



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

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2nd – 6th June 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)
2 nd June	1754.75	2845.75	1495.00	2793.00
3 rd June	1764.85	2868.92	1508.67	2815.33
4 th June	1760.53	2850.28	1505.33	2799.33
5 th June	1753.59	2827.29	1494.00	2773.33
6 th June	1800.46	2919.14	1535.00	2858.00
Average	1767.00	2862.00	1508.00	2808.00

Up-coming Events

- 71st General Assembly and Council of Ministers meetings, 8th – 12th September 2008, Punta Cana, Dominican Republic

The International Cocoa Council of ICCO at its 77th regular session held in Berlin, Germany from 27-28 May 2008 adopted COPAL's proposal of 1st October as a national day for celebration of cocoa and chocolate among cocoa consuming and producing countries.

In the News (from Newspapers worldwide)

Health and Nutrition

- ASK DR. WEIL: Is it good to drink cocoa daily?
- NEW DAWN: Cocoa tea – black
- Chocolate, 'Part of a balanced diet'?
- Cocoa 'may benefit diabetics'
- Flavanol-containing cocoa may prevent CVD in patients with diabetes
- Cocoa flavanols: the next big thing?
- Chocolates: To eat or not to eat
- Cocoa ups blood flow

Production and Quality

- Cadbury to promote Cocoa Research in Tamil Nadu
- Mars highlights cocoa biodiversity at UN conference
- Cadbury to promote cocoa cultivation in India
- Cadbury invests in cocoa growth
- PNG is one of top cocoa producers in Asia-Pacific
- Cameroon: Cocoa/Coffee - Farmers to receive CFA 450 million support
- International Cocoa Verification Board Announces Organizations to Carry Out Independent Verification of Cocoa Sector Certification

The Market

- Cash cocoa trade restrained by jump in futures
- Candy companies blame high prices on hedge funds

- ANALYSIS-Cocoa price buoyant as supply outlook tightens
- World Cocoa prices to remain high

Processing & Manufacturing

- Chocolate lovers face rising prices
- US gov't helps research to develop cocoa strains

Business & Economy

- Swiss Chocolatier turns up the heat on Premium Chocolate
- GCMA holds seminar for cocoa farmers
- Lotte to take chocolate beyond China test markets
- Increased demand and a healthy future for Latin American cocoa
- Hershey's Cocoa Classic baking contest opens across Pennsylvania; County Fairs kick off individual Contests

Others

- Multi-Trex private placement takes off with flourish
- Ghanaian Cocoa farming almost extinct

INSIDE THIS ISSUE:

- ✓ ICCO DAILY COCOA PRICES
- ✓ UP-COMING EVENTS
- ✓ 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 2nd June 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2008	1480	1510	38	1513	1479	4,042
Sep 2008	1471	1492	31	1493	1469	3,057
Dec 2008	1466	1483	32	1484	1460	2,151
Mar 2009	1436	1459	30	1461	1436S	1,097
May 2009	1442	1464	30	1455	1442S	85
Jul 2009	1456	1474	30	1463	1454	105
Sep 2009	1464	1483	30	1464S	1464S	17
Dec 2009		1493	30			0
Mar 2010		1492	30			0
May 2010		1491	30			0
Totals		1484				10,554

Tuesday 3rd June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1513	1534	24	1539	1490	5,363
Sep 2008	1494	1505	13	1506	1468	4,901
Dec 2008	1485	1487	4	1489	1458	2,051
Mar 2009	1464	1459	0	1464	1439	2,130
May 2009	1467	1460	-4	1467	1445	1,903
Jul 2009	1477	1467	-7	1477S	1459S	142
Sep 2009	1467	1475	-8	1478S	1467S	32
Dec 2009		1485	-8			0
Mar 2010		1485	-7			0
May 2010		1484	-7			0
Totals		1484				16,522

Wednesday 4th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1529	1534	0	1542	1526	2,432
Sep 2008	1500	1501	-4	1505	1493	2,045
Dec 2008	1484	1481	-6	1486	1476	1,004
Mar 2009	1459	1454	-5	1459	1451	347
May 2009	1461	1454	-6	1461S	1455S	66
Jul 2009	1466	1462	-5	1468	1462	1,027
Sep 2009	1469	1468	-7	1471S	1469S	2
Dec 2009		1476	-9			0
Mar 2010		1476	-9			0
May 2010		1475	-9			0
Totals		1478				6,923

Thursday 5th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1530	1516	-18	1541	1514	1,792
Sep 2008	1501	1494	-7	1513	1490	2,867
Dec 2008	1478	1472	-9	1490	1469	946
Mar 2009	1455	1446	-8	1465	1448	395
May 2009	1465	1447	-7	1465	1453S	27
Jul 2009	1473	1455	-7	1473S	1461S	6
Sep 2009		1461	-7			0
Dec 2009		1469	-7			0
Mar 2010		1469	-7			0
May 2010		1468	-7			0
Totals		1470				6,033

Friday 6th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1517	1560	44	1578	1517	3,703
Sep 2008	1497	1535	41	1546S	1497S	3,923
Dec 2008	1480	1510	38	1519	1479S	1,750
Mar 2009	1454	1486	40	1493	1453S	768
May 2009	1454	1486	39	1485	1454S	180
Jul 2009	1464	1493	38	1500	1464S	142
Sep 2009	1475	1498	37	1509	1474S	44
Dec 2009		1506	37			0
Mar 2010		1506	37			0
May 2010		1505	37			0
Totals		1509				10510

Average for the week	1503					10108
Total for the week						50,542

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

Monday 2nd June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2742	2790	67	2795	2733	13,250
Sep 2008	2747	2803	66	2806	2747	6755
Dec 2008	2741	2784	53	2786	2739	1181
Mar 2009	2734	2760	42	2760	2733	429
May 2009	2750	2766	43	2766	2742	23
Jul 2009	2735	2762	42	2762	2735	156
Sep 2009	2775	2769	37	2775	2769	0
Dec 2009		2787	40	2787	2787	10
Mar 2010		2797	23	2797	2797	10
Totals		2780				21814

Tuesday 3rd June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2781	2807	17	2814	2719	8892
Sep 2008	2795	2819	16	2824	2737	7494
Dec 2008	2780	2804	20	2809	2734	718
Mar 2009	2754	2768	8	2771	2709	376
May 2009	2766	2765	-1	2776	2762	24
Jul 2009	2757	2767	5	2772	2753	56
Sep 2009	2783	2769	-	2783	2769	3
Dec 2009		2785	-2	2785	2785	3
Mar 2010		2795	-2	2795	2795	0
May 2010		2795	-2	2795	2795	0
Totals		2785				17566

Wednesday 4th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2795	2796	-11	2811	2776	11,212
Sep 2008	2810	2808	-11	2821	2789	6,129
Dec 2008	2777	2789	-15	2800	2777	1,624
Mar 2009	2742	2756	-12	2757	2740	256
May 2009	2748	2758	-7	2758	2744	28
Jul 2009	2746	2750	-17	2755	2746	69
Sep 2009		2747	-22	2747	2746	20
Dec 2009		2759	-26	2759	2759	0
Mar 2010		2764	-31	2764	2764	0
May 2010		2764	-31	2764	2764	0
Totals		2769				19338

Thursday 5th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2798	2792	-4	2813	2738	6,630
Sep 2008	2815	2808	-	2824	2753	5,235
Dec 2008	2786	2790	1	2805	2740	1,098
Mar 2009	2752	2753	-3	2765	2722	208
May 2009	2743	2754	-4	2754	2733	33
Jul 2009	2729	2741	-9	2741	2729	35
Sep 2009		2741	-6	2741	2741	0
Dec 2009		2755	-4	2755	2755	0
Mar 2010		2762	-2	2762	2762	0
May 2010		2762	-2	2762	2762	0
Totals		2766				13239

Friday 6th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2794	2878	86	2906	2779	12,562
Sep 2008	2800	2894	86	2920	2794	10,834
Dec 2008	2800	2869	79	2900	2800	3,007
Mar 2009	2790	2829	76	2841	2782	2,265
May 2009	2805	2829	75	2829	2805	3
Jul 2009	2778	2819	78	2835	2774	1
Sep 2009	2790	2811	70	2811	2790	0
Dec 2009		2828	73	2828	2828	0
Mar 2010		2847	85	2847	2847	0
May 2010		2847	85	2847	2847	0
Totals		2845				28672

Average for the week	2842					25157
Total for the week						100,629

Spot Prices [US\$ per tonne]

	2 nd June	3 rd June	4 th June	5 th June	6 th June
Main Crop Ghana, Grade 1	3247	3272	-	-	3343
Main Crop Ivory Coast, Grade 1	3113	3132	-	-	3203
Main Crop Nigerian, 1	3087	3105	-	-	3176
Superior Arriba	3072	3115	-	-	3186
Sanchez f.a.q.	3140	3175	-	-	3246
Malaysian 110	2780	2797	-	-	2868
Sulawesi f.a.q.	3040	3057	-	-	3128
Ecuador Cocoa Liquor	4799	4828	-	-	4950
Pure Prime Press African Type Cocoa Butter	7933	7991	-	-	8193
10/12% Natural Cocoa Press Cake	1256	1235	-	-	1266

Source: Cocoa Merchants' Association

News

Health and Nutrition

ASK DR. WEIL: Is it good to drink cocoa daily?

Santa Cruz Sentinel, CA

06/02/2008

Q I recently heard about a study showing that drinking cocoa can prevent heart attacks, cancer, diabetes and other diseases. I know that chocolate has some health benefits. What about this cocoa business?

A You undoubtedly heard about the work of Harvard professor Norman Hollenberg, M.D., Ph.D., whose studies show that the Kuna people of Panama's San Blas Islands exhibit an extremely low risk of stroke, heart failure, cancer and diabetes. In fact, the Kuna's risk of these diseases is only 10 percent of that of most people. High blood pressure is also extremely rare among traditional Kunas, and dementia is virtually nonexistent.

Dr. Hollenberg first started studying the Kunas in an effort to identify genes that he thought must be responsible for the fact that they didn't seem susceptible to high blood pressure. He soon concluded that protective genes weren't the explanation, because among the Kuna who migrated to Panama City, blood pressure rose with age and hypertension was common. Among Kuna who still live on the islands, diets are low in protein, very low in fat, rich in fruit and, interestingly, very high in salt. However these traditional people drink at least five cups of cocoa a day, making it from gently processed homegrown cocoa beans. This cocoa is very rich in the same heart-protective flavonoids found in red wine, tea and onions. One of the actions of these flavonoids is to help the body make more nitric oxide, a substance that relaxes smooth muscle in blood vessels allowing better blood flow.

In his research, Dr. Hollenberg identified epicatechin, one of the cocoa flavonoids, as the active ingredient responsible for the Kuna's good health. In fact, he has been quoted as saying that epicatechin is so important that it should be considered a vitamin. His work has been partially funded by Mars Inc., the candy manufacturer.

Please don't think you can start sipping grocery store cocoa to prevent high blood pressure, heart disease and cancer. The commercial cocoas available today contain few, if any, flavonoids, which are routinely removed because of their bitter taste. The Kunas favorite drink probably would turn off consumers who are accustomed to the sweet, rich taste of commercial cocoa. If the health benefits of epicatechin are confirmed to be as impressive as they seem, it's more likely that it will become available in supplement form rather than as a bitter cocoa drink. And if a supplement does become available, it won't cancel out the risks posed by smoking, high cholesterol, a sedentary lifestyle and a high-calorie diet full of saturated and trans fats. Cocoa seems to work well for the Kuna because in other respects their lifestyle is very healthy.

No time to cook?

Q I would love to prepare healthy meals for my family, but I just don't have the time. We're living on takeout. Any suggestions?

A You're not alone. Most people say the biggest barrier to preparing healthful meals these days is lack of time. One solution I recommend is a slow cooker, or Crock-Pot. New versions of this classic kitchen tool are much better, with programmable functions. You can put fresh, healthy, organic ingredients into a slow cooker in the morning and have a delicious soup or stew ready to eat when you get home. The cooker will keep the food hot and fresh, even if family members have to eat at different times. Another virtue of slow cookers is that the lower temperatures they use may help preserve nutrients that can be lost when food is cooked rapidly at high heat. And food cooked slowly often tastes better. Slow cooking can even help you cut grocery bills and is much more economical than takeout because you can use inexpensive ingredients such as dried beans that have been soaked overnight rather than more costly canned beans. There is no end of healthy recipes that lend themselves to slow cooking.

Another handy appliance that can make meal preparation easier and healthier is an automatic rice cooker that you can fill, turn on and forget -- these pots cook rice perfectly. Once the rice is cooked, the heat goes down automatically so that the contents stay warm and in perfect condition for hours. Again you can fill it in the morning, set the controls, and have rice the way you like it when you get home -- no guesswork at all. You can use a rice cooker to prepare all kinds of whole grains including quinoa, millet, kasha, bulgur and others. Getting most of your carbohydrates from true, slow-digesting, whole grains as

opposed to grains that have been pulverized into flour is one of the best nutritional moves you can make for yourself and your family.

Readers who wish to ask Dr. Weil a question may do so by visiting his Web site, www.drweil.com, and clicking 'Ask Dr. Weil' and then 'Ask Your Question.' Because Dr. Weil receives so many questions, it is impossible for him to personally respond to every query. "Ask Dr. Weil" does not provide specific medical advice and is not intended as a substitute for the advice provided by your physician or other health-care professional. You should always consult your physician to discuss specific symptoms and conditions.

NEW DAWN: Cocoa tea – black

The Nation Newspaper, Barbados

By DAWN MORGAN

June 2, 2008.

RECENT INFORMATION about research that suggests "a cup of enriched cocoa may help improve the working of blood vessels in diabetic patients", should be consumed slowly, like tea. Yes, cocoa contains flavanols which are antioxidants, similarly found in green tea, red wine and some colourful fruit and vegetables. Helps to keep your body perking inside and out.

The news is not entirely new, since the word was out for some time that raw chocolate (as in cocoa), or as dark and pure chocolate as possible, was healthier than the chocolate mixed with milk, oil or butter, lots of sugar and other questionable additives.

Some chocolate manufacturers started putting the percentage of cocoa in their dark chocolate on the wrapping so people would be attracted to the 50 or 75 per cent labels. So we now read the good news "three mugs of specially formulated cocoa a day, for a month" might help "severely impaired" arteries to regain normal function. Bad news, the type of cocoa used in the study is not available in shops.

Drinking cocoa tea of any sort should not be a poison to me or you. But to the average Bajan "tea" is something to which you add lashings of milk and nuff sugar. Drinking "black" or is that "brown"? cocoa tea without sugar and milk is just not going to be as popular. I remember the raw cocoa, which came in finger-sized rolls, that my late grandmother grated and made into tea. That was thick, rich, brown power!

But sweetened chocolate is finger lickin', sensual stuff, containing a pleasure chemical. Some women say its better than sex! Guess they're still Looking For Mr Goodbar?! Does that mean if we feed teens more chocolate they will have less sex? Mmmm. But then they will get fat and be at higher risk for health problems, including die-a-beast-tease.

Dr Esther Suckoo-Byer and George Griffith are asking for the age of medical consent to be 16 instead of 18. And there are people predicting this will lead to increased sex and promiscuity.

What? What? That equation is too algebraic for me.

How does being able to receive family planning information and having power over medical treatment automatically produce sex machines? A few teens become promiscuous as a "coping mechanism" to deal with being molested and raped, usually by parent figures or trusted adults. They need counselling and help, not judgement.

Some have very high sex drives from puberty. Good luck trying to put the brakes on them at 16! But at least they can practise defensive driving. What about underage girls who get pregnant, have spiritual, religious, emotional or psychological disapproval of abortion, but get taken to a doctor where mum and/or dad dictates medical termination must take place? The parents are too ashamed to keep the child or allow adoption. Teens know they can give legal consent to sex at 16. So they think adults are being contradictory to prevent them from independently, legally, accessing whatever necessary to protect themselves from diseases and unwanted pregnancies.

Dawn Morgan is a NATION senior reporter who believes some parents sip a little "slow poison" in their cocoa tea if they think their sweet-16s have never been kissed. Telephone: 430-5495 Email: dawnmorgan@nationnews.com

Chocolate, 'Part of a balanced diet'?

New York Times, United States

By Mike Nizza

June 2, 2008



In a British newspaper today, a 37-year-old man claimed to have settled into an extraordinary lust for Mars chocolate bars. A 12-bar-a-day habit, which began 17 years ago, is fortified with orange juice and vitamins, Keith Sorrell claimed.

Far from some dire plea, Anne Sidnell of the British Nutrition Foundation offered a surprisingly evenhanded assessment. "He seems to get enough vitamin C and the bars could provide enough calcium and protein," she told *The Sun*. "But he's missing out on fiber, which will have an effect as he ages.

"Vegetarians' love for Mars chocolate became apparent in the past few weeks.

The company offered another surprise, warning against such extreme loyalty to their product while also making clear that some was clearly warranted. "We encourage people to enjoy chocolate as part of a balanced diet," a spokesperson said.

Chocolate? Part of a balanced diet? The assertion is vague enough to be true, of course. And Mars Inc. happens to be the chocolate company that is crusading to find ways to prove its product is healthier than widely assumed.

Two years ago, the company unveiled CocoaVia, a chocolate bar rich in flavanols, a natural chemical that has antioxidant properties. The product line was expanded a year later, not that there was any doubt that Mars officials were very serious about the idea of healthy chocolate. From a *New York Times* article in 2005:

"Heart disease is the No. 1 killer in the world, and chocolate is the No. 1 favorite ingredient in the world," said Jim Cass, Mars's vice president of marketing. "When you put those two giant macro trends together, we know this is a big idea."

While boldly recommending two servings of CocoaVia a day, Mars officials were also aware that they had a steep hill to climb in winning over consumers. Here are two revealing quotes from a 2004 piece in *The New York Times* magazine titled *Eat Chocolate, Live Longer?*:

As Carl Keen, at U.C. Davis, put it: "If Mars were some sort of juice company, they would find this far easier to market, but they're in a difficult position because they're a confectionary company. The marketing here is much, much more difficult than if they were selling a fruit or a vegetable." [Harold Schmitz, chief science officer of Mars], too, has no illusions about what's ahead. "Nutrition is already controversial," he said, "and you can imagine that chocolate nutrition is about 1,000 times more controversial."

Nevertheless, the company is aggressively pushing forward by funding independent studies on the health properties of chocolate. "Mars has become the world leader in cocoa science," one official recently told *The Pioneer Press*.

Last week, people lined up in London to join a Mars-sponsored study that asked them to "eat a bar of chocolate daily for a year, guilt-free and all in the name of science," as one paper put it. Indeed, Mr. Schmitz said in a recent interview that more than 100 peer-reviewed papers had been published on chocolate with financial help from Mars. Last week, one of the studies sparked promising headlines for diabetics who love chocolate. Flavanols may increase circulation, scientists said, though more research was needed before any final conclusions. Mars may have smiled at the result, but it came with a note of caution from the study's author to diabetics to stay away from the chocolate for now.

"This research focuses on what's at the true heart of the discussion on "healthy chocolate," Malte Kelm said in a news release. "It's about cocoa flavanols, the naturally occurring compounds in cocoa." Aside from the scientific questions that remain, there's a supply problem as well. The product in stores — and in the pockets and cabinets of Britain's chief chocoholic, Mr. Sorrell — contains far less flavanols than in the stuff in the labs at the moment.

Cocoa 'may benefit diabetics'

The Press Association

June 3, 2008

A natural ingredient in cocoa has a dramatic impact on blood vessels and may help diabetics ward off the threat of heart disease, a study suggests. Researchers studied the effect of a specially enriched type of cocoa on patients with type 2 diabetes. They found that the beverage, which contained much higher than normal levels of flavanol compounds, significantly improved the function of their arteries.

In the space of one month, vessels that were severely impaired and restricting blood flow had improved by 30%. Malfunctioning arteries can lead to heart disease, heart attacks, strokes and lost limbs. Heart and artery disease is the number one cause of death among diabetics.

Flavanols are natural plant compounds found in tea, red wine, and certain fruits and vegetables including cocoa beans. They have antioxidant properties and are thought to raise the body's production of nitric oxide, a chemical signal that tells arteries to relax and widen when blood flow increases. Two studies were carried out by researchers led by Professor Malte Kelm, from the University Hospital Aachen in Germany. In the first, 10 patients with type 2 diabetes drank cocoa containing varying flavanol levels, ranging from 75 to 963 milligrams.

Researchers found that as the dose was increased, the performance of the patients' blood vessels improved. A measurement called Flow Mediated Dilation (FMD) was used to assess blood vessel function.

The second study involved 41 diabetic patients whose condition was monitored over 30 days.

Three times a day they were given either enriched cocoa containing 321 milligrams flavanols, or a low-flavanol 25 milligram drink. The two types of cocoa tasted and looked the same, and the patients did not know which they were drinking.

Flavanol-containing cocoa may prevent CVD in patients with diabetes

Endocrine Today, NJ

June 3, 2008

Diets rich in flavanols reversed vascular dysfunction in patients with diabetes and may help prevent cardiovascular disease, according to the findings from a new study. Researchers from sites in Germany assessed vascular function in 10 patients with diabetes after single doses of cocoa containing flavanol concentrations of 75 mg, 371 mg and 963 mg.

Changes in vascular function in medicated 41 patients with diabetes were examined in a subsequent efficacy study after a 30-day, three times daily dietary intervention with 321 mg flavanols per dose cocoa or 25 mg flavanols per dose nutrient-matched control.

After a single ingestion of flavanol-containing cocoa, flow-mediated dilation increased at two hours from 3.7% to 5.5% (P,.001), according to the study. A 30-day, three times daily consumption of flavanol-containing cocoa resulted in a 30% increase in flow-mediated dilation (P,.0001).

“While more research is needed, our results demonstrate that dietary flavanols might have an important impact as part of a healthy diet in the prevention of cardiovascular complications in diabetic patients,” Malte Kelm, MD, PhD, professor, chairman of cardiology, pulmonology and vascular medicine at the University Hospital Aachen and the Technical University Aachen, in Germany, said in a press release. – by Christen Haigh

Cocoa flavanols: the next big thing?

Australian Food, Australia

By Isobel Drake

Source: Mars, Incorporated

June 3, 2008

A report published in the Journal of the American College of Cardiology suggests that cocoa flavanols, which are naturally occurring plant compounds, may provide benefits to people with Type 2 Diabetes. The study concluded that the daily consumption of a beverage rich in cocoa flavanols can positively impact blood vessel dysfunction. Study participants who regularly drank a beverage rich in cocoa flavanols, made using the Mars, Incorporated Cocoapro process, experienced a 30 per cent improvement in measured vessel function at the completion of a 30-day trial. This is the first time a dietary intervention has been shown to lead to such dramatic improvements in vessel function in a diabetic population.

Poor blood vessel function develops in the early stages of cardiovascular diseases such as atherosclerosis. These vascular impairments can eventually lead to heart disease and stroke, the cause of death for two-thirds of those who suffer from diabetes. But even adults who consistently manage the disease and who are medically treated often continue to experience vascular dysfunction. This has led scientists to search for novel medical or nutritional options to improve the health and quality of life for people with diabetes. Fundamentally, healthy circulation helps support a healthy body.

The promising results of this research are significant with diabetes becoming a global health concern in the wake of the heavily publicised obesity epidemic. Additional research in the area may lead to the pursuit of flavanol-based applications that could delay the complications associated with poor blood vessel function and diabetes.

Mars Chief Science Officer Harold Schmitz, PhD, believes the study could have very positive ramifications. “If a dietary intervention with cocoa flavanols can produce such profound, sustained improvements in vascular function; the implications with regard to health and quality of life could be remarkable,” he declared.

Found naturally in cocoa beans, cocoa flavanols are compounds similar to those found in red wine and green tea. Previously published studies have shown that the consumption of these flavanols can improve blood vessel function and even reduce the tendency of blood clots to form and the inclusion of cocoa flavanols in the diet may, therefore, have profound implications for cardiovascular health.

While traditional cocoa processing techniques often destroy cocoa flavanols, Mars claims it has developed and patented a process called *Cocoapro* that retains the benefits of these compounds. The beverage specially made for this study contains *Cocoapro* cocoa, but is not available on the market. The level of cocoa flavanols used in the study is not seen in the marketplace but products are available with a reduced level of cocoa flavanols than that used in this study. Consequently, a great opportunity now exists for food manufacturers to update their products in the wake of the study. *The research was carried out by a collaborative group of international scientists from the University Hospital RWTH in Aachen, Germany, the University of California and Mars, Incorporated.*

Chocolates: To eat or not to eat

Manila Times, Philippines

By Angelique P. Manalad, Contributor

June 04, 2008



Smooth, luscious, bittersweet and so much like love, thy name is chocolate. Even just its aroma makes us feel warm. Chocolates mark the fondest days of our lives—cakes for weddings, ice cream for birthdays, chocolate eggs on Easter, chocolate hearts on Valentine’s and a cup of hot tsokolate for Christmas. Possibly a chocolate lover’s nightmare would be to learn that he has diabetes. Thankfully, the latest scientific studies will put their hearts to rest like a cup of warm cocoa.

Researchers from the University of L’Aquila in Italy have documented that eating 100g of dark chocolate each day for 15 days enabled test subjects to better metabolize sugar—important news for those suffering from diabetes. Dark chocolate has also been shown to lower blood pressure.

Your new best friend, flavanol

These results were from the effect of the antioxidant found in chocolates—flavanol. According to *The American Journal of Clinical Nutrition*, antioxidants protect the body by neutralizing potentially cell-damaging substances produced by the body known as oxygen free radicals. They also report that flavanol helps cardiovascular health by improving the endothelium—the thin layer of cells that line the interior surface of blood vessels that allow blood to flow smoothly—and by delaying harmful blood clotting. These factors reduce inflammation and improve circulation in the feet, hands and brain.

Other food items such as red wine and tea also contain flavanol. However, studies by the Cornell University in New York have shown that cup of cocoa contains twice the amount of antioxidants as a glass of red wine, three times more than green tea and five times more than black tea. Flavanol content varies greatly depending on the kind and quality of chocolate. It is important to know if you are just eating mostly sugar and fat or if you’re really getting the good stuff.

Don't be afraid of the dark

Dark chocolate contains the highest amount of antioxidants, which comes from its cocoa content. The finest dark chocolates possess 70 percent or higher cocoa content. Milk chocolate contains only up to 50 percent cocoa and white chocolate contains only about 33 percent cocoa.

Note that processing cocoa with alkali, such as that used in Dutch chocolate, destroys most of the flavanol. Popular inexpensive chocolates are mostly composed of sugar and may contain as little as 7 percent cocoa. Currently, many chocolate-flavored candies cannot be legally considered true chocolates because they substitute vegetable fat for cocoa butter and may use milk substitutes, sweeteners and artificial vanilla flavoring. Always look at the ingredients and nutritional facts.

Interestingly, two-thirds of the fat in authentic chocolate are composed of a saturated fat called stearic acid and a monounsaturated fat called oleic acid. However, unlike other saturated fats, stearic acid does not raise levels of "bad" cholesterol in the bloodstream.

Nonetheless, any excessive calorie intake—be it with good or bad cholesterol, dark or milk chocolate—is harmful and outweighs any health benefits that may be derived from flavonols. Those consuming chocolate must cut back on other high calorie food items. Like everyone, they must balance their diet with fiber and protein and exercise regularly.

Because of the rising awareness of chocolate's health benefits, many high quality chocolate brands—especially those of dark chocolate—have begun to declare the percentage of cocoa content on their packaging. An even healthier way of consuming chocolate is drinking it. While a 40g bar of chocolate contains about 8g of saturated fat, a cup of hot cocoa contains only an average of 0.3g.

Love chemicals

Caffeine is the most well known of these chemical ingredients, and while it's present in chocolate, it can only be found in small quantities. Theobromine, a weak stimulant, is also present, in slightly higher amounts. The combination of these two chemicals (and possibly others) may provide the "lift" that chocolate lovers experience. Theobromine also moistens and soothes the throat.

Phenylethylamine is also found in chocolate. It is related to amphetamines, which are strong stimulants. All of these stimulants increase the activity of neurotransmitters in parts of the brain that control our ability to pay attention and stay alert. Phenylethylamine is also the same chemical produced in the brain when people are in love.

All in sweet moderation

As with love, so too with chocolate. One must appreciate and imbibe, but not besot your self. Sharing multiplies one's pleasure and tempers one's health. So go ahead, bite into that bittersweet chocolate, drink up that hot cocoa and spread the love.

Cocoa ups blood flow

Louisville Courier-Journal, KY

By Jana John, The Courier-Journal

June 5, 2008



All the talk about chocolate being good for your health is starting to get serious. Mars Inc., of chocolate-bar fame, has established a scientific division.

And a group of researchers, some in Germany, others with the new Mars division known as Symbioscience, has just published a report showing that an enriched hot-cocoa beverage can improve blood flow in people with type 2 diabetes.

The study, published in the June 3 issue of the Journal of the American College of Cardiology, had 41 adults with type 2 diabetes drink cocoa enriched with flavanols, which are natural compounds found in some fruits and vegetables and in chocolate -- especially the dark kind. Flavanols are believed to improve blood flow by increasing the production of nitric oxide, which causes arteries to relax.

On the Web

- <http://content.onlinejacc.org>
- www.med.umich.edu/UMIM/clinical/pyramid/chocolate.htm

Green tea and sleep

Drinking green tea may help minimize memory problems and confusion associated with sleep disorders, according to a study recently published by University of Louisville researchers in the American Journal of Respiratory and Critical Care Medicine.

The animal study, led by David Gozal, professor and director of the Kosair Children's Hospital Research Institute, found that compounds in green tea seem to make the brain less susceptible to oxygen loss caused by sleep-disordered breathing, supporting other research that suggests green tea may have therapeutic value.

Drinking green tea may prove to be one strategy to help patients cope with the cognitive side effects of sleep-disordered breathing and obstructive sleep apnea, Gozal said.

On the Web

- <http://ajrccm.atsjournals.org>, May 15 issue

Covering kids

With a lot of job insecurity these days, it's smart to know what resources are available to help you and your family. Find out if your children may qualify for free or low-cost health insurance with a new, searchable tool from the American Academy of Pediatrics.

The insurance is available to working families and helps cover doctor visits, prescription medicines, hospitalizations and more. Even children who are not covered now by health insurance may be eligible. *Find more information at: www.insurekidsnow.gov or by calling (877) 543-7669 (KIDS-NOW).*

Production and Quality

Cadbury to promote Cocoa Research in Tamil Nadu -

Moneycontrol.com, India

Source : Moneycontrol.com

02-06-2008

Cadbury India Ltd. today announced an extensive cocoa research project in partnership with the Tamil Nadu Agricultural University to help promote cocoa cultivation in the state.

The research project is part of the Cadbury Cocoa Partnership established to help secure the economic, social and environmental sustainability of cocoa farmers and their communities in India and other cocoa growing areas.

The cocoa research project will focus on:

1. Improving cocoa farmer incomes: by helping farmers increase their yields through superior planting material, disease resistant varieties and produce top quality beans
2. Introducing location specific practices: by understanding the impact of geographical variations in the region and developing location specific best cocoa growing practices for local farmer communities
3. Working in Partnerships: developing practices and research material to support the Tamil Nadu government's efforts in promoting cocoa as an intercrop in coconut to augment the income of farmers.

Speaking on behalf of Cadbury India, K. P Magudapathy, Associate Vice President – Cocoa Operations said, “Through this research project in Tamil Nadu, Cadbury is looking to partner the state government by supporting cocoa farmers and help develop cocoa production in an economically, socially, and environmentally sustainable way”.

This partnership is a testimony of our long-term commitment to holistically support the development of sustainable cocoa growing communities in Tamil Nadu. In 2007, Cadbury had signed a memorandum of understanding with the Tamil Nadu Government's Department of Horticulture to enhance the cocoa cultivation in the state through National Horticulture Mission. Cadbury has extended buy-back guarantee, minimum support price and technical advice for the benefit of the farmers.

Mars highlights cocoa biodiversity at UN conference

ConfectioneryNews.com, France

By Linda Rano

03-Jun-2008

Protecting cocoa's biodiversity and sustainability are critical, said Mars at the recent United Nations Biodiversity conference held in Bonn, Germany. Philippe Metzger, general manager of Mars Snackfood Germany said: "We invest significant resources to help support the sustainability of the cocoa supply chain - partly because it is linked to our own business success, but also because it is critical to protecting this unique and fragile crop for future generations."

Mars has formed partnerships with federal and local governments, local communities and non governmental organisations (NGOs) around the world to develop and teach the best methods for cocoa production, investigate pest and disease control and improve the quality of cocoa.

Research at Mars Centre for Cocoa Science in Brazil is helping to identify disease-resistant strains of cocoa that have the potential to make cocoa farming more sustainable around the world, said the company. Mars is also supporting cocoa farmers by breeding cocoa trees that are more drought resistant and use water and soil nutrients more efficiently. Ensuring responsible production that enables the communities and ecosystems where cocoa is grown to thrive is part of Mars' vision for sustainable cocoa, said the company.

Several major companies have launched sustainability programmes to safeguard the future of this key crop. In January this year, Cadbury launched a fund to aid its cocoa suppliers in Ghana after research suggested that average production in the region is 40 per cent below yield potential.

Western confectioners, under pressure from high commodity costs, want to ensure a consistent supply to protect their businesses.

Good Inside Cocoa Programme

Mars and Nestlé joined a sustainable cocoa programme earlier this year which aims to establish a traceability system for Ivory Coast farmers. The Good Inside Cocoa Programme, established by the Dutch organisation Utz Certified, aims to eliminate environmental and humanitarian problems.

Project Manager Daan de Vries told ConfectioneryNews.com that as well as addressing concerns such as child labour, the programme "will consider issues such as market supply, health and safety - all the factors necessary for cocoa trading".

ICCO initiative

The International Cocoa Organisation has established a working group to plan ahead for the next Roundtable on a Sustainable Cocoa Economy meeting. The first Roundtable meeting took place in Accra, Ghana, last year, bringing together over 200 participants from 25 countries including representatives from European confectionery firms.

Cadbury to promote cocoa cultivation in India

Source: FLEXNEWS

04/06/2008

Media report that Cadbury India, a subsidiary of the world's biggest confectionery company, is to collaborate with the Tamil Nadu Agricultural University (TNAU) in a five-year research project aimed at promoting cocoa cultivation in the Indian region. The project, which will be led by the TNAU, will focus on the development of high-yielding, pest- and disease-tolerant cocoa varieties suitable for cultivation in the Southern Indian state.

India's cocoa requirements are growing 15% every year. The bean is mainly used in the confectionery, beverage, cosmetics and pharmaceutical industries. Cadbury India currently commands a 71% share of the Indian chocolate market.

Cadbury invests in cocoa growth

The Birmingham Post, UK

Jun 4 2008

Birmingham confectioner Cadbury has joined forces with the Tamil Nadu Agricultural University (TNAU) in India to take part in a collaborative research project to promote better cocoa cultivation.

The main objective of the project, which is spread over five years and will be operated by the TNAU, is to develop high yielding, pest and disease tolerant cocoa varieties suitable for use in a wide range of products.

Mainly used for chocolate, health drinks, cosmetics and pharmaceutical industries, India requires about 20,000 tonnes of cocoa annually. Its output is only half this at present.

PNG is one of top cocoa producers in Asia-Pacific

pacific, HI

By Tereni Kens in Port Moresby

June 05, 2008

The International Cocoa Organization (ICO) has recognized Papua New Guinea (PNG) as one of the top cocoa producing countries in the Asia-Pacific region despite threats from the Cocoa Pod Borer (CPB). This follows recent announcement by the ICO confirming PNG as a 75 percent fine and flavor cocoa producing country after it was downgraded to 25 percent in 1994.

Cocoa will still remain as an important cash crop for Papua New Guinean farmers despite recent outbreaks of the cocoa pod borer says Chief Executive of the Cocoa Board, Lauatu Tautea. "Our effort now is to maintain and even to increase our fine or flavor status to higher than 75 percent." Tautea says the cocoa industry plays an important role in the national economy providing employment and income earning opportunities for the majority of the rural population.

The country's Cocoa Board and relevant government agencies have stepped up efforts to continue to promote and develop the industry despite another reported outbreak of the cocoa pest in the Madang province. The first outbreak was experienced last year in the country's two major cocoa producing provinces, East New Britain and later in East Sepik. "There is a lot of interest in cocoa development throughout the cocoa growing areas and cocoa is benefiting many farmers and their families," says Tautea. "We will continue to promote cocoa despite the latest outbreak of CPB in Madang and in fact, the CPB has strengthened our efforts to develop the industry."

The chief executive says addressing the threat by pest and diseases especially CPB is important in maintaining cocoa production and the survival of the industry as a whole. Tautea told more than 200 cocoa farmers at Boroi village in the Bogia district of Madang that CPB was a challenge to everybody but the relevant government agencies are working on measures to minimize its impact in the cocoa growing areas. He urged Bogia growers where the CPB has been reported that they should not panic and must work closely with the agencies to contain the pest.

Farmers were reassured that they will be trained in cocoa management practices and should improve their crop and get better prices. Tautea stressed it was important that PNG cocoa farmers continued to maintain high standards of fermentary processing and quality of cocoa beans. "The Cocoa Board has confidence in the farmers due to improved efficiency in cocoa processing and marketing as moves are underway to improve the quality of cocoa," Tautea said.

Tautea says the Cocoa Board is now making every attempt to address certain quality defects of PNG cocoa beans as the major problem is smoke taint. This smoke taint has the potential to mask the fine or flavor characteristics of PNG cocoa beans and which consequently can lower its acceptance at the international market. The Cocoa Board is also finalizing a National Cocoa Development Plan which has been formulated after extensive consultations in 12 cocoa growing provinces. Some major issues identified are cocoa quality improvement, pest and disease control, farmer training and farm rehabilitation scheme, plantation rehabilitation, cocoa seed garden, central inspection depots, niche markets and downstream processing.

Cameroon: Cocoa/Coffee - Farmers to receive CFA 450 million support

AllAfrica.com, Washington

By Fred Vubem

June 5, 2008

This was during the 2nd session of the Steering Committee for Support to the Protection of cocoa/coffee plants meeting in Yaounde. The second session of the Steering Committee for Support to the protection of cocoa and coffee plants (PPVC) met yesterday in Yaounde to evaluate the path covered as well as chart ways to improve on their performance.

Members drawn from some farmer organisations, research institutions and government services involved in the sector, examined the level of implementation of the resolution of the first steering committee meeting, the report of activities for 2007 as well as examined and adopted the projects and budget earmarked for 2008. Participants also gave a new orientation to the project.

The PPVC project created some five years ago and placed under the Ministry of Agriculture and Rural Development, provides support to cocoa and coffee producers including the provision of farm inputs such as spraying machines, pesticides and protection kits for farmers.

According to the coordinator of the Steering Committee, Luc Njock Nken, the project is in the process of experimenting direct assistance to the farmers by disbursing funds to the tune of CFA450 million to organised farmer organisations to be able to purchase the necessary farm inputs themselves. This approach, he said will limit administrative bottle necks and enable farmers set their own priorities in respect of their agricultural calendar. The project which operates in seven of the ten provinces of Cameroon aims to treat some 75.000 plants by 2009 at the cost of some CFA 666 million. Every year, PPVC targets to treat 110.000 hectares of cocoa and coffee plantations; 83.000 hectares of cocoa farms and 27 hectares of coffee plantations.

The meeting was presided by the Secretary General at the Ministry of agriculture and rural Development, Jean Claude Eko'o Akouafane, who doubles as the president of the steering Committee.

International Cocoa Verification Board Announces Organizations to Carry Out Independent Verification of Cocoa Sector Certification

CSRwire.com (press release)

Verite

June 5, 2008

(CSRwire) - June 5, 2008 - The International Cocoa Verification Board (ICVB) announces the formal selection of Fafo AIS and Khulisa Management Services as the agencies charged with carrying out the verification of certification surveys in Cote d'Ivoire and Ghana. These two agencies will collaborate with in-country organizations Research International (Cote d'Ivoire) and HEDGE (Ghana) to conduct an independent verification process and to make recommendations for strengthening future certification surveys and remediation activities. This verification is a crucial element of fulfilling the Harkin-Engel Protocol and informing policy decisions on the worst forms of child labor and forced adult labor in the cocoa sectors of Cote d'Ivoire and Ghana.

The partners, who were selected by the ICVB after a competitive application process, offer a unique multi-national team, involving experts from Europe, Africa and the United States.

Fafo Institute for Applied International Studies (Fafo AIS) is a Norwegian-based nonprofit with a longstanding reputation for expertise in data collection and analysis, particularly for populations that are often elusive, such as child laborers. Areas of experience in Africa include West and Central Africa, Child Labor and Vulnerability, and Trafficking and Migration. Fafo AIS has worked with UNICEF, UNDP, World Bank, and ILO, among others, to produce "research that matters".

Khulisa Management Services (Khulisa), is a South African-based firm with 14 years experience in monitoring, evaluation, research and data quality auditing in the fields of child labor, education and public health across numerous African countries. Khulisa's clients include the US Department of Labor (USDOL), US Agency for International Development (USAID), UNICEF, the US State Department, Global Fund, the European Union and others. Khulisa's team of ISO 9001-certified auditors will participate in the assessment activities. In-country organizations Research International (Cote d'Ivoire) and HEDGE (Ghana) will also play a key role in engaging with cocoa producing communities during the representative sample stage of the verification.

Together these organizations have the technical, local and cultural capacities to conduct a rigorous verification process, which they will accomplish in two main stages:

* First, an assessment of the certification data collection activities will be carried out in the two countries. This activity will include an assessment of the research objectives and outcomes, the examination of suitability of research techniques, conducting a data quality assessment (DQA) and an assessment of the data analysis and output quality (results).

* Then a representative sample survey will be carried out in the two countries. This will include the creation of a representative sampling design, instrument (questionnaire) development, pilot testing, training, data collection and analysis and report writing.

Based on this approach, an overall synthesis and verification report will be presented, with a particular emphasis on ways to improve future certification surveys and the remediation efforts (both in the public and private sectors) that they inform. Their distinct partnership also allows for an internal peer review process of the data analysis and a final report that fully synthesizes the contributions and observations of the various agencies.

The ICVB made contractual arrangements with the verifiers that allowed them to begin the verification activities in April, prior to the actual signing of contract in May. The Governments of Ghana and Côte d'Ivoire have acted quickly in granting the verifiers the required permissions and the first phase of in-country work is already underway. For more information regarding the ICVB, please visit www.cocoaverifcation.net. This site will soon feature an interactive tool that will allow stakeholders worldwide to offer feedback directly to the ICVB.

About the ICVB

The International Cocoa Verification Board (ICVB) was convened in December, 2007. This multi-stakeholder body includes nine representatives from NGOs, academia, trade unions and industry. The nine Board members are: Anthony Fofie, Ghana Cocoa Board; Amouan Assouan Acquah, Special Counselor to the Prime Minister (Côte d'Ivoire); Stephen Ayidiya, University of Ghana-Legon; Andrews Addoquaye Tagoe, General Agricultural Workers Union (Ghana); Alice Koiho Kipre, Afrique Secours et Assistance (Côte d'Ivoire); Diane Mull, International Initiative on Exploitive Child Labor (USA); John Trew, CARE International (USA); Jeff Morgan, Mars, Inc. (USA); and Isabelle Adam, European Cocoa Association (Belgium). www.cocoaverification.net

For more information please contact: Mil Niepold, Senior Policy Advisor, Verité; 617-780-7721 www.cocoaverification.net; Alexa Roscoe, Program Assistant, Verité; 413-253-9227 www.verite.org

The Market

Cash cocoa trade restrained by jump in futures

Stockhouse, Canada

By Michael Hogan

5/30/2008

HAMBURG, May 30 (Reuters) - European physical cocoa business remained depressed this week with the sudden rise in London futures on Thursday putting a stop to limited fill-in purchases which had been made in previous days, traders said. London September <LCCc2> cocoa futures peaked this week at 1,465 pounds per tonne on Thursday, a two-week high. 'London remains way above the level most industrial customers are willing to pay and London's sudden jump on Thursday took away the purchase interest for spot hand-to-mouth delivery,' one trader said. Differentials were generally little changed. Ivory Coast beans were again quoted substantially lower than other West African origins because of continued quality concerns about the Ivory crop.

Beans from Ghana were quoted on Friday at 140 to 145 pounds over London's July bean contract <LCCN8> against 30 to 40 pounds over for Ivory beans. 'Ghana remains in the focus of interest for the large industry players who need big volumes of good quality to replace Ivory supplies while the state Ghana board is also willing to make large advance sales,' one trader said. The trader said that there was underlying physical interest in other origins such as Nigeria and Cameroon, but these countries don't have the physical volumes the big players need. 'But West African sellers are acutely aware of the quality problems in Ivory Coast and buyers who need guaranteed quality must pay up,' he added. Otherwise many industrial buyers were thought to again be running down inventories in the hope London prices will fall. 'I believe industry does have a large pent-up requirement,' one trader said. 'I think there would be major purchasing if London July was to fall by about 150 pounds.' He noted that background fundamentals are bearish and industrial buyers are still hoping for reduced investment fund interest in cocoa.

The global cocoa market should move into surplus in 2008/09 from a small deficit in 2007/08 as high prices stimulate production, the head of the International Cocoa Organization (ICCO) said this week.

Candy companies blame high prices on hedge funds

Waukegan News Sun, IL

BY AARON O. PATRICK The Wall Street Journal

June 1, 2008



LONDON — The price of Cadbury PLC's Caramello candy bar is up 10 percent over the past 12 months, raising a sticky question: Are hedge funds to blame? Soaring cocoa prices are driving up the cost of chocolate around the world. The chocolate industry points its finger at speculative buying by professional investors, especially hedge funds.

Hedge funds have been accused of many things over the years, including almost bankrupting countries (the 1997 Asian currency crisis), triggering a run on the pound (George Soros in 1992), threatening the integrity of the U.S. financial system (Long-Term Capital Management in 1998) and fraud (Bayou Management LLC in 2005). This is their first fight with chocolatiers.

"They definitely influence the market and the prices," says Bernd Roessler, a spokesman for August Storck KG, one of Germany's bigger chocolate makers. "There is a lot of money invested in (cocoa), and it is coming from hedge funds."

Cadbury Chief Financial Officer Ken Hanna says most cocoa demand used to come from chocolate makers. "Now, in common with many other commodities, there is also significant investor demand, and that can add to pricing pressures," he says.

The pricing of chocolate is under scrutiny globally. In the U.S., Canada and Europe, regulators are investigating potential price fixing in the chocolate market and more than 50 lawsuits have been filed, many by customers and resellers.

Chocolate makers are accused of colluding as far back as 2002. The U.S. Justice Department has inquired into their pricing practices, and the German Federal Cartel Office raided the offices of seven candy makers in February. The companies have said they are cooperating with the inquiries.

More recently, the turbulence in global share markets has led hedge funds and other investors to turn to agricultural commodities such as cocoa, wheat and oil looking for big gains. "In my lifetime, it's an entirely new phenomenon," says Stephanie Garner, a cocoa trader for Sucden, a broker owned by Sucres & Denrees SA, on the London International Financial Futures and Options Exchange. "It's to a large extent a fallout of the credit crunch."

Shipped around the world as a powder, paste, liquor or butter, cocoa sells for about \$2,600 a metric ton on New York's Intercontinental Exchange, up from \$1,700 at the beginning of 2007. Globally, chocolate sales rose 6.9 percent in 2007, according to Nielsen Research. Some 15 percent to 30 percent of the average chocolate bar is made of cocoa. Premium blocks of chocolate contain as much as 99 percent cocoa, making them more susceptible to changes in the cocoa price.

Given the small size of the cocoa market — the annual crop is valued at \$10 billion, roughly equal to a day's oil production — hedge funds can move prices with relatively small amounts of cash. Hans Kilian, a U.S.-based cocoa expert and one of the few independent cocoa forecasters, says he has been hired by hedge funds to dig up information about production in West Africa, Brazil and Indonesia. He declined to disclose his clients.

Tim Pollock, head of operations at Armajaro Holdings Ltd., a big cocoa investor and trader, says he "can see why some chocolate makers may find it quite convenient to blame funds. I don't think it has a long-term impact." One of the puzzles behind the cocoa-price increase is that it doesn't appear to reflect an imbalance between supply and demand. In the year ending in September, there will be almost enough cocoa grown to meet the world's needs, according to the International Cocoa Organization, a trade group. The expected 51,000-metric-ton shortfall isn't particularly large and can easily be covered by existing stock, the group says.

In the U.S., prices of high-quality chocolates rose 6.1 percent in the year ended April 19, according to Nielsen. Among those, Lindt's Nocciolette range were up an average 27 percent, and Nestle SA's Quality Street product rose 17 percent, Nielsen says, based on surveys of retail prices in shops across the U.S. The companies have cited rising commodity prices, including the prices of milk, cocoa and oil, as reasons for increasing the prices charged at retail for chocolate.

ANALYSIS-Cocoa price buoyant as supply outlook tightens

Forbes, NY

By David Brough

June 5, 2008

LONDON, June 5 (Reuters) - Cocoa prices have outperformed other soft commodities in 2008 on fears over the quality and output of beans from top grower Ivory Coast, and have room to rise further if the supply outlook worsens later this year.

London cocoa futures have surged over 40 percent since the end of 2007, powering higher on investment fund buying early in 2008, then losing momentum before clawing higher again, driven by concerns over output and low stocks relative to demand.

In the meantime, robusta coffee prices are up a much more modest 16 percent. And raw sugar, grappling with a huge global glut, is down 11 percent and appears set for further losses.

The International Cocoa Organization (ICCO) says the global stocks-to-grindings (demand) ratio stands at just 41 percent, a 22-year low, and is a key reason for cocoa's high price. Demand for cocoa is growing steadily, with brightest prospects seen in the emerging Asian markets and eastern Europe. "If we have a third consecutive year of global deficit next season, there is room for upside in prices," said Laurent Pipitone, senior statistician with the London-based ICCO. The ICCO sees a tight supply scenario, forecasting a global cocoa deficit of 41,000 tonnes in 2007/08 (October/September), after a 301,000 tonnes deficit in 2006/07.

Based on an econometric model that strips out weather, the ICCO sees a small surplus of 71,000 tonnes in 2008/09, but that figure could easily be revised into a deficit if the outlook for West African main crop harvests deteriorates due to bad weather.

Jonathan Parkman, director and head of the agri commodity brokerage at Fortis (other-otc: FORSY.PK - news - people) Commodity Derivatives, said industry cover was relatively low, but noted that overall market conditions may not be as tight as some market participants believe. Fortis has projected a global cocoa deficit of 6,000 tonnes in 2007/08, after a much bigger deficit of 284,000 in 2006/07.

Dealers said cocoa futures rose in the past week on talk about a report from independent analyst Hans Kilian which referred to a drop in Ivorian mid-crop output due to adverse rains, and concerns over quality, dealers said. One market source said the report also noted Ivorian main crop output would be disappointing. Kilian could not immediately be reached for comment.

DOLLAR UNCERTAINTY

Analysts agreed that the fundamental outlook for cocoa was positive, but macroeconomic factors such as the dollar exchange rate could distort prices in the short term. "We are looking at another year of relatively tight supply and relatively high prices," said Jack Scoville, an analyst for brokers the Price Group in Chicago. "It (price) depends on whether the dollar can turn around here."

The dollar hit a three-month high versus the yen on Thursday boosted by a view U.S. interest rates have troughed. Federal Reserve Chief Ben Bernanke said on Wednesday rising inflation expectations were a "significant concern", a day after he gave a rare warning that a weak dollar was adding to price pressures, giving a boost to the U.S. currency. Some analysts believe the Fed could even raise interest rates later this year.

Investment have funds pumped billions of dollars into the mainly dollar-denominated commodities complex this year, partly as a hedge against inflation as the dollar weakened. Now some analysts believe a strengthening dollar could spark a flight from commodities, and that cocoa could feel the impact.

The ICCO's Pipitone said he believes the impact of a rising dollar would be muted on cocoa as hedge funds' exposure to the commodity is less than to other softs. "We expect the macroeconomic picture to have an impact," he said. "I believe that cocoa prices are driven by fundamentals. I'm not sure that for the medium to long term, cocoa prices have been affected significantly by fund investment."

World Cocoa prices to remain high

AMonline.com, WI

06/06/2008

The latest figures from the International Cocoa Organization (ICCO) suggest a rise in world production of cocoa compared to last year as well as a slight increase in world grindings, according to candybusinessinsider, a candy industry newsletter. However, an ICCO spokesperson explains that combined years of deficit are effectively pushing prices up, as costs in the early months of 2008 reached a five-year high.

The ICCO's quarterly bulletin of cocoa statistics revised forecasts for the 2007/2008 cocoa year, which runs October through September. It estimated there will be a world production year-on-year increase of 370,000 tons, or 11 percent, compared to 2006/07. Grindings, which correspond to the demand for beans, are forecast to increase 107,000 tons, or 2.9 percent in the same time period.

The 2007/2008 total crop in Cote d'Ivoire, the world's largest cocoa producer, was up about 100,000 tons compared to the same period a year earlier. Increased global demand that outpaces supply, the ICCO points out, will put pressure on prices in the short-term.

Processing & Manufacturing

Chocolate lovers face rising prices

Tulsa World, OK

By ROD WALTON World Staff Writer

June 7, 2008

SWEET SORROW



Tulsa's chocolatiers are willing to accept the bitters with the sweets, but they are not going to fudge on the facts. They'll tell you that the chocolate business is getting more expensive, no doubt about it. Whether it's dealing with pressures from fuel costs, higher butter prices or even hedge funds, they know it may get worse before it gets better.

Christine Joseph arranges chocolates in a box at Nouveau Chocolates in Broken Arrow.

Yet they'd rather talk about the thing they love doing rather than how much it costs them. "It's a fascinating art," said Jennifer Brandt, chocolatier and co-owner of Old World Confectionery at 2501 S. Harvard

Ave. "The best part is that it makes people happy."

The price for cocoa beans — that primary ingredient in your fudge brownies or truffles — has gone up worldwide, according to reports. A recent Wall Street Journal article questioned whether speculators were forcing up the cost of cocoa much like they had with oil, corn and wheat.

Christine Joseph, who makes Belgian treats at her Nouveau Chocolates shop in downtown Broken Arrow, believes other culprits are in play, too. Joseph buys her basic chocolate from Europe, so the dollar's dropping value against the euro — from \$1.34 per euro four years ago to about \$1.60 last month — has been felt acutely. "We're being hit twice," Joseph said. "Once with the price of the product and again with the price of freight." Nouveau has raised its prices slightly, as everyone in the local chocolate business has been forced to adapt. Old World Confectionery is trying hard to hold its prices steady, relying on a loyal customer base, while Kka Chocolatier, a shop located in the Brookside district, has never hiked its handmade truffle prices in the four years since it opened.

Instead, Kka owner and chocolatier Steven Howard has added lunch and dinner menus to balance out the added expenses and bring in more revenue. He doesn't see it getting any easier as speculative markets and worldwide oil inflation continue to heat up. "Absolutely, I think everything will go up in the next few years," Howard said.

The cocoa bean's upward bounce isn't just being felt among local candy makers. Cadbury's Caramello candy bar costs 10 percent more than it did last year in the retail market, while Snickers packed on an added 6 percent, according to reports. Those are part of national or international corporations which can absorb increases more evenly. Local chocolate shops are forced to eat it or pass it on.

Cocoa beans' international value as a futures market is nothing new. The World Bank reported more than a decade ago about speculators driving up costs, but lower demand eventually took the wrapping off that trend. Some experts believe that prices will stabilize soon. Nestle executive Peter Brabeck told investors in February that he didn't expect cocoa markets to maintain their high values. Of course, rising fuel costs make everything that travels more expensive, and it's not any different with chocolate. Joseph worries that customers will be hit with so many hikes that cutting back comes down to their indulgences. "We are kind of a luxury item," the Nouveau chocolatier said. "We are not a necessity."

Many sweet addicts would beg to differ. Chocolate is as much passion as food and customers sustain a fierce, sticky loyalty to that tasteful obsession. Kka's Howard believes people will cut back on many things, but feel they get real value when they can spend \$2.50 on a homemade truffle or \$35 on a variety box of custom chocolates. And that, in essence, may make chocolate somewhat recession-proof. "We taste with our eyes, minds and memories," Howard said. "Chocolate, it handles the hard times better than other things."

US gov't helps research to develop cocoa strains

Sun.Star, Philippines

June 03, 2008

THE United States government is assisting a research in Mindanao to develop better strains of cocoa for cultivation throughout the country. US Ambassador Kristie A. Kenney revealed this in a speech at the recently concluded Integrated Pest Management CRSP Global Meeting in Manila. "There is an extraordinary public-private partnership between Mars Inc., Philippine farmers and the US government. Together we are looking at better and more effective strains of cocoa, a great crop in the world," the envoy said.

Mars, the maker of popular chocolate brands M&M's and Snickers, established last month the cocoa development center in Davao City. It sits inside the 24-hectare cocoa plantation within the Malagos Garden Resort, which is owned by the Puentespina family who are also into orchid raising.

Howard Y. Shapiro, global director of Plant Science and External Research of Mars, said the center would adopt local and international best practices in cocoa farming. These include germ-plasm evaluation, breeding, farm rehabilitation methods, integrated pest management, post-harvest practices and other agricultural practices. "Mars is committed to long-term solutions to enhance the lives of the people and communities where cocoa is farmed, and we expect these collaborations to positively benefit thousands of Filipino farmers and their families," Shapiro said.

He added that the country could take advantage of the shift in consumption patterns in established consumer cocoa markets to dark chocolate, which has higher cocoa bean content. Shapiro said Asia has a large and growing cocoa grinding industry, but there is insufficient supply of locally grown beans to feed it.

China, Japan, Malaysia, and Indonesia have combined imports of about 220,000 metric tons of good quality fermented beans from West Africa, where 70 percent of the world's cocoa is produced.

Josyline C. Javelosa, the Agriculture department's assistant secretary for policy planning, said Mars' decision to invest in the 24-hectare cocoa farm shows that the Philippines is ready to compete with the rest of the world. "Why else would Mars come to the Philippines if there's no potential?" she asked. She said the Agriculture department would look at the practice of planting cocoa with coconut to provide more income to farmers and develop the market to supply chocolate companies in the US. Shapiro said cocoa is a shade-tolerant crop, which makes ideal for planting with other trees such as coconut, durian and lazones. (BSS)

Business & Economy

Swiss Chocolatier turns up the heat on Premium Chocolate

Earthtimes (press release), UK

By Lindt & Sprungli

04 Jun 2008

STRATHAM, N.H., June 4 /PRNewswire/ -- Lindt & Sprungli, creator of innovative, premium Swiss chocolate recipes, introduces the Excellence Chili bar, the newest addition to Lindt's signature Excellence Bar Collection. The new bar, which infuses fine, dark chocolate with the essence of red chilli pepper, is now available at Lindt retail stores and select wholesale locations nationwide.

"Evolving consumer taste preferences combined with robust premium chocolate category growth is driving the emergence of exotic flavor pairings," said Thomas Linemayr, chief executive officer and president of Lindt USA. "The chili and chocolate flavor infusion is a nod to chocolate's rich history and signals a shift toward consumer connoisseurship."

The combination of premium, dark chocolate with chili pepper delivers a unique taste experience sure to delight American palates. The mild, delicate cocoa flavor gradually gives way to the full-bodied, spicy dash of chili. Neither weak nor overpowering, the Excellence Chili bar is truly a tasting experience to be slowly savored and enjoyed. Excellence Chili is made with 47 percent cocoa and retails for \$2.29-\$2.99. The 3.5 ounce bar is currently available in all Lindt retail and wholesale locations. To locate a store, please visit <http://www.lindtusa.com>.

About the Excellence Collection

Lindt's Excellence Collection uses only the finest quality cocoa beans. Created especially for the chocolate gourmet, the collection reflects the company's 160 years of craftsmanship and expertise. Excellence is available at Lindt Chocolate stores and major retail and wholesale outlets nationwide. The Excellence Collection flavor portfolio consists of 70% Cocoa, 85% Cocoa, Intense Pear, Intense Orange, White with Coconut, Extra Creamy, Toffee Crunch, Mint, and now Chili.

About Lindt

Founded in 1845, Lindt & Sprungli is a global leader in the premium chocolate category, offering high-quality products in more than 80 countries. Lindt & Sprungli operates eight production facilities in Europe and the United States and employs 6,300 worldwide. Lindt USA operates more than 100 retail stores throughout the country and maintains wide distribution through extensive retail and wholesale channels. For more information on Lindt, visit <http://www.lindtusa.com>.

GCMA holds seminar for cocoa farmers

Modern Ghana, Ghana

By Times Reporter - The Ghanaian Times

05 Jun 2008

THE Ghana Co-operative Marketing Association(GCMA) has expressed its gratitude to the government for bringing life back into the association to enable it to continue its operations in the cocoa industry. It, therefore, pledged to work hard to increase cocoa production to meet the government's expectation and earn more foreign exchange for the country and at the same time help to solve the unemployment problem in the country.

Mr D. K. Adusei, chairman of the Board of Directors, gave the assurance at an induction seminar organised in Accra for farmers and workers drawn from the Eastern and Central Regional branches of the association. The seminar is to sensitise them on the new demands from cocoa consumers globally and the measures they would take to satisfy those conditions.

Three former governments, the Convention People's Party (CPP), the National Redemption Council (NRC), and the People's National Defence Council (PNDC), on different occasions withdrew the buying license of the association and confiscated its assets, he said. Mr Adusei noted that the withdrawal of the license and confiscation of the assets brought untold hardships to the farmers and workers to such extent that most of them died, while others are now sick and bedridden.

The chairman pointed out that the restoration of the license and the partial return of the properties has demonstrated that the New Patriotic Party Government believes in free enterprise competition. He promised that the association would 'keep strictly to the rules and regulations governing the cultivation and purchases of cocoa and leave indelible impression on the cocoa industry as their predecessors did.' He expressed surprise that notwithstanding the fact that the association has numerous cocoa storage facilities scattered around cocoa growing areas, the association is compelled to hire suitable sheds to enable it to qualify for the restoration of its licence. This cost the association over GH¢50,000, he said.

In his address, Mr Nathaniel Biyimba, Deputy Western and South Dunkwa Area Manager of Cocobod, told the farmers and the workers that foreign consumers of cocoa products continue to use Ghana's cocoa as bench mark for quality cocoa globally. 'It is therefore incumbent on all Ghanaians not only to maintain the high quality of the crop, but also make every effort to further improve it and continue to earn higher foreign exchange for the country. He suggested that absolute care must be taken in erecting cocoa sheds. Such sheds must be built with cement blocks and under no circumstance should any inferior materials be used.

In addition, he advised purchasing clerks to ensure that cocoa bought at any given time was thoroughly dry. The deputy manager cited an occasion when a whole shipload of cocoa had to be returned to the country because of its poor quality. That was a huge loss to Ghana. He advised farmers to endeavour to produce uniformed size of cocoa beans which the consumers prefer and explained that this could be possible when farmers contact the research institutions for high-yielding seedlings.

Lotte to take chocolate beyond China test markets

Source: Reuters

05/06/2008

Shanghai, June 5 - South Korea's Lotte Confectionery Co plans to expand its chocolate sales in China this year beyond its test markets in three major cities to take advantage of surging consumer demand, a senior executive said on Thursday. Lotte, which last year set up a China venture with Hershey Co, will begin sales in several affluent coastal provinces, including Guangdong in the south and Jiangsu and Zhejiang in the east, mainly through supermarkets and hypermarkets such as Carrefour, Lotte China President Lee Kwang-Hoon told Reuters.

The company's sales are now limited to Shanghai, Beijing and Tianjin. Lotte had a 6.5 percent market share in Shanghai and 7.7 percent in Beijing as of December 2007, only two months after its first product launch, the company said, citing AC Nielsen data. It gave no sales figures or forecasts. "Chocolate consumption has been growing rapidly in China in recent years," Lee said. "China's chocolate market may exceed its candy market in size in the next three to four years."

China's 6.46 billion yuan (922 million) chocolate market is growing more than 10 percent each year, fuelled by rising wealth and increasing Western influence on consumer tastes, according to market intelligence company Euromonitor International. That compares with only 1 to 2 percent annual growth in Europe, making China an attractive target for major global chocolate brands including Mars Inc, Hershey and Cadbury Plc.

Lotte is targeting its chocolate mainly at China's sweet-toothed youth while studying a possible roll-out of higher-end products for the much smaller but more profitable gift market, Lee said. Lotte and Hershey last year created an \$80 million venture in China to jointly operate a chocolate factory near Shanghai, although they sell the output separately under their respective brands in the retail market. "I don't think our products directly compete with each other, which is why we formed the partnership in manufacturing," Lee said.

Increased demand and a healthy future for Latin American cocoa

ConfectioneryNews.com, France

By Linda Rano

06-Jun-2008 – There is a growing demand for cocoa from Latin America to meet the increasing popularity of premium chocolates in Europe and the US, according to a speaker at the recent meeting of the World Cocoa Foundation (WCF) in Ecuador.

Sergio Seminario, an agricultural analyst with Grupo Seminario, said: "There is a huge opportunity for cocoa production in the Americas...demand for the region's fine flavour cocoas is growing dramatically, reflecting the increasing popularity of premium chocolates in Europe and the United States." Premium chocolate is increasingly popular and origin chocolates, made with beans harvested in one country only, are forming an increasingly important part of this expanding market.

Barry Callebaut uses cocoa from Colombia, Venezuela, Amazonia, Brazil, and Ecuador in its origin chocolates range, which the company has recently been busy expanding and promoting. In March this year Barry Callebaut published a survey whereby four out of ten respondents in Western Europe and the US said that they have already discovered origin chocolate, representing an increase of 26 percent compared to 2006.

Other companies are joining in the origin chocolate boom. Chocolove, based in Boulder, Colorado, has recently been promoting its '2007 Vintage' of Chocolatour chocolates. The company says that for its 2007 collection the beans were sourced from among other countries Ecuador and the Dominican Republic. Some of the cocoa used in Dove's Origins range is also sourced from these countries.

According to the ICCO annual report for 2005/2006 organic cocoa beans only represented a very small share of the total cocoa market, less than 0.5 per cent, but most of the countries producing organic cocoa beans were located in South America, the source of more than 70 per cent of organic cocoa in the world. The Dominican Republic was the largest supplier. Organic chocolate is another growth area in the premium chocolate market.

Developing sustainable cocoa in Latin America

According to the WCF cocoa originated in the Amazon basin where it has played a significant economic and social role for nearly 2,500 years and today 500,000 farms families in Latin America depend on the crop for their livelihood. To help foster a sustainable cocoa economy in the region the WCF and its 67 member companies support the Andean Countries Cocoa Export Support Opportunity (ACCESO) programme in Bolivia, Colombia, Ecuador and Peru.

WCF says that by using successful farmer training methods and technical assistance programmes the ACCESO is improving the competitiveness of the region's cocoa crop across the supply chain from farmers to exporters and manufacturers, and is increasing the number of farming households producing market-quality cocoa. The ACCESO programme has helped lead to "dramatic improvements in productivity and incomes for participating cocoa farmers", according to one speaker at the WCF meeting.

At the meeting, representatives from Ecuador, Colombia, Peru and the Dominican Republic presented cocoa sustainability plans for their countries, focusing on the roles of national strategies, farmer training and farmer associations, as well as the outlook for continued market growth. Workshops were held to discuss how to reinvigorate cocoa production in the area. Nearly 300 people attended the meeting including farmers, scientists, non-governmental organisations and industry

Hershey's Cocoa Classic baking contest opens across Pennsylvania; County Fairs kick off individual Contests

FOXBusiness

June 06, 2008

HERSHEY, Pa., June 6, 2008 /PRNewswire via COMTEX/ ----Calling all bakers! The 2008 Hershey's Cocoa Classic baking contest is underway at a fair near you! This annual confectionary competition, co-sponsored by The Hershey Company, the Pennsylvania Department of Agriculture and the Pennsylvania State Association of County Fairs, is held at county fairs across Pennsylvania now through October 2008.

Over 110 fairs will offer cash prizes in two categories. Adults and youth may enter for the best cake concoction, and children ages 8-18 may enter the youth category for tastiest cookies, brownies or bars. Each fair's contest serves as a preliminary competition for the final Hershey's Cocoa Classic held each January at the Pennsylvania State Farm Show. First place winners at the 2009 Farm Show will be awarded a cash grand prize of \$500 for the winning cake recipe and \$250 for the winning cookie, brownie or bar recipe.

Chocolate enthusiasts have reason to celebrate their beloved chocolate and cocoa creations. Modern scientific research has affirmed that eating dark chocolate and cocoa products can provide various important health benefits, such as lowering cholesterol, lowering blood pressure and protecting your body from signs of aging.

Cocoa powder and chocolate are products made from the seeds of the fruit of the tropical cacao tree. Modern science has linked specific naturally occurring compounds found in dark chocolate and cocoa with several potential cardiovascular benefits. Eating a small bar everyday can help lower your blood pressure and reduce bad cholesterol by 10 percent, according to some studies.

Dark chocolate and cocoa also contain flavonoids. These act as nitric oxide stimulators, which can help improve blood flow, and antioxidants, which protect your body from aging. Some chocolate companies have now discovered how to make dark chocolate that contains up to 95 percent of its flavonoids. While more research is needed, the preliminary evidence about the benefits of flavonoid in chocolate and cocoa is promising. Of course, chocolate is also a source of calories and should be enjoyed in moderation as part of a healthy diet and active lifestyle. And, HERSHEY'S COCOA is the real deal!

For more information and a complete list of participating county fairs, log onto <http://www.pafairs.org>.

Others

Multi-Trex private placement takes off with flourish

Business Day, Nigeria

By IHEANYI NWACHUKWU

02 June, 2008

Multi-Trex Investments Limited, which launched its offer last week Friday, witnessed a surprising level of response from investors when 80 percent of the private placement was quickly snapped up. Analysts attributed the response level to the Multi-Trex line of business which has a profitable global demand - cocoa beans processing, as well as its long term investment outlay on a modern industrial complex and machines capable of filling up market demand gaps over a long term. The investments underline the company's strategic goal of reviving the significance of the product that was once one of the country's biggest foreign exchange earners.

Bayo Akinola, chairman of the company had earlier told investors at the launch of the private offer that the proceeds will enable the company further expand its processing plant, acquire new technology and develop human capital. "We are going to invest on raising the capacity of processing cocoa from the current 10,000 metric tonnes of cocoa beans processing capacity per annum to processing capacity of 60,000 metric tonnes per annum." According to Akinola, Multi-Trex has signed agreement with Accenture to re-organise the company and put their operations firmly on ground.

Syke Financial Services, a wholly owned subsidiary of Syke Bank Plc is the lead issuing house for the offer. The Multi-Trex complex was officially commissioned in February 2006. It has clients from both within and outside the country particularly Europe and America.

Currently, the cocoa industry is fast growing, with a huge capacity growth which attracts the attention of the government to the industry is also growing. The target processing capacity of 60,000 metric tonnes per annum, industry watchers say, will make Multi-Trex the first cocoa processing company in West Africa to have its processing capacity per annum raised to such level.

Ghanaian Cocoa farming almost extinct

Modern Ghana, Ghana

By Rhona Murray (A Scot Intern)

06 Jun 2008

IT IS a common sight in Accra to see street vendors milling around vehicles held back at traffic lights, selling their wares through windows and, depending on their luck, scraping a meager living. The variety of products is endless: plantain chips, fan ice, pure water, bread, soap, toothpaste, so much so that you could say there's no need to visit the supermarket. And yet, it appears one of these vendors may soon disappear off the streets of Accra forever if no-one intervenes: the chocolate vendor.

Cocoa production has been a major part of Ghanaian, indeed West African exports, surviving the more profitable slave trade era and peaking in the sixties with the country attaining the status of the world's largest cocoa producer.

Four hundred and fifty thousand tons of cocoa were exported from Ghana annually and the country built a reputation for itself as a producer of extremely high quality cocoa beans. Unfortunately, it was unable to sustain this success due to severe devastation by forest fires, widespread disease and lower produce prices.

Today, it is debatable whether Ghanaian cocoa can ever reach the acclaim it once enjoyed. While Ghana remains the second largest producer of cocoa beans after Cote d'Ivoire and enjoys trading 10 percent higher than the global market price, a huge barrier still remains. It is not the cocoa beans in their natural state that bring in high revenue, but the export of the product once it has been processed, usually in Europe or America, turned into confectionary and attached to a brand name.

It is not acceptable to argue the simplistic point that multi-national corporations are exploiting African cocoa farmers. This barrier is not a result of local farmers becoming victims of corporations and being denied a fair price for their goods. While admittedly this still occurs, the creation of the Cocoa Board by the Ghanaian government prevents companies buying directly from local farmers and ensures that a minimum price is in place for cocoa exports thus giving the farmers a fair deal.

The crux of the matter is that there are no facilities in place to deal with the cocoa beans once they are harvested in Ghana. Farmers don't have the option of selling their cocoa to Ghanaian companies to process into confectionary and retain the profits.

Only 20 percent of the country's cocoa is processed internally by the Cocoa Processing Company, who have been making Golden Tree chocolate since 1965, West African Mills and Barry Callebaut. However, there may be light at the end of the tunnel for cocoa farmers. Recently, the renowned Cadbury Cocoa Partnership has teamed up with the United Nations Development Programme to try and prevent the extinction of Ghana's cocoa farms.

The majority of Cadbury's cocoa beans are sourced from Ghana and used in some of their best selling chocolate such as Dairy Milk, Whispa, Flake and Buttons. The Cadbury Cocoa Partnership has pledged to invest in community development, increase farmers' income due to improving the farmer's yield and work within local communities to fund the development of the cocoa production.

Currently, Barry Callebaut and CCP have decided to double their processing capacity and the cocoa regulator, COCOBOD has announced new facilities to cope with the demand from international companies attracted by high quality, cheaper cocoa beans. Maybe it is not quite time to bulk buy boxes of chocolate just yet.

TIT BITS

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

Indonesian cocoa prices up

JAKARTA (June 01, 2008): cocoa bean supplies in Indonesia's cocoa-growing areas of Sulawesi island increased this week as the main harvest progressed but dealers said this year's crop would produce less beans as wet weather cuts output.

New York cocoa ends slightly lower

NEW YORK (June 01, 2008): US cocoa futures ended with small losses on Friday, but held around highs seen 2-1/2 weeks ago and hit a three-week peak as funds bought on strong technical signals and worries over Ivory Coast's crop, traders said.

London soft commodities rise

LONDON (June 03, 2008): London white sugar futures rose sharply on Monday, rebounding strongly after last week's slide to a two-month low, although a supply glut may make it difficult to sustain the market's recovery, dealers said.

US MIDDAY: coffee and cocoa ease

NEW YORK (June 04, 2008): Arabica coffee futures on ICE Futures US dropped nearly 4 percent Tuesday on the back of a large Brazil production forecast by USDA, while cocoa fell in the face of a higher dollar, traders said. July arabica contract was down 4.65 cents or 3.4 percent at \$1.327 per lb at 9:31 am EDT (1331 GMT), trading \$1.3745 to \$1.3155 which was the lowest since May 28.

US MIDDAY: coffee, cocoa slip

NEW YORK (June 05, 2008): Arabica coffee futures fell Wednesday on ICE Futures US after the previous session's near 4-percent drop, and cocoa also posted small declines amid general commodity market selling as the dollar held onto gains overnight, though traders said business was light.

London coffee and sugar rebound

LONDON (June 06, 2008): London robusta and white sugar futures bounced back on Thursday, propelled by a recovery in crude oil prices and fears that cold weather approaching Brazil could damage crops. But cocoa fell towards the close on long liquidation and profit taking after days of strong rally.

US MIDDAY: coffee and cocoa up

NEW YORK (June 06, 2008): Arabica coffee futures on ICE Futures US rise 3 percent Thursday on chart-based strength, while further gains could be seen in cocoa after it breaches above major technical resistance, traders said.