring countries, undermining efforts to re-unite the world's top grower under a peace plan agreed last year, merchants say.

Scores of trucks laden with cocoa beans and coffee sacks cross the north of the former French colony each day under the armed escort of the rebel New Forces, en route for surrounding states including Burkina Faso, Guinea and Togo, witnesses say. "Cocoa smuggling is continuing in Vavoua and Seguela," said Maria Lopez, a researcher from anti-corruption group Global Witness, after spending a week in the northern towns. "I saw at least eight trailers with Burkina Faso licence plates full of cocoa heading towards Burkina escorted by New Forces soldiers," she told Reuters.

Ivory Coast was divided in two when rebels seized its northern half after a failed attempt to oust President Laurent Gbagbo in September 2002. Gbagbo and rebel leader Guillaume Soro struck a peace deal last year meant to lead to reunification and elections, the latest in a string of such agreements, but progress has already fallen months behind schedule.

Analysts have long said the country's politicians, rebels and businessmen are all making so much money from the political deadlock that few have the will to break it. Smuggling cocoa and coffee out of the north to avoid taxes imposed in the government-run south is one such example. "Nothing has changed since my last visit to Ivory Coast two years ago to study cocoa smuggling to Burkina Faso and Togo," Lopez said, adding the main routes were to Togo's port of Lome either through Burkina Faso or Ghana. "The same systems and mechanisms are being used today to get cocoa fraudulently out of the country with the complicity of the New Forces," she said.

SPOILS OF WAR

Exporters estimate that around 70,000-80,000 tonnes of cocoa have been smuggled out of northern Ivory Coast so far during the October-March main crop. Official arrivals at the southern ports since the start of October stand at around 963,000 tonnes.

In Man, a northern town occupied during the rebellion and a major producing centre for the cocoa and coffee industry, foreign cocoa buyers work openly with local rebel leaders who assure their security in return for payment.

One independent buyer working for cocoa and coffee traders based in the southern Guinean town of Nzerekore said cocoa and increasingly coffee smuggling was thriving despite Ivory Coast's peace process, which should have spelled an end to the practice. "For the time being, we've not really got much of a problem with the reunification process. It's all happening in Abidjan (the southern main city). Here business goes on," he said.

Smuggling cocoa out of the landlocked north via neighbouring countries, avoiding government taxes, is more profitable for cocoa dealers than transporting beans through Ivory Coast's southern ports of Abidjan or San Pedro.

Local authorities in the rebel-held north charge 165 CFA francs per kg for permission to transport cocoa while the total taxes imposed by the government in the south runs to 266 CFA per kg. "Once you've paid the (northern rebel) tax you can do what you want with your trucks of cocoa, coffee, cashew nuts or wood. You can go where you like and it's much more profitable than Abidjan because you pay less tax," the Guinean cocoa buyer said.

Lopez said smuggling was one of the reasons for delays in the peace process meant to lead to national elections in June. "It's clear that this situation is first and foremost profiting the rebel warlords, who are in no hurry to leave their zones and all these financial advantages," she said. "As long as there's no solution to that, it will be difficult to bring an end to this crisis."

Veriflora certified? Organic cocoa? The greening of Valentines Day

KOAA, CO

Bea Karnes

February 20, 2008

Los Angeles

Red is usually the color associated with Valentines Day, but more and more, Cupid's arrows are targeting green, as in environmentally friendly. From the flowers you choose to the jewelry you buy, their earth-conscious ways to express your love.

Every Valentines Day, more than 200 million roses are bought by Americans. Not to mention the other kinds of flowers, the jewelry and the candy.

But all those expressions of love, also help make v-day one of the most environmentally damaging.

Shannon Raj of the Sierra Club said, "Over 70% of the flowers that Americans buy are actually bought from other countries. And there are problems with importing flowers from that distance...it requires an enormous amount of energy to ship the flowers."

By the time they get to your loved one, they've generated a lot of greenhouse gases. The Sierra Club recommends buying 100% organic flowers that are Veriflora certified. Veriflora certified, ensures the flowers are grown in a way that's least harmful to flower growers. "Over 2/3rds of the workers in Colombia, for example, some are exposed to over 120 different types of pesticides," said Raj.

Making that box of chocolates often involves harmful pollutants too, and mistreatment of cocoa farm workers. Raj said, "Whereas if you buy organic chocolates, you can feel good about the fact that this chocolate is produced in a way that's good for the soil, good for the air and it's also good for the workers."

And then there's a girl's best friend, which are now available conflict-free and certified by the Kimberly Process, meaning they're not blood diamonds, like the kind shown in the movie by the same name. "A lot of the diamonds that are bought in the world come from a lot of times African countries that are immersed in civil war, and the purchase of these diamonds often goes to the funding of the atrocious treatment of civilians in these countries," Raj said. So if you're going say "I love you" this Valentines Day there are now more ways than ever to share some of that love with the planet.

Canada Suit Accuses Chocolate Makers of Price-Fixing (DJ)

Source: Dow Jones Newswires

20/02/2008

Ottawa, Feb. 19 - A class action lawsuit was launched in Canada Tuesday against major chocolate makers for alleged price-fixing to cut themselves a sweet deal in the multi-billion dollar industry, attorneys said. The suit was filed against the Canadian divisions of Nestle S.A., Hershey Co., Cadbury, and Mars "for allegedly colluding to fix the prices of their chocolate products," lawyer Henry Juroviesky said in a statement. It claims the defendants "conspired to inflate the price of their products by 5% or more at least three times since February 2004," in violation of Canada's Competition Act and other laws.

The class potentially includes all Canadians that consumed chocolate since then, Juroviesky said. Separately, Canada's Competition Bureau launched an investigation in November of the same chocolate giants for alleged price-fixing. The government agency served search warrants on several major bar makers, including Nestle, Cadbury, Hershey and Mars, requiring them to turn over reams of documents on their pricing arrangements. That investigation "is still ongoing," Marilyne Nahum, spokeswoman for the Competition Bureau, told AFP.

According to the Confectionery Manufacturers Association of Canada, Canadians buy about C\$2.3 billion worth of chocolate and candy annually. Juroviesky said chocolate sales in Canada in 2007 were about C\$1.4 billion.

Nestle price rises help drive up 2007 profits

StarPhoenix, Canada

Laura MacInnis and Thomas Atkins, Reuters

February 21, 2008

VEVEY, Switzerland (Reuters) - Nestle, the world's largest food company, brushed off fears of commodity price inflation and global slowdown to post an above forecast 15.8 percent rise in 2007 net profits sending its shares higher.

The Swiss-based maker of Nescafe coffee and KitKat chocolate bars sidestepped higher input costs such as for milk, coffee, cocoa and grains by raising its prices to boosted its underlying sales to an above target 7.4 percent and was confident for 2008.

Chief Executive Peter Brabeck expected continued global economic growth in 2008 to support his business, especially in emerging markets, while the recent record rises in commodity prices will start to cool off in the second half of 2008 with coffee and cocoa prices likely to go down rather than up. "In general, 2008 will be another year of global growth. There will be important growth in 2008," he told Reuters in an interview after results. "I am a little bit optimistic."



But he would not commit to match 2007's pace of growth this year even with commodity price expected to wane and stuck to Nestle's medium-term outlook to see 5-6 percent underlying sales growth and a sustainable rise in operating margins for 2008.

Employees shop at the supermarket inside the Nestle headquarters in Vevey February 21, 2008. Nestle, the world's largest food company, posted a higher than expected 15.8 percent leap in 2007 net profit on Thursday and detailed plans to push into emerging markets to fuel future growth. REUTERS/Denis Balibouse

Brabeck, who will pass the CEO baton to Paul Bulcke later this year and assume the chairman's role, has said the group has the wherewithal to weather an economic slowdown in the United States, where Nestle generates around 30 percent of its profit.

Chief Financial Officer James Singh added that its strong sales performance in 2007 had helped to shrug off raw material price increase and currency impacts. "We are in good shape and look forward to another successful year," he added.

Nestle shares rose 5.8 percent to 493 francs by 1040 GMT after outperforming the DJ Stoxx European food and beverage index by nearly 4 percent since the start of 2008. "The overall picture of Nestle is excellent... Nestle is able to pass on rising commodity prices to consumers," said analyst Marco Gulper at ING. While Alex Molloy at Credit Suisse added, "Nestle's early pricing action in 2007 mean that the increase in the raw material bill did not materially impact margins."

Nestle's Brabeck does not expect coffee and cocoa prices to climb further from their already high levels and should ease later in 2008, in line with the recent fall in milk prices. "When I look at coffee and cocoa, those prices should come down rather than go up," he told a results press conference.

Coffee futures in London and New York are trading at around the highest levels in a decade and cocoa futures are at close to five-year peaks, driven higher by investment fund and speculator buying, as well as tight supplies and rising demand. The group, which also markets Perrier bottled water, Buitoni pasta and Maggi soups, posted 2007 net profits of 10.65 billion Swiss francs (\$9.7 billion) in 2007, fuelled by a 3 percent increase in prices that helped push overall group sales up 9.2 percent to 107.55 billion francs. Net profit was seen rising 11 percent to 10.22 billion francs while annual sales were expected at 107 billion, according to average forecasts of 14 analysts polled by Reuters.

Nestle's underlying sales growth of 7.4 percent in 2007 was above expectations and beat rivals Danone and Unilever which saw 7.2 and 5.5 percent rises. The Swiss group's operating margins rose 50 basis points to 14 percent. The company said it would seek shareholder approval for a 10-for-1 share split at its upcoming annual meeting and a dividend increase of 17.3 percent to 12.20 francs.

Asked about the future of Nestle's stakes in U.S.-based contact lens company Alcon and French cosmetics and beauty group L'Oreal, Brabeck told CNBC television that Alcon does not need Nestle anymore and vice versa, while there was nothing he wanted to do about its L'Oreal stake. Nestle has a 75 percent stake in Alcon with a market value of around \$34 billion and a 29 percent stake in L'Oreal with a market value of around \$22 billion, according to Reuters data. Nestle shares trade on 16 times forecast 2008 earnings, ahead of the slower-growing Unilever at 15.3 but behind the traditionally faster-growing Danone at 18.8 times.

Nestle CEO sees no further coffee, cocoa price rises

Reuters

By Thomas Atkins and Laura MacInnis

Feb 21, 2008

VEVEY, Switzerland (Reuters) - Nestle (NESN.VX: Quote, Profile, Research) does not expect coffee and cocoa prices to climb further from their already high levels, Chief Executive Peter Brabeck said on Thursday.

"Coffee prices are today, according to our judgment, at the high end of the price level," Brabeck told a news conference following the release of Nestle's 2007 annual results, which exceeded market expectations. "When I look at coffee and cocoa, those prices should come down rather than go up," he said.

Brabeck said the involvement of hedge funds in commodities had skewed coffee markets, making it difficult to forecast prices. "This brings an increased volatility and it brings an increased speculative aspect which is more difficult to judge," he said, adding that such speculation should only have short-term impacts. "The fundamentals for coffee are good. I think the market will bring the prices for coffee rather slightly down than substantially up."

Cuba to import cocoa from Ghana

Joy Online, Ghana

22-Feb-2008

Cuba has expressed interest to step up the importation of cocoa from Ghana to supplement the local production of the cash crop to boost chocolate production. Mr Alejandro Roca Iglesias, Minister of Cuba's Food Ministry made this known in Havana when he interacted with Vice President Alhaji Aliu Mahama, who is on a seven-day official visit to the country. He said Cuba needed more cocoa beans for feeding at a new plant that would be operational this year.

Mr Iglesias said his country had established an international school for chocolate production and asked Ghana to send students to the teaching facility that would impart the skill to produce hand-made chocolates. He said so far Cuba had 10 of the novelty hand-made chocolate factories in the country.

Vice President Alhaji Mahama said the requests made by the Minister would be tackled when the two countries reactivate their Joint Commission for Co-operation this year. He assured the Cuban authorities of the desire of Ghana to train its citizenry in cocoa production in the country, stressing: "Ghana does not want to go too far. We want to come to Cuba to get it." Vice President Alhaji Mahama called for the assistance of Cuba to revamp Ghana's sugarcane industry. He expressed disquiet about the high post-harvest losses in Ghana and called for joint ventures with Cuba business entities to reverse the situation.

At another meeting, the Minister of Basic Industry, Mrs Yadira Garcia Vera said an energy revolution started by her country since 2006 had resulted in energy stability and efficiency in Cuba, thus utilising electricity for more productive uses. She said Cuba had been the testing grounds for energy saving bulbs imported from China, leading to the changing of 60 million incandescent bulbs in Venezuela alone.

Vice President Alhaji Mahama visited Labiofam, a research institute that deals in a variety of activities such as the biological control of mosquitoes and the production of pesticides and vaccines. The Enterprise Director, Jose Antonio Castro said the institute was carrying out research to develop a vaccine for Bird Flu. Vice President Alhaji Mahama expressed the interest of Ghana to co-operate with the institute to eradicate mosquitoes, which, he said, had led to expending huge sums of money to treat malaria.

In another development, the Vice President visited the African National Heroes Park in Havana and laid a wreath on a monument built in honour of Pan-Africanists such as Ghana's first President; Dr Kwame Nkrumah, Amilcar Kabral, Patrice Lumumba and Edourdo Mondlane. He was also at the Revolution Square, where he laid a wreath at a monument in honour of Jose Marti, Cuba's National Hero. Speaking at the 'Colon' cemetery, where the mortal remains of Cuban liberation fighters have been buried, he quoted the adage that any nation that failed to honour its fallen heroes was not worth dying for.

Labour Issues

Ghana: Ministry Assists Cocoa Producing Districts to Eliminate Child Labour

AllAfrica.com, Washington

18 February 2008

Accra

The Ministry of Manpower, Youth and Employment on Monday presented computers, accessories and motorbikes to 11 cocoa producing districts to assist in the elimination of child labour. The items comprised 14 LP laser jet monitors, UPS and printers and 13 motorbikes valued at over 54,000 Ghana cedis.

Mrs Frema Osei-Opare, Deputy Minister of Manpower, Youth and Employment presenting the items, said they were among efforts by the Ministry through its National Programme on the Worse Forms of Child Labour to eliminate the practice in all sectors of the economy. She said following international concerns on the use of children for cocoa production and its impact on the commodity in the international market, the Ministry was working closely with district assemblies in all six cocoa producing regions to reverse the trend. Mrs Osei-Opare said a survey conducted by the Ministry indicated that only nine per cent of the children said to be in child labour in cocoa producing areas were not in school.

She said 91 per cent assisted their parents on their farms in a manner that did not affect their education or health. The Deputy Minister said regardless of the findings from the survey, the Ministry was not happy with the number of children out of school and was working in collaboration with development partners such as the Ghana Cocoa Board (COCOBOD), Danish International Development Agency (DANIDA) and other non-governmental organisations to eliminate the practice. The Ministry, she said, would in addition, fashion out action plans, implement pro-child activities and continue to support district assemblies to implement interventions at the grassroots. Mrs Osei-Opare commended the district assemblies for their efforts and was optimistic the computers would help enhance data collection on child labour.

Mr Antwi Boasiako Brobbey, Atwima Mponua District Coordinating Director who received the items on behalf of the beneficiaries expressed appreciation to the Ministry. He pledged their commitment to work hard to enable government achieve its objectives of human resource development under the Ghana Poverty Reduction Strategy (GPRS) by ensuring that all the children enrolled in school.

The beneficiary districts from Ashanti Region were Asante Akyem North, Asante Akyem South, Amansie West, Amansie Central and Atwima Mponua. Kwaebibirim and Suhum Kraboa Coalta districts from Eastern Region and Aowin Suaman, Sefwi Wiawso, Bia and Wassa Amenfi Districts from the Western Region. GNA

West Africa: Efforts Too Small to Curb Child Labour On Cocoa Farms

AllAfrica.com, Washington

UN Integrated Regional Information Networks

18 February 2008

West Africa

Despite an international outcry in 2000 over child exploitation on West African cocoa farms, and ambitious efforts by governments since then to regulate the industry, very little has changed for an estimated 284,000 child labourers, according to campaign groups.

Between them, Ghana and Côte d'Ivoire produce about three-quarters of the world's cocoa, according to the US State Department, and they employ 200,000 children. Up to 12,000 of these have been illegally trafficked across African borders to work on Ivorian cocoa farms, according to non-governmental organisation (NGO) Stop the Traffik.

Many of these children are forced to work in dangerous conditions, on slave-labour wages or for nothing in order to put chocolate into the mouths of consumers, according to Phil Lane, Stop the Traffik's European director. "Now the industry needs to put its money where its mouth is, to get West African children off farms and back into school where they belong," said Aidan McQuade, director of Anti-Slavery International, another NGO.

Delays

In 2001 nine West African governments came to a voluntary agreement with the US government known as the Harkin-Engel protocol (named after the two US senators who passed it), which aimed to decrease the number of children working on farms, improve working conditions, and certify that half of the cocoa produced in West Africa would be free of exploitative child labour by 2005.

But according to Muriel Guigue, spokesperson for industry association International Cocoa Initiative (ICI), delays - due to conflict in the case of Côte d'Ivoire, and other burdens on resources elsewhere - meant the deadline was postponed to 2008.

Guigue is convinced these governments now have the "political will and momentum" to progress and Côte d'Ivoire is finally on track to set up this certification system by July 2008.

But Eileen Maybin, spokesperson for the Fairtrade Foundation, told IRIN: "Cocoa certification is a 'band-aid' policy - it is attempting to address the problem of child labour without addressing the underlying cause, which is low cocoa prices."

Inadequate funding

The Harkin-Engel initiative is funded by governments and cocoa manufacturers, but critics say it has not provided enough money to address the root causes of the problem: that poverty drives farmers to exploit children.

Organisations like the ICI and Anti-Slavery International that fund projects to give farmers money solve part of the problem and there has been some success. In 16 projects in Côte d'Ivoire and Ghana, over 80 percent of the farms stopped forcing children to work with dangerous pesticides or carry heavy loads.

But according to Anti-Slavery International's McQuade, "it would cost US\$112 million over 10 years to reach all the affected children in Côte d'Ivoire and Ghana, a stark leap from current budgets of several million a year," he told IRIN. "If we're serious about stopping it, we need to quadruple the investment."

Chocolate prices too low?

More of this money needs to come from the private sector in cocoa-purchasing countries, Eileen Maybin at the Fairtrade Foundation told IRIN.

To keep farmers out of poverty, Fairtrade will add a US\$150 premium to the price of cocoa, currently at \$2,215 per tonne, to be used for social purposes. "Unless chocolate manufacturers are willing to pay more for their cocoa, these poor conditions [on farms] will persist."

Governments support this approach but at just 1 percent of market share, its impact is still small, said Maybin. Ultimately building up all of these efforts might help to improve labour conditions on cocoa farms, McQuade told IRIN, but for now, these are mere pockets of success in a bitter-sweet industry. [This report does not necessarily reflect the views of the United Nations]

Cocoa haulers strike at Takoradi Harbour

Joy Online, Ghana

19-Feb-2008



Cocoa bags

About 600 cocoa haulers at the Takoradi Harbour have their tools seeking to press home their demand for improved conditions of service. The workers say they are being unfairly treated by the Cocoa Marketing Company which makes every group of twelve carriers load 3,200 bags of cocoa beans into ships.

That they say was callous and inhuman.

Speaking to Joy News, a spokesperson for the workers, George Antwi said the workers would not go back to work until their Social Security and National Insurance Trust (SSNIT) contributions were refunded to them. According to him, although the SSNIT contributions of the workers had been deducted for the past five years, the deductions had not reflected on their pay slips.

The strike has left heaps of cocoa bags in trucks at the harbour waiting to be carted into ships. The irate workers also contend that there is no clean drinking water at the shed where they work, exposing them to serious health hazards.

Blood and chocolate

Grist Magazine, WA

By Tom Philpott

19 Feb 2008

While I was waxing euphoric last week about Fair Trade and ultra-fancy chocolate ahead of Valentine's Day, interesting things were happening in the chocolate world.

* Regulators in Germany raided the offices of seven corporate chocolate makers -- including Nestle, Kraft, and Mars -- investigating allegations of price fixing. Six food conglomerates process half of the world's cocoa, giving them tremendous leverage on price. Usually, they use their market power to squeeze farmers in the global south; evidently, they may now be using it to squeeze consumers in the global north. Canadian and even U.S. antitrust regulators have launched similar investigations, Bloomberg reports in the above-linked piece.

* U.S. consumers spent \$323 million on chocolate products during the week of Valentine's Day alone, Nielsen estimates.

* Very little U.S.-sold chocolate -- estimates I've heard hover around 1 percent -- carries Fair Trade certification. Another small fraction is "direct traded" -- i.e., when an artisanal chocolate maker deals directly with cocoa-producing farms, paying a price well above the commodity cocoa price. Upwards of 97 percent of that \$323 million went to the conventional chocolate market, where trade terms are anything but fair. And last week, Fortune Magazine ran an exposé of conditions in the Ivory Coast, source of 40 percent of the world's cocoa. The farmers who grow the cocoa beans for Hershey's Kisses, it turns out, work under conditions of persistent poverty, and are often forced by low prices to use school-age children in the fields. And the industry's well-publicized efforts to address these problems turn out to be as frivolous as a supermarket bonbon. Christian Parenti, author of the Fortune report, appeared on the Democracy Now radio show on Valentine's Day, along with a chocolate-industry flack. Parenti demolished the flack's doubletalk about "successful education projects," riposting that "if the industry cared about child labor and poverty, it would simply pay farmers more for cocoa beans."

Children on cocoa farms bring world censure

Malaysia Sun, Malaysia

20th February, 2008

Despite international condemnation over children working on West African cocoa farms, very little has changed for an estimated 284,000 child labourers. Ghana and Cote d'Ivoire produce about three-quarters of the world's cocoa and employ around 200,000 children. Some of the children have been illegally trafficked across African borders to work on the cocoa farms.

In 2001 nine West African governments said they would be able to certify that half of the cocoa produced in West Africa would be free of exploitative child labour by 2005. But delays, due to African conflicts meant the deadline was postponed to 2008. The initiative, funded by governments and cocoa manufacturers, has not been able to deliver enough money to address the underlying cause of the problem: poverty.

Chocolate manufacturers accused

...Of encouraging child labour

The Ghanaian Chronicle

February 20, 2008

Chocolate manufacturers have been accused of purchasing cocoa at lower prices living farmers in poor conditions. Eileen Maybin at the Fairtrade Foundation told the IRIN news that the situation has resulted in increased child labour in cocoa growing countries especially Ghana and Cote d'Ivoire.

According to her, the current price of cocoa trading at \$2,215 per tone was not enough to generate enough funds to control child labour in cocoa growing countries to ease farmers from poverty. She noted that more money was needed to come from the private sector in cocoa-purchasing countries to help eradicate poverty and prevent child labour. For this reason, Maybin said her outfit was going to add a US\$150.00 premium to the price of cocoa to be used for social purposes, which she believed, would keep farmers out of poverty.

The spokesman of International Cocoa Initiative (ICI) Mr. Muriel Guigue said, "Unless chocolate manufactures are willing to pay more for their cocoa, farmers will persist to be poor." According to him, the one percent of market share being paid by governments was too minimal to have an impact in solving child labour issues. He then stressed the need for the private sector to support farmers with funds in order to improve upon the labour conditions on farms.

The Harkin-Engel initiative is funded by governments and cocoa manufacturers, but critics believe it has not provided enough money to address the root causes of the problem that poverty drives farmers to exploit children. IRIN

Dockers' Strike Slows Cocoa Exports at Ivory Coast Port (DJ)

Source: Dow Jones Newswires

21/02/2008

Abidjan, Feb. 21 - A dockers' strike slowed operations at Ivory Coast main port of Abidjan on Thursday, notably the loading of bags of cocoa and coffee beans, industry sources at the port said. "It is hard to find enough dockers and for bags you need a lot of them," said a headman with the main SAGA-SDV stevedoring company, talking by mobile phone from the port. He said loading and unloading of bulk goods, including bulk shipments of cocoa beans and of cocoa containers went on unabated. An estimated 70% of cocoa is shipped in bulk in containers.

The leader of the CNDD (Collectif Pour La Defense Des Droits de Dockers) trade union, Guehi Adehi, told journalists on Thursday that the strike was to push for better working conditions and would last 15 days. Independent port sources said they expected the strike to be suspended by tonight or Friday morning. Ivory Coast is the world's top cocoa producer and currently an average 6,000 metric tons of cocoa is shipped every day from Abidjan and the southwestern port of San Pedro, where business was normal.

Ivory Coast Port Fully Operational, Dockers' Strike Broken (DJ)

Source: Dow Jones Newswires

22/02/2008

Abidjan, Feb. 22 - Ivory Coast's main port of Abidjan was fully operational again Friday after day laborers willing to work and police broke a strike which slowed down activities Thursday, witnesses said Friday. "Only three of the seven existing dockers' trade unions had called for the strike," the head of the SEMPA Union Of the Abidjan Port Stevedoring Companies, Simon Yoman, told journalists.

Friday stevedoring companies had difficulties finding enough dockers to load bags of cocoa and coffee beans. Ivory Coast's is the world's top cocoa grower with an annual crop of around 1.3 million tons, or 40% of global annual output.

Your Letters, 22nd February 2008

Liverpool Echo, UK - Feb 22, 2008

The modern slaves

IN response to Brenda Collins' letter (ECHO, Feb 14). Long before Europe was transporting African slaves to the Americas they were enslaving other Europeans. In Liverpool, we were transporting children and vagrants to a life of forced labour in the Caribbean.

You say that Europeans are no longer involved in slavery in Africa, that is incorrect. Private business and government policies in Europe and America such as farming subsidies and price fixing affect the ability of people in the developing world to make a living, this forces people into a life of slavery.

A very poignant example is the farming of cocoa. Chocolate is not consumed or produced in West Africa, but it is one of the largest producers of cocoa almost exclusively for the European market. The price of cocoa is set in London, not by African farmers; they are paid such a pittance for that they can only make a living by using child labour.

If one wants to help end slavery it does not mean going to the countries where these practices are going on, rather we should be campaigning for governments and multi-nationals to use fairer business practices.

Others

Isaac Osei recommended as NPP running-mate

Joy Online, Ghana

18-Feb-2008



Mr. Isaac Osei - is he ready to run with Nana Addo?

The 2004 National Best Farmer, Madam Efuah Frimpomaah has added her voice to calls to the New Patriotic Party (NPP) to choose Mr Isaac Osei, Chief Executive Officer (CEO) of the Ghana COCOBOD, as running-mate of Nana Addo Dankwa Akufo Addo, NPP presidential candidate. She said since he assumed office as CEO, of the COCOBOD, Mr Osei had transformed the cocoa industry, making it more vibrant and attractive to cocoa farmers in the country.

Speaking to the Ghana News Agency (GNA) in an interview at Agona Nkum at the weekend, after addressing a farmers' rally, Madam Frimpomaah said the former High Commissioner to the United Kingdom, had the capacity and charisma to lure farmers to vote in the forthcoming election.

Madam Frimpomaah, who is also a member of Council of Elders of the Agona West Constituency branch of the NPP, stated that cocoa farmers had benefited a lot since the CEO assumed office and that he was capable of assisting in the provision of quality administration if he was given the nod as running mate.

The 2004 National Best Farmer noted that with the sustainability of the mass cocoa spraying exercise, hi-tech and fertilizer credit to the farmers to improve their farms, massive support would come from the farmers for the NPP. According to her, the rehabilitation of all cocoa sheds in the country by the COCOBOD was a major boost to the cocoa industry, which was the backbone of the nation's economy. She said another area Mr Osei had achieved success was a recent agreement signed between the COCOBOD, government of Ghana and some development partners, to construct major roads in cocoa growing areas.

Madam Frimpomaah stressed that the CEO when given the nod would not need so much marketing, adding that already Mr Osei had travelled the length and breadth of the country to interact with cocoa farmers to know their problems.

In another development, Nana Okyere Kwaako V, a prominent cocoa farmer in the Asikuma-Odoben-Brakwa District, has also recommended Mr Osei to be chosen as running-mate to Nana Akufo Addo. He said Mr Osei's administration had made the cocoa industry more lively and eye-catching to Ghanaian farmers, saying "many big men in the cities and towns have now returned to their villages to cultivate massive cocoa farms to boost the industry."

Lawyers go loco for cocoa : \$50 million class action lawsuit launched

The Western Gazette, Canada

Jaela Bernstein

February 21, 2008

They may seem sweet, but chocolate companies have left a bitter taste in the mouths of many consumers. A class action lawsuit has been proposed against four major Canadian chocolate companies: Nestlé, Hershey's, Cadbury and Mars.

The Toronto law firm Juroviesky and Ricci LLP allege the major manufacturers have gone against the Competition Act by conspiring to lessen competition and fix the price of their product for Canadian consumers. On behalf of all Canadians who have consumed products of the listed companies between February 2004 and February 2008, the law firm has asked for \$50 million in general damages.

Henry Juroviesky, managing partner at the law firm, said the governments in several countries including Germany, the United States and Canada have been investigating chocolate companies. "Based upon the factual record that has been developed to date ... we feel that there is a strong case for a civil suit under the competition act," he said.

Terry Smith, an employee at Mac's Convenience Store at 277 Dundas St., agreed with the allegations that chocolate companies have raised their prices. "The chocolate bars were \$1.09 and now it's \$1.19," he said.

If they win the lawsuit, Juroviesky said his firm plans to work with the judge to find a way to distribute the winnings among consumers. But he noted it would be a challenge, since such a large population is represented in this class action lawsuit. "We would have to come up with a unique way to distribute the settlement proceeds," he said. "It's not as simple as cutting people a cheque."

In particular, the firm suggested the use of coupons, so people who consume a large amount of chocolate are reimbursed for the unfair price jacks. In addition to the aim of the lawsuit, the lawyers are also trying to make an example of the chocolate bar companies. "All class actions are really meant to make a statement," Juroviesky explained.

He said this trend of conspiracy among merchants is common in many industries, but many don't get caught. "The point of the class action is not necessarily to get a particular person a big win, but to change the behaviour of the defendants," Juroviesky said.

Ultimately, the goal of the law firm was clear: "We want to stop them from the naughty behaviour." But the consensus of chocolate lovers on campus seemed to be the lawsuit was faulty.

Kate Kennedy, a journalism student, criticized the expectations of the lawsuit. "If \$50 million is what they're shooting for, it's not that much money for companies to dish out and it's not much money for Canadians to get in return."

Gemma Firman, second-year social science student, doubted the lawsuit would be successful.

Matt Walker, fourth-year media, information and technoculture student, agreed: "I feel like their time could be put towards something better."

Fair Trade Valentine Lectures Come to Five College Area

Elizabeth Tuttle

Issue date: 2/21/08 Section: Features

PrintEmail Article Tools Page 1 of 2 next >

Media Credit: Courtesy of Cecelia Appianim

Cecelia Appianim's lectures regarding fair trade practice for African chocolate coincided well with the sweet tooth holiday.

During the Valentine's Day season, sweethearts and sweet teeth alike express their affection for one another via massive amounts of chocolate, plush bears and mix tapes and awkward post-breakup hookups. With the dust settling from the mad purchasing rush, Ghanaian worker Cecelia Appianim toured the Five College area with the message that not all chocolate is created equal.

Cecelia Appianim is a recorder, area treasurer and the national financial secretary of the Kuapa Kooko Cooperative, a Ghanaian cocoa cooperative that employs strictly fair trade practices. Kuapa Kooko, formed in 1993, includes over 45,000 farmers and trades its own cocoa. Divine Chocolate, the company that formed in 1997 out of the co-op's success, distributes its chocolate worldwide.

In lectures at both Smith and Amherst last week, students and community members enjoyed free samples of Divine Chocolate sweets as Appianim sang, danced and explained the organization. Kuapa Kooko, which means "good cocoa growers," formed as a response to the great demand for cocoa experts in Ghana and to the amount of unfair trade practices that tend to occur as a result.

In many instances, according to the co-op's Web site, sales clerks can rig the scales so that the full value of the crop is not reimbursed to the farmer. With cocoa as such an important crop in Ghana - 70 percent of the cocoa in the world comes from the Ivory Coast and Ghana - these practices caused rippling effects on the entire Ghanaian community.

"Our children were not in school. We didn't have good water to drink. We didn't have toilets," Appianim recalled of life before the co-op. "I would have nothing to do. I would come home from work and just sit. Now, women are getting more involved and having more power. The whole community is involved." Prior to her work at Kuapa Kooko, Appianim worked as a firefighter in her village.

"My life would be so miserable," Appianim said. The personal growth in her own life parallels the strides that many villages have made toward a better lifestyle for their inhabitants. Where before the task of getting water involved a dauntingly long walk, now a hand-dug well and a nearby pump make the task much easier. The number of children enrolled in school has greatly increased, and a day care has also been built in the area.

The co-op has also taught the women many artisan skills, such as soap making, jewelry making and batik crafting.

To Appianim, fair trade signifies "paying a price that reflects all the energy and toils that the farmer has put" into cultivating and producing the cocoa. In her lectures, she also highlights her appreciation for the gender-equal structure of Kuapa Kooko: since the farmers elect members to each position, it is mandated that 50 percent of all positions be filled by women. In one 20-person society, Appianim proudly noted that 12 of the members are women.

"They try to cheat us of our money!" Appianim joked. "You know men, they're always putting the money in their own pocket. But it's important - you have to sit down and make decisions together."

As a result of its fair trade practices, the co-op has gained worldwide recognition that has allowed it to expand greatly. In October 2006, the United States branch of Divine Chocolate opened in Washington, D.C. As Appianim said in one lecture, "Our eyes are opened."

Seven percent of the cocoa produced by the 45,000 workers in the co-op goes towards the production of Divine Chocolate. According to Niki Lagos, the marketing director of the Washington, D.C., branch, the Kuapa Kooko members hope to increase that number to 10 percent by 2008.

"Help us to sell more chocolates!" Appianim said. "Eat more chocolate!"

Business Briefs:

Daily Times, Pakistan - Feb 21, 2008

Nestle price rises help drive up 2007 profits

VEVEY: Nestle, the world's largest food company, brushed off fears of commodity price inflation and global slowdown to post an above forecast 15.8 percent rise in 2007 net profits sending its shares higher. The Swiss-based maker of Nescafe coffee and KitKat chocolate bars sidestepped higher input costs such as for milk, coffee, cocoa and grains by raising its prices to boost its underlying sales to an above target 7.4 percent and was confident for 2008. Chief Executive Peter Brabeck expected continued global economic growth in 2008 to support his business, especially in emerging markets, while the recent record rises in commodity prices will start to cool off in the second half of 2008 with coffee and cocoa prices likely to go down rather than up. reuters

Biofuels push up cost of farm goods

Financial Times, UK - Feb 21, 2008

By Javier Blas in Washington

Agricultural commodities prices will remain high for the next few years, boosted by strong demand from the biofuels industry and robust consumption from emerging markets such as China and India, the US government said yesterday, writes Javier Blas in Washington .

The price of soyabean, wheat and rice have surged this year to all-time highs and corn prices have jumped to a 12-year record. The costs of coffee, cocoa, sugar, meat, poultry and dairy products have also risen sharply.

Joseph Glauber, chief economist at the US Department of Agriculture, said the "unprecedented expansion" of the biofuels industry would keep the agricultural market tight as higher acreage devoted to biofuel crops, such as corn for ethanol, would reduce the amount of arable land for crops such as wheat. "Prices will remain high for the next two to three years," he said.

Mr Glauber told the Agricultural Outlook Forum 2008, an agribusiness gathering, that ethanol's share of corn use in the US would jump to a record 31 per cent in 2008, up from 25 per cent in 2007.

The US ethanol industry will reach a capacity of 11.9bn gallons by September, almost double the 6.8bn gallons of last September, the Department of Agriculture said. Last year US farmers planted the largest acreage of corn since 1944 and the department yesterday forecast only a small decline for 2008. Corn prices yesterday hit a fresh 12-year high at \$5.29 a bushel.

Mr Glauber added that prices could come down in the long-term if farmers increased their overall production by using more arable land or boosting yields. He forecast that consumer food prices in the US would rise at an annual rate of 3 to 4 per cent.

Copyright The Financial Times Limited 2008

Bush declines Ghana chocolate

Joy Online, Ghana

21-Feb-2008



US President George Bush on Wednesday declined an offer for a bar of Golden Tree Chocolates at an exhibition of Ghanaian products targeted at the North American market. President Bush, on the second day of his visit to Ghana, was at the Trade Fair to see the exhibition of the products including garments, shea butter, handicrafts, jewellery, etc are said to be now selling in retail shops in the United States.

When the President and his wife got to the Cocoa Processing stand, he picked up a bar of chocolate to admire. But when Joy News Israel Laryea asked him if would want to try it, he said, "you know something, I gave up candies and sweets for Lent(the forty-day liturgical season of fasting and prayer before Easter), so I'd try this in twenty-three more days, or whatever it is."



Amidst chuckling from Israel Laryea and Mr. Bush's aides and other officials he added, "one of these days I'd try it, but I'm being a disciplined person", smiling and looking in the wife's direction. The story behind the incident however has it that some chocolates meant for the exhibition on the day was picked up by the US secret service and three days prior to the exhibition supposedly for screening.

According to Maxwell Aboagye, a Senior Sales and Marketing Officer at the Cocoa Processing Company in charge of the stand, the chocolates were returned just a few minutes before the US President was due to arrive at the stand. He says, "I was also told to offer him that particular pack of chocolates that they came for". The CPC does not see the incident as a rejection of their chocolates though.

Maxwell says the company currently has its eyes set on a deal to supply the US military with chocolate and cocoa products and that though a deal has not been finalised yet, "plans are far advanced". The event was an exhibition of local products currently being exported to the American market under the African Growth and Opportunities Act, AGOA.

President Bush together with wife Laura and other members of the delegation interacted with the exhibitors, selected from amongst some 200 beneficiaries of the initiative which allows some 6400 products from Ghana to enter the US market duty free and quota free.

The Cocoa Processing Company, though already in the US market is being assisted by AGOA to find new markets. The exhibition was organised by the West African Trade hub, which acts as a broker, seeking shops across America who want to buy from the African market. Between 2005 and 2007, the hub based in Accra and Dakar in Senegal facilitated more than 16 million dollars in exports and 3 million in investment.

TIT BITS

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

London coffee, cocoa and sugar rise

LONDON (February 20, 2008): Coffee futures notched up strong gains on Tuesday as speculators returned to the market while sugar closed with mild gains and cocoa slipped in late trade. London-traded robusta closed up almost 5 percent as the market rallied late in a flurry of fresh speculative buying.

US MIDDAY: coffee and cocoa up

NEW YORK (February 20, 2008): Arabica coffee futures on ICE Futures US climbed nearly three percent in early trade Tuesday on fund and roaster buying amid March/May spreading while cocoa gained ground on light volume, traders said.

Fortis sees cocoa deficit of 32,000 tonne

LONDON (February 20, 2008): Fortis said on Tuesday it estimated a small global cocoa deficit during the 2007/08 season of 32,000 tonnes, revising a previous forecast of a 74,000-tonne surplus. In a monthly report, the investment bank said it reduced its overall net production estimate for the year to September 2008 by 116,000 tonnes to 3.659 million tonnes.

London coffee up; cocoa, sugar down

LONDON (February 21, 2008): London cocoa and sugar prices finished lower on Wednesday with both markets under pressure from profit-taking after recent advances while coffee ended little changed. "We have been very strong from fund buying in the last few days. Today we are just having a breather," one cocoa dealer said.

US MIDDAY: cocoa, coffee down

NEW YORK (February 21, 2008): US cocoa futures trading on ICE fell 3 percent early Wednesday, while arabica coffee futures also slipped as both felt pressure from fund liquidation, traders said. "It looks like funds are liquidating," one cocoa trader said.

Brazil cocoa arrivals down 7.4 percent

SAO PAULO (February 21, 2008): Brazilian 2007/08 (May/April) cocoa arrivals from Bahia and other states totalled 3.15 million 60-kg bags by February 17, down 7.4 percent from 3.4 million bags a year ago, Bahia Commercial Association said on Wednesday.

New York cocoa drops

NEW YORK (February 21, 2008): US cocoa futures settled weaker on Tuesday, but remained near 24-year highs after speculative profit-taking pressured prices following support by funds, traders said. "(There was) speculative profit-taking, some arbitrage selling of New York and late technical selling as it could not hold the rally," one trader said.

US MIDDAY: cocoa and coffee up

NEW YORK (February 22, 2008): Arabica coffee and US cocoa futures trading on ICE made modest gains early on Thursday, as fund buying returned to the markets, traders said. On the screen, the ICE's key May coffee contract was up 1.15 cents at \$1.586 at 9:15 am, trading from \$1.571 to \$1.592.

New York cocoa down on profit-taking

NEW YORK (February 22, 2008): US cocoa futures finished 2 percent lower on Wednesday, pressured by profit taking and fund liquidation after the market soared to 24-year highs last week, traders said. "The market was just overdone on the upside and some people have been selling it. If they stay short then buy it back, then we'll hit some stops as the market rallies again.