



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 289

23rd – 27th 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)
23 rd June	1933.73	3125.92	1636.67	3087.67
24 th June	1945.40	3146.70	1637.67	3111.00
25 th June	1934.70	3133.49	1633.67	3097.33
26 th June	1956.30	3181.21	1643.67	3141.00
27 th June	1956.41	3188.81	1643.33	3146.67
Average	1945.00	3155.00	1639.00	3117.00

Up-coming Events

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

In the News (from Newspapers worldwide)

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Production and Quality

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- Price of cocoa rises to 19-year high
- Cocoa prices fall on profit-taking after big rally

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- FOOD: Italy deferred for chocolate label
- EU takes Italy to court over "pure chocolate" label

Business & Economy

- Cocoa meet to generate ideas
- Strong demand sends Cameroon cocoa to record highs
- Ivory Coast cocoa farm-gate prices firm June 16-22
- Rainforest Alliance chocolate comes to the UK

- Light crop cocoa season opens on Friday
- ASEAN Cocoa Club plans future activity

Labour Issues

- Dutch fail to get issue of child labour on G8 agenda – Feature

Research and Development

- Sweet deal: Companies and U.S. team up to map cocoa DNA
- IBM Supercomputer studies cocoa to safeguard chocolate supply
- Unwrapping the Chocolate Genome
- Project to reveal choc's DNA code
- Complete Genomic Map of cocoa expected for 2013
- US Company launches effort to save Global cocoa crops
- Cocoa genome to be identified in five years
- Scientists unite to unlock Genetic Code behind Chocolate
- IBM Teams with Mars to sweeten Cocoa Research

Others

- Ivorian cocoa body replaces managers in graft swoop
- ICoast cocoa probe claims top scalp

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Do your health a favour, drink Cocoa everyday
'it's nature's miracle food'

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

Monday 23th June 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2008	1688	1705	17	1710	1686S	1,869
Sep 2008	1669	1674	8	1679	1656	4,846
Dec 2008	1627	1634	9	1638	1616	2,201
Mar 2009	1596	1602	9	1609S	1588	1,961
May 2009	1595	1600	11	1606	1591	773
Jul 2009	1598	1603	11	1604S	1596S	519
Sep 2009	1608	1607	11	1608	1608	4
Dec 2009	1619	1615	11	1619	1619	3
Mar 2010	1625	1629	10	1636	1621	129
May 2010		1629	10			0
Totals		1630				12,305

Tuesday 24th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1710	1709	4	1717	1709	2,819
Sep 2008	1678	1675	1	1688	1673	3,471
Dec 2008	1638	1635	1	1644	1633	470
Mar 2009	1604	1603	1	1612	1602	668
May 2009	1602	1601	1	1602S	1602S	5
Jul 2009	1605	1604	1	1605S	1602S	18
Sep 2009	1608	1608	1	1608S	1606S	15
Dec 2009		1616	1			0
Mar 2010	1641	1628	-1	1641	1632	15
May 2010		1628	-1			0
Totals		1631				7,481

Wednesday 25th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1705	1726	17	1727S	1693S	2,678
Sep 2008	1670	1673	-2	1676S	1654	3,943
Dec 2008	1620	1630	-5	1636	1615	2,467
Mar 2009	1590	1598	-5	1608S	1583S	626
May 2009	1590	1597	-4	1605S	1590	238
Jul 2009	1593	1601	-3	1599S	1593S	7
Sep 2009		1605	-3			0
Dec 2009		1613	-3			0
Mar 2010	1625	1626	-2	1630	1625	33
May 2010		1626	-2			0
Totals		1630				9,992

Thursday 26th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1726	1744	18	1744	1725	1,573
Sep 2008	1674	1685	12	1686	1669	3,161
Dec 2008	1628	1641	11	1642	1625	1,323
Mar 2009	1598	1605	7	1607	1594	426
May 2009	1604	1604	7	1604S	1604S	1
Jul 2009	1606	1608	7	1609S	1606S	15
Sep 2009	1611	1612	7	1611S	1611S	1
Dec 2009		1620	7			0
Mar 2010		1633	7			0
May 2010		1633	7			0
Totals		1639				6,500

Friday 27th June 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1742	1743	-1	1760	1741S	1,222
Sep 2008	1686	1686	1	1709	1685	5,448
Dec 2008	1641	1643	2	1659	1638	869
Mar 2009	1606	1601	-4	1620	1600	1,941
May 2009	1602	1600	-4	1616	1602	330
Jul 2009	1615	1604	-4	1616S	1612S	110
Sep 2009	1621	1608	-4	1625	1616S	120
Dec 2009		1616	-4			0
Mar 2010	1632	1628	-5	1640	1632	52
May 2010		1628	-5			0
Totals		1636				10092

Average for the week	1633					9274
Total for the week						46,370

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

Monday 23th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3210	3191	-13	3227	3190	24
Sep 2008	3130	3119	-6	3144	3091	4332
Dec 2008	3095	3084	-	3105	3060	478
Mar 2009	3044	3044	3	3061	3016	479
May 2009	3025	3035	7	3042	3025	25
Jul 2009		3027	1	3027	3027	33
Sep 2009		3032	1	3032	3032	10
Dec 2009	3040	3038	1	3040	3038	7
Mar 2010	3049	3053	7	3065	3035	52
May 2010		3053	7	3053	3053	7
Totals		3068				5447

Tuesday 24th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3229	3230	39	3245	3228	65
Sep 2008	3140	3147	28	3157	3130	4158
Dec 2008	3105	3113	29	3122	3105	800
Mar 2009	3076	3072	28	3079	3067	338
May 2009	3067	3064	29	3067	3059	17
Jul 2009	3055	3052	25	3055	3050	10
Sep 2009		3057	25	3057	3057	0
Dec 2009	3068	3060	22	3068	3060	25
Mar 2010	3081	3074	21	3081	3072	150
May 2010		3074	21	3074	3074	0
Totals		3094				5563

Wednesday 25th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3205	3200	-30	3230	3180	24
Sep 2008	3147	3122	-25	3150	3085	5,123
Dec 2008	3101	3096	-17	3120	3059	437
Mar 2009	3045	3054	-18	3074	3030	221
May 2009	3053	3048	-16	3053	3046	640
Jul 2009	3053	3036	-16	3036	3036	22
Sep 2009		3045	-12	3045	3045	1
Dec 2009		3053	-7	3065	3053	20
Mar 2010	3065	3058	-16	3070	3058	35
May 2010	3063	3058	-16	3058	3058	0
Totals		3077				6523

Thursday 26th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3249	3237	37	3270	3200	47
Sep 2008	3102	3167	45	3175	3095	6,323
Dec 2008	3100	3147	51	3153	3100	1,108
Mar 2009	3075	3110	56	3110	3075	442
May 2009	3090	3107	59	3107	3090	29
Jul 2009	3095	3095	59	3095	3095	1
Sep 2009		3099	54	3099	3099	0
Dec 2009	3100	3089	36	3100	3089	20
Mar 2010		3114	56	3114	3114	98
May 2010		3114	56	3114	3114	0
Totals		3128				8068

Friday 27th June 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	3250	3275	38	3280	3250	11
Sep 2008	3171	3178	11	3193	3161	6,557
Dec 2008	3145	3154	7	3168	3138	1,687
Mar 2009	3113	3112	2	3125	3093	320
May 2009	3110	3105	-2	3110	3086	3
Jul 2009		3092	-3	3092	3092	335
Sep 2009	3075	3096	-3	3098	3075	0
Dec 2009		3094	5	3094	3094	73
Mar 2010	3107	3099	-15	3112	3093	0
May 2010		3100	-14	3100	3100	0
Totals		3131				8986

Average for the week	3099				8647
Total for the week					34,587

Spot Prices [US\$ per tonne]

	23 rd June	24 th June	25 th June	26 th June	27 th June
Main Crop Ghana, Grade 1	3561	3587	3562	-	3618
Main Crop Ivory Coast, Grade 1	3434	3465	3440	-	3496
Main Crop Nigerian, 1	3422	3443	3417	-	3473
Superior Arriba	3412	3449	3424	-	3480
Sanchez f.a.q.	3469	3484	3459	-	3515
Malaysian 110	3094	3132	3107	-	3163
Sulawesi f.a.q.	3371	3395	3370	-	3426
Ecuador Cocoa Liquor	5354	5528	5484	-	5583
Pure Prime Press African Type Cocoa Butter	8806	8958	8887	-	9047
10/12% Natural Cocoa Press Cake	1310	1406	1394	-	1420

Source: Cocoa Merchants' Association

News

Health and Nutrition

New research shows cocoa can help Diabetics' Hearts

Natural News.com, AZ

By: Sherry Baker

June 24, 2008



(NaturalNews) For people with diabetes, indulging in cocoa could be a way to improve their health naturally -- and deliciously. The reason? Flavanols, plant compounds found in cocoa (as well as in tea, red wine, and certain fruits and vegetables), help blood vessels to function better and could help prevent cardiovascular disease, according to new research published in the June 3 issue of the Journal of the American College of Cardiology (JACC).

An international team of scientists gave diabetic patients high-flavanol cocoa for one month and found blood vessel function went from severely impaired to normal in some people. Overall, the research subjects experienced a 30 percent improvement in measured vessel function at the completion of a 30-day trial. This is very significant, the researchers noted, because cardiovascular disease is the top cause of death in diabetic patients. In fact, the improvement in health noted with cocoa supplementation was about the same as that documented with exercise and even with many common drugs used to treat diabetics.

"Medical treatments alone often do not prevent complications of diabetes that are associated with atherosclerosis and cardiovascular disease," researcher Malte Kelm, M.D., chairman of cardiology, pulmonology and vascular medicine at the University Hospital Aachen and the Technical University Aachen, in Aachen, Germany, stated in a press release. "Physicians should be increasingly looking to lifestyle changes and new approaches to help in addressing the cardiovascular risks associated with diabetes."

More than 20 million Americans have diabetes, according to the National Diabetes Association, and vascular impairments associated with the disease can eventually lead to heart disease and stroke, despite good diabetes control and medical treatment. "We are still seeing the devastating complications of diabetes with the standard medical treatments available, so we are increasingly looking to lifestyle changes and new approaches to help address risks associated with diabetes," co-researcher Paul Zimmet, MD, PhD, Director of the International Diabetes Institute in Australia, said in a prepared statement for the press about the study. "While more research is needed, this study shows tremendous potential for future flavanol-based applications."

In an editorial discussing the evidence cocoa can significantly help the cardiovascular systems of diabetics, Umberto Campia, M.D., a research associate with MedStar Research Institute in Washington, D.C., writes: "We now have sizeable evidence that cocoa flavanols have a positive effect on the health of the arteries. This is the foundation we need for doing a much larger prospective study that looks at the effect of cocoa flavanols not just on endothelial function, but also on the risk of heart attack, stroke, and other serious forms of cardiovascular disease."

Earlier published research conducted by Harvard Medical School scientists and the Mars company has shown that flavanol-rich unprocessed cocoa reduces the risks of cancer as well as heart disease.

About the author

Sherry Baker is a widely published writer whose work has appeared in Newsweek, Health, the Atlanta Journal and Constitution, Yoga Journal, Optometry, Atlanta, Arthritis Today, Natural Healing Newsletter, OMNI, UCLA's "Healthy Years" newsletter, Mount Sinai School of Medicine's "Focus on Health Aging" newsletter, the Cleveland Clinic's "Men's Health Advisor" newsletter and many others.

Production and Quality

Cameroon's Cocoa Exports surge 51% on Drier Weather (Update1)

Bloomberg

By Pius Lukong

June 23, 2008

(Bloomberg) -- Cocoa exports from Cameroon, the world's fourth-biggest producer of the chocolate ingredient, increased 51 percent last week after rains subsided, enabling buyers to transport the beans, the Cocoa and Coffee Board said.

Shipments from the country's main port of Douala increased to 524 metric tons in the week through June 22, compared with 348 tons a year earlier, the board said in an e-mailed statement from Douala yesterday. Week-on-week exports jumped fivefold. "When the rain subsides, the roads get dry and better for transportation," Richard Adzogo, an official in charge of cocoa statistics at the board, said in the statement. "That is why buyers bought more beans last week."

The average export price rose to 1,288 CFA francs (\$3.05) a kilogram (2.2 pounds), from 1,224 francs the week before, Adzogo said. Cocoa for July delivery jumped 21 pounds, or 1.2 percent, to 1,709 pounds (\$3,352) a ton on the Liffe exchange in London as of 11.59 a.m.

Beans from Cameroon's western growing region sold at 872 francs a kilogram, from 920 francs a week earlier, Andre Lema, an official of the Cocoa and Coffee Interprofessional Council, said in a separate e-mailed statement from Douala.

Cocoa from the central region fetched 872 francs, from 920 francs a kilogram, while beans from the southern region sold at 867 francs, compared with 910 francs, the council said. Cameroon ranks behind Ivory Coast, Ghana and Indonesia as the world's biggest cocoa producers.

To contact the reporter on this story: Pius Lukong in Yaounde via the Johannesburg bureau at +27-abolleurs@bloomberg.net.

Boost for Cocoa Production

Modern Ghana, Ghana

By Charles Nixon Yeboah

24th June 2008



The Ministry of Agriculture is collaborating with COCOBOD to implement policies that will promote commercialization of research on the utilization of substandard cocoa and cocoa wastes to enhance value addition.

According to Clement Eledi, Deputy Minister of Food and Agriculture, the move is part of government's effort to boost agribusiness and the agro-processing industry which is of enormous significance to the country's development.

The Deputy Minister announced this when he met a South African, Trade and Investment mission in Accra yesterday. Agriculture contributes about 40 percent to the nation's Gross Domestic Product (GDP) and most analysts believe lifting it will help accelerate Ghana's development at a rapid pace. "Agribusiness and agro-processing industry is of huge importance to Ghana's development because of the vital linkages and synergies that it promotes in the economy between agriculture, industry and commerce".

Mr. Eledi added that promotion and development of agribusiness will contribute to the national and agricultural sector objectives of increased incomes and poverty reduction. "The agribusiness approach to farming can help change attitudes of operators to make farming lucrative. "Agro processing also provides the opportunity for transforming primary agricultural products into other commodities." This will enhance Ghana's quest of establishing a Commodities Trading Exchange soon.

At the moment, the National Resource Institute (NRI) of the Greenwich University in the United Kingdom is conducting studies into the possibility of establishing a commodities exchange for soft or agriculture commodities, CITY & BUSINESS GUIDE gathered. NRI has been tasked by the Securities and Exchange Commission, regulator of the capital market to draw a comprehensive business plan for the exchange by the next three months.

Disclosing a number of issues to address challenges facing the sector in terms of low productivity and technology, the Deputy Minister mentioned focus on selected commodities for food security, mechanization of agriculture from land preparation to product processing and value chain concept as the number of actions to help address these challenges. Others include meeting the challenge of quality standards, promotion of public/private partnerships and improved coordination and harmonization.

Under livestock development, the strategies will help improve access to quality feed and water, develop commercial poultry and dairy as the priority for improving meat and milk supply in the short term.

Under crop development, the objectives in the medium term are to increase the availability of improved planting material, improved adoption of improved agronomic practices and expand average from size per holder. These initiatives come on the heels of recent food crisis that hit the global economy.

Ghana's cocoa production more than doubled within eight years

Modern Ghana, Ghana

By Administrator

27 June 2008



Koforidua, GNA - Mr Isaac Osei, Chief Executive of COCOBOD, on Thursday said the country's cocoa production shot up from 300,000 tons to over 700,000 tons within eight years. He said this was achieved as a result of implementation of good policies and it is expected that by 2010 cocoa production will reach one million tons a year.

Mr Osei said this when he launched the 70th anniversary celebration of Cocoa Research Institute of Ghana (CRIG) in Koforidua. He said backed by harmonious policies from government and COCOBOD a lot of scientific research results had gone into comprehensive programmes such as COPAPEC and High-tech leading to good results in the cocoa industry. Mr Osei reminded CRIG of the special role they are expected to play for the attainment of the one million target set by the COCOBOD. He expressed optimism that CRIG would continue to propel the growth of the economy through provision of tried and tested technologies for farmers to maximize their yield.

Mr Kwadwo Baah Owiredu, Minister of Finance and Economic Planning, appealed in a speech read on his behalf that CRIG should take up the challenge and work hard to improve the quality of cocoa to enable the country's cocoa to enjoy even a much better premium. He urged the institute to let farmers have better understanding of the use of pesticides and fertilizers and adopt recommended agronomic, fermentation and drying practices to meet the quality expected by the markets. Mr Baah Owiredu said the country is faced with the problem of pesticides residues, polycyclic aromatic hydro carbons contained in beans drying on the tarmac or over wood fires which apparently are harmful to human health. He said there was also the question of Ochratoxin in cocoa beans with its potentially carcinogenic effect adding that more research development and education was required to reduce to the barest minimum the effects of those factors.

Mr Kwadwo Afram Asiedu, Eastern Regional Minister, in a speech read for him said he foresaw further development of CRIG into a world class research institute in all aspects of its mandate crops.

Dr Y. Adu Ampomah, Executive Director, CRIG said the vision of the institute is that by 2010 the Ghana cocoa industry and that of the other mandated crops would be research-driven and commercially viable. "At least 1,000,000 tones of cocoa will be produced annually, of which, at least, 40 percent will be processed in Ghana".

The Market

Cocoa at record high as dry weather curtails supply

MarketWatch

By Moming Zhou, MarketWatch

June 24, 2008

SAN FRANCISCO (MarketWatch) -- Cocoa futures rose to their highest level in at least 24 years Tuesday, as dry weather in major cocoa-producing countries cut global supplies. The price of the main ingredient of chocolate has doubled since the beginning of 2007. Cocoa futures for July delivery rose \$39, or 1.2%, to close at \$3,230 per metric ton on the IntercontinentalExchange, or ICE Futures. U.S. Cocoa was trading at around \$1,600 in early 2007. At the current levels, cocoa's prices were the highest since 1984, according to data collected by FactSet.

The surge in cocoa prices was caused by "unfavourable weather conditions in most parts of the cocoa producing areas," said Laurent Pipitone, senior statistician at the London-based International Cocoa Organization. West Africa, the main cocoa-producing region, was hit by severe dry and dusty winds at the end of 2006 that lasted until February 2007. The dry weather sharply cut production in Ghana and the Ivory Coast, the world's top two cocoa producers. Dry weather also hit Indonesia, the world's third largest cocoa producer, and other Southeast Asian countries at the beginning of 2007, due to the effects of the El Nino weather phenomenon, which is characterized by higher-than-normal sea surface temperatures in the equatorial Pacific.

The world's cocoa production in 2007 dropped more than 10% to 3,370 metric tons, the lowest in four years, according to the International Cocoa Organization. This year's year-end stocks level is projected to fall to 1,533 metric tons, the lowest in five years.

The 2008 season has seen better weather conditions but "this would not [be] enough to meet the demand," said Pipitone. Elsewhere in futures trading, wheat futures for July delivery rose 3.75 cents to \$8.7 a bushel on the Chicago Board of Trade. Corn for July delivery fell 11.75 cents to \$7.125 a bushel on the CBOT. July soybeans dropped 14 cents to \$15.01 a bushel.
End of Story

Price of cocoa rises to 19-year high

Calgary Herald, Canada

Herald News Services

June 25, 2008

Cocoa rose to the highest since at least 1989 in London as gains in crude oil and a weaker dollar pushed up commodities prices. Sugar and robusta coffee climbed.

Raw materials from gold to corn advanced as the dollar fell against the euro and oil in New York leapt for a third day, adding to the appeal of commodities as an inflation hedge. "We've reached record highs in New York and London but it's mostly non-cocoa factors that are driving the market," said Justin Grandison, cocoa analyst at Fortis in London. "The market is consolidating, awaiting direction from New York."

Cocoa for July delivery rose as much as 12 pounds, or 0.7 per cent, to 1,717 pounds (\$3,370) a metric ton and traded at 1,712 pounds on the Liffe exchange. It has tripled in price since February 2000, gained 64 per cent this year.

Cocoa prices fall on profit-taking after big rally

Forbes, NY

Associated Press

06.25.08

NEW YORK - Cocoa futures fell Wednesday as investors took profits from the previous day's rally, but prices were expected to rebound amid a global shortfall of the beans used to make chocolate.

Cocoa futures for September delivery lost \$29 to \$3,118 per metric ton on the ICE Futures U.S., formerly known as the New York Board of Trade. On Tuesday, prices surged to a 21-year high of \$3,157 per metric ton. "We saw a whole of profit-taking today. The market is very overbought right now and people are waiting for a correction," said Hector Galvan, analyst with RJO Futures in Chicago.

Cocoa prices have surged nearly 50 percent in the last year, driving up by growing demand for chocolate in India, bad weather and concerns of a diseased West African crop. In a report earlier this month, investment bank Fortis (other-otc: FORSY.PK - news - people) said it expects a global cocoa shortfall for the third straight year, mainly due to unfavorable weather and rising demand.

Processing & Manufacturing

Cocoa processing plants come alive as price hits 20-year high

Business Day, Nigeria

SIAKA MOMOH

22 June, 2008



Rising prices in the international market, growing government incentives and current favourable business environment benefits have elicited a rebound in Nigeria's cocoa processing sector, Business Day's investigation has confirmed. Nigeria's functional cocoa processing plants, which now stand at six, according to Yusuf Isiaka, managing director and chief operating officer of Multi-trex Investments Limited, a cocoa processing company based on the outskirts of Lagos, will increase to 13 within nine months.

Multi-trex, which commenced operations two and half years ago has plans to increase its annual grinding of 10,000 metric tonnes of cocoa beans to 60,000 metric tonnes, an increase of 500 percent. Multi-trex is coming to the capital market to raise N6 billion. Total value of the sector is currently put at N8.2 billion, according to a Cocoa Processors Association of Nigeria source.

This renewed interest in cocoa processing, Yusuf Isiaka says, is as a result of government support which has come with Export Expansion Grant (EEG) and current business environment benefits. The environment benefit is nothing short of high prices which cocoa is currently enjoying.

According to a Reuters report, cocoa prices surged to their highest level in over 20 years penultimate week, adding extra pressure to global food prices, after reports of a possible supply squeeze in the world's top grower, Ivory Coast.

A report by independent analyst Hans Kilian, seen as bullish on Ivorian supplies, was the initial trigger for a fund and investor-driven surge in U.S. futures to a 28-year high of \$3,122 (N368,396) a tonne. In London, cocoa futures hit a 22-year peak of 1,682 pounds (\$3,277, N386, 686) a tonne.

Analysts say cocoa prices could rise further due to robust global demand and a tight supply outlook. "We haven't been at these nose-bleed prices in years," says Ralph Preston, futures analyst with HeritageWestFutures.com in San Diego. "Especially with that fundamental news coming out, that's going to really light a fire under this."

The International Cocoa Organisation (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," says 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. Meanwhile the International Cocoa Organisation's executive director, Jan Vingerhoets, says world cocoa production is expected to grow faster than demand in the coming few years, and that prices will decline.

It will be recalled the Cocoa Processors Association of Nigeria cried out in the past that the cocoa processing sector was on the verge of collapse as a result of government's non release of approved 2005/2006 EEG, Economic Partnership Agreement (EPA) and power outages.

Said Abimbola Oladapo, chairman COPAN then: "Over 20 percent of people working in the sector have lost their jobs. All factories now lose at least \$250 (N29,500) per metric tonne of processed cocoa export to European countries, which accounts for 95 percent of Nigerian export market as a result of EPA discount."

FOOD: Italy deferred for chocolate label

Agenzia Giornalistica Italia, Italy

June 26, 2008

(AGI) - Brussels, - The 'pure chocolate' label provided by Italian laws for cocoa butter based products makes consumers perceive chocolate made with ingredients other than cocoa butter as inferior. Using this justification the EC decided to defer Italy to the EU court of justice. A note explains that the community's ruling body "considers that the mentioning of 'pure chocolate' can never guarantee consumers with information that is correct, neutral and objective, and expects compliance with the directive that applies to the labelling of such products". According to the European directive "chocolate products that have added vegetable fats other than cocoa butter must mention the wording 'contains vegetable fats other than cocoa butter'" whereas "for products that do not contain vegetable fats other than cocoa butter the directive does not provide for special mentions".

EU takes Italy to court over "pure chocolate" label

guardian.co.uk, UK

By Jeremy Smith

June 26 2008

BRUSSELS, June 26 (Reuters) - Lovers of Italy's "pure chocolate" may find their favourite treat renamed or rebranded on shop shelves if European Union regulators win a lawsuit they filed on Thursday that accuses Rome of product discrimination. The case, to be judged at the EU's highest court, revives memories of a quarter-century wrangle that dramatically altered Europe's definition of chocolate eight years ago.

In May 2000, EU governments passed a law allowing vegetable oils to be used in chocolate-making, defeating purists in countries like Belgium, France, Italy and Spain who argued that chocolate should only be made from cocoa butter. Now, chocolate sold in the EU may contain up to five percent of six tropical oils, as long as the product carries a label saying "contains vegetable fats in addition to cocoa butter" that appears somewhere on the wrapper.

For about five years now, European Commission regulators have battled with Italy over its label "cioccolato puro", or "pure chocolate", arguing that the name breaks EU law since it might encourage consumers to believe that rival chocolate bars containing legally permitted vegetable fats are inferior. "You are not allowed to discriminate between products on the main label," one Commission official said. "The Italians have a product called "pure chocolate", clearly against the rules since it's misleading to consumers."

Earlier this year, Italy offered to drop "pure chocolate" as a label provided it could use the alternative "pure cocoa butter chocolate", EU officials said. But since that change had still not happened, the Commission opted to take legal action instead.

Britain, backed by around six other countries, led the push for the EU to change its "chocolate law", to the fury of chocolate purists in the rest of the EU who blocked imports of foreign chocolate containing vegetable fat and banned their use. They came up with various ways to describe British-style chocolate, including an infamous demand in 1985 to rename it "vegetate". The six permitted tropical oils to replace cocoa butter are illipe, palm oil, sal, shea, kokum guri and mango kernel.

Business & Economy

Cocoa meet to generate ideas

Viet Nam News, Vietnam

VN

(21-06-2008)



Cocoa is harvested by a farmer in the southern province of Ben Tre. The country last year exported 240 tonnes of dried beans out of a total harvest of 258 tonnes. — VNA/VNS Photo Pham Do

HCM CITY — Local cocoa producers and their partners in Southeast Asia will explore ideas to develop the cocoa industry and improve crop quality at a regional conference in HCM City from June 26-28, according to the Ministry of Agriculture and Rural Development.

At the conference, the 11th of its kind, representatives from major cocoa producers in Southeast Asia will discuss advanced farming methods to improve cocoa productivity and quality.

Other topics high on the agenda include tariffs on cocoa products, seeds in accordance with Intra-ASEAN trade regulations, the hybridisation of high-quality seeds in the region, and the establishment of organisations to ensure hygiene and food safety standards for cocoa products.

According to the International Coffee and Cocoa Organisation, the demand for processing and consuming cocoa products has risen 4 per cent a year. Major cocoa consumer markets include the US, Germany, France and Russia.

Despite increasing demand, the cocoa supply of major producers in West Africa such as Ghana, Cote d'Ivoire and Nigeria, which accounts for 60 per cent of the world's production, has decreased due to political instability in these countries.

This has created an advantage for cocoa farms in Viet Nam. In the last two years, experts from the US have helped Viet Nam transplant new high-yielding cocoa hybrids in the Cuu Long (Mekong) Delta's Ben Tre Province. According to these experts, Viet Nam's climate and soil provide favourable conditions to grow high-quality cacao and improve the quality of cocoa products.

In recent years, the quality of Vietnamese cocoa products has also garnered worldwide attention due to their distinct flavour. Yet, the cocoa industry in Viet Nam is still in its infancy. In 2007, Viet Nam exported 240 tonnes of dried beans out of a total harvest of 258 tonnes. The nation had 8,972ha of cacao last year, but only 2,568ha yielded crops.

In order to further the expansion of the cocoa industry in Viet Nam, the Ministry of Agriculture and Rural Development recently approved a project to develop cacao farms to 80,000ha by 2020 with an projected export value of US\$100-120 million.

Strong demand sends Cameroon cocoa to record highs

Source: Reuters

23/06/2008

Yaounde, June 20 - Cocoa farmers in Cameroon are enjoying record high farmgate prices for their mid-crop produce as buyers compete to purchase beans, growers said on Friday.

Dickson Tambe, a farmer from Mamfe in Cameroon's main cocoa producing zone of South-West province, said a kilogramme of beans was selling at between 850 CFA francs (\$2.01) and 880 CFA francs (\$2.08), up from 830-840 francs last month. "We are still enjoying very good prices here, although there is an increase in production," Tambe said. "We have many buyers coming in from Kumba and Douala competing from the small quantity that is available on the market," he added.

Joseph Nde, manager of the leading buyer and exporter in the South-West, Cameroon Marketing Commodities (CAMACO), said buyers were being encouraged by high international prices. "Every day we encounter new faces in the market. These new people are ready to pay any fee the farmers charge so as to gain their confidence," said Nde, adding prices in Kumba had increased to 850-900 CFA francs from 840-875 francs last month.

U.S. cocoa futures were little changed in early trade on Friday, hovering around a 28-year high in light dealings. The benchmark September cocoa contract was up \$1 at \$3,107, trading from \$3,061 to \$3,110.

Cameroon is the world's fifth biggest cocoa producer with 2006/2007 output totalling 179,239 tonnes, versus 164,301 in 2005/2006. At Emanu in Centre province, Cameroon's second most important production zone, farmers said cocoa was selling at 800-820 CFA francs per kg for the third month running, even though supply was growing.

Farmer Emmanuel Nnogo Akolo said the number of buyers competing for beans had increased sharply. Some were going door-to-door to purchase from farmers, even during the night, despite regulations on commercialisation prohibiting this. In Cameroon's third production zone of South province, the mid-crop harvest is yet to get underway.

Ivory Coast cocoa farm-gate prices firm June 16-22

Reuters South Africa, South Africa

By Loucoumane Coulibaly

24 June 2008,

ABIDJAN, June 24 (Reuters) - Cocoa farm-gate prices in Ivory Coast's main growing areas mostly rose last week as bullish world markets boosted delivery prices at ports and exporters' warehouses, official data and farmers said on Tuesday.

Patchy price data from the Coffee and Cocoa Bourse (BCC) marketing body showed prices firmed in the week of June 16-22. "Prices in the bush have continued rising because they were strongly up in the port," a buyer from the San Pedro coastal region said. "We were around 500 CFA francs (\$1.19) per kilo in the bush and over 700 CFA francs per kilo in the port," the buyer told Reuters.

U.S. cocoa futures settled at another 28-year high in early trade on Friday.

Benchmark September cocoa <CCU8> was up \$24 at \$3,143 a tonne at 1320 GMT on Monday, after trading between \$3,130 and \$3,157, a high dating back to February 1980 for the second month on a monthly continuation chart.

BCC figures were not available for the centre-western region of Daloa, which produces around a quarter of Ivory Coast's national cocoa output. But farmers like Francois M'Bra, whose farm is on the outskirts of Daloa, said prices in the bush rose to at least 500 CFA francs per kilo compared with around 400 CFA francs the previous week. "Cocoa is scarce, growers who have cocoa have one bag or two at most," he told Reuters.

In the western region of Soubre, at the heart of the cocoa belt, the average price rose by 30 CFA francs to 465 CFA francs in a week as merchants picked up what supplies were available in order to sell at a profit at San Pedro port. Farmer Salam Koune, who has a farm near Soubre, said there were areas where growers still had large quantities of cocoa.

In the southern region of Aboisso, BCC figures showed the average price eased 5 CFA francs to 505 in a week but farmers said they were receiving more as merchants battled for beans. "The merchants all wanted cocoa. Farmers were getting between 525 and 550 per kilo and they were happy," farmer Etienne Yao said.

Rainforest Alliance chocolate comes to the UK

SmartPlanet.com, UK

By Adam Williams

25 June 2008



Cocoa beans

Chocolate-lovers rejoice (and that means most of the SmartPlanet team) -- the UK's first chocolate bar to be certified by the Rainforest Alliance has arrived in the form of the Chocolate Truffle Company's Costa Rica 64 chocolate bar.

It's currently available at independent stores and coffee shops and is made from cocoa beans from Rainforest-Alliance-certified farms -- hence the approval for the bar itself. The Rainforest Alliance is similar to the Fairtrade Foundation, and it works to ensure sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour.

Apparently it's the Costa Rican Trinitario cocoa beans that give this new 48g bar a bitter and strong flavour -- something chocolate connoisseurs tell me is a good thing -- but I haven't tried it yet myself. You'll also be able to buy it online from The Chocolate Truffle Company soon for only £1.

The Costa Rica 64 bar isn't the first chocolate bar to be certified by the Rainforest Alliance -- Vintage Plantations in the US also holds that title, though you'll have to do some hunting around since it doesn't have a website, just stockists around the country. For alternatives check out SmartPlanet's review of Divine 70% Chocolate or our guide to the best organic milk chocolates for something a bit lighter in flavour.

Light crop cocoa season opens on Friday

Modern Ghana, Ghana

By GNA

26 June 2008



Accra, , GNA – Ghana Cocoa Board has announced that the 2008 light crop cocoa season would commence on Friday, June 27. A statement signed by Mr Isaac Osei, Chief Executive, said the producer price to be paid at all buying centres was GH¢36 per load of 30 kilograms for Grade I and II cocoa beans ex-scale or GH¢75 per bag of 64 kilograms gross. One tonne of 16 bags would fetch GH¢1,200, the statement said.

Mr. Isaac Osei

ASEAN Cocoa Club plans future activity

Viet Nam News, Vietnam

Source: VNS

27-06-2008



HCM CITY — The 11th meeting of the Association of South East Asian Nations' (ASEAN) Cocoa Club on agriculture and forest products promotion was held by the Viet Nam Cocoa Committee (VCC), yesterday. The annual meeting, which ends today, aims to review the Coca Club's work plan activity for the last year and set out common goals for the future.

The director general of ACC, Azhar Ismail, reviewed the current situation of cocoa cultivation and trading in the region. Cocoa production in ASEAN accounted for about 16.7 per cent of the total world cocoa production in 2007 and 2008. ASEAN accounted for about 14.4 per cent of the total world cocoa grinding in 2007. The ASEAN countries, as a whole, are the largest cocoa processors in Asia and Oceania contributing about 74.2 per cent of the total

cocoa grindings in the region.

The World Bank reports that the average world price of cocoa as of March this year was 39 per cent higher in the same period. "This benefits producers, especially smallholders," said Ismail. "However, we need continuous support of all member countries to increase our market share." The figures of VCC say that Viet Nam has 10,238ha of cocoa, of which 70 per cent are intercropped with other trees.

All cocoa plantings belong to small households in the country. Deputy Minister of Agriculture and Rural Development (MARD), Bui Ba Bong, said: "The success of intercropping cocoa with perennial trees like coconut, coffee, black pepper or cashew nuts make cocoa a special crop to expand unlimited areas." Viet Nam has developed a belt of cocoa in the Central Highlands and Southern regions. The planting of cocoa has created annual incomes of \$700 to \$1000 per ha for farmers, with little advance capital needed for start-up.

MARD has approved a strategy for cocoa development in Viet Nam targeting 60,000 ha of cocoa, with 35,000 ha of trading at \$50-\$60 million revenue by 2015. The ACC was set up in July 1996 in Kota Kinabalu, Sabah, Malaysia with 10 ASEAN-member countries.

Labour Issues

Dutch fail to get issue of child labour on G8 agenda – Feature

Earthtimes (press release), UK

Author : DPA

24 Jun 2008

Amsterdam - An item will not certainly appear on the global political agenda of the eight most powerful nations at their upcoming meeting in Japan is child labour. Attempts by the Netherlands, a country with a strong reputation of pro-child activism, to put the issue on the international agenda have failed.

On May 22, Dutch Development Cooperation Minister Bert Koenders told parliament the European Union had rejected his request for trade sanctions against governments that refuse to act against child labour. Earlier, parliament had voted unanimously in favour of a motion initiated by the leftist Socialist Party and Greens urging the Dutch government to put child labour on the international agenda, starting in the European Union.

According to a 2007 report on child labour by the International Labour Organization (ILO), worldwide some 200 million children are employed as labourers. Contrary to what most Westerners think, most children are not employed in Chinese factories working on sports shoes or clothing for markets in the United States or Europe.

The vast majority - 70 per cent or more than 132 million children between the ages of four and 14 - work in the agricultural sector - on farms and in plantations. They often work from sunrise to sunset, planting and harvesting crops, spraying pesticides, and tending livestock. These children play an important role in crop and livestock production and the supply of food and raw materials, such as fruits, vegetables, sugar, tea, coffee and cocoa, tobacco and cotton.

In 2005 and 2006, Dutch investigative journalist Teun van der Keuken visited cocoa plantations in Africa and South America. He found that in Ivory Coast, one of the world's biggest cocoa producers, adult and child slave labourers were being used. He

subsequently launched a successful campaign against what he called "slave cocoa," urging the Dutch buy only certain brands of cocoa and boycotting brands who made use of such labour.

Agriculture is one of the three most dangerous sectors in which to work at any age, along with construction and mining, the latter employing almost 1 million children. Child trafficking is an important instrument in facilitating child labour. Although no precise figures exist, an estimated 1.2 million boys and girls are trafficked each year into exploitative work in agriculture, mining, factories, armed conflict, or commercial sex work, according to the ILO. Domestic service is another sector employing hundreds of thousands of children, with estimated 175,000 children under 18 employed in this sector in Central America alone. In Indonesia, the figure is 688,000.

In South Africa, 54,000 children work in people's homes and in Guatemala around 38,000 children between the ages of five and seven are employed in domestic service. Meanwhile, the number of children involved in armed conflict is growing. Of the 300,000 children currently involved, 120,000 are in Africa, an equal number in Asia and the Pacific and 30,000 in Latin America and the Caribbean.

But despite Dutch efforts, no international action is expected against child labour. Koenders told parliament the "maximum" he can is likely to achieve is a request to European Commission for an investigation into measures to counter child labour. "The proposals resulting from such a study will be very difficult to ignore," Koenders said, adding the EU might then be able to present these ideas to the World Trade Organisation (WTO).

A spokesman for European Trade Commissioner Peter Mandelson said the Commission might support such a study, but refrained from making any commitments. The Dutch have initiated a number of international conventions on children and several leading international children's rights organizations originate in the Netherlands. The concepts of legal aid clinics and hotline services for children, are typically Dutch.

Research and Development

Sweet deal: Companies and U.S. team up to map cocoa DNA

Reuters

By Maggie Fox

June 26, 2008



WASHINGTON (Reuters) - Chocolate maker Mars Inc, computer giant IBM (IBM.N: Quote, Profile, Research) and the U.S. Department of Agriculture said on Thursday they would team up to map the DNA of the cocoa tree to try to sweeten the crop's \$5 billion market.

"Sequencing the cocoa genome is a significant scientific step that will allow more directed breeding of cocoa plants and perhaps even enhance the quality of cocoa, the key ingredient in chocolate," privately held Mars said in a statement.

"The collaboration will enable farmers to plant better quality cocoa and, more importantly, help create healthier, stronger cocoa crops with higher yields, pest and disease resistance, and increased water and nutrient use efficiency."

While conventional plant breeding techniques can transform a crop, having the complete genome offer researchers the opportunity to take short-cuts to changing the plant's qualities. "Sequencing the genomes of agriculture crops is a critical step if we want to better understand and improve a crop," said the USDA's Judy St. John.

The first crop to have its genome sequenced was rice -- an international effort that took years and which was finished in 2002. In April, a team at the University of Hawaii sequenced the genome of a genetically engineered papaya.

IBM Supercomputer studies cocoa to safeguard chocolate supply

Bloomberg

By Melita Marie Garza at mgarza4@bloomberg.net

June 26, 2008

(Bloomberg) -- International Business Machines Corp. is working with candy maker Mars Inc. and the U.S. government to study the genetic code of cocoa trees to safeguard the world's chocolate supply. Closely held Mars, the maker of M&M candies and Snickers bars, and the U.S. Agriculture Department will sequence the entire cocoa genome, deciphering the plant's

biological map. IBM will analyze the results using Blue Gene, the world's second- fastest supercomputer, the company said today in a statement.

Political unrest and plant diseases in Africa, home to two- thirds of cocoa production, have driven up prices more than 50 percent in the past year. Cocoa trees in Africa and Asia have become increasingly stunted from fungus, insects and drought, triggering supply shortfalls. "Mars is trying to improve the reliability of the cocoa supply and IBM is looking for new ways to market its Blue Gene supercomputer power," said Lora Cecere, an analyst for AMR Research in Boston. IBM can apply the same tools to other food staples falling short of demand, such as corn, she said.

Sequencing the genome will let scientists isolate hardier plant types that can withstand fungal strains, boring insects and the drier environments created by drought and global warming, said Ajay Royyuru, a senior computational manager at IBM, the world's biggest computer-services company. The five-year project will help the more than 6.5 million family farmers -- most of them in Africa, South America and Asia -- who depend on cocoa, according to Armonk, New York-based IBM. IBM spokeswoman Jenny Hunter declined to reveal the value of the company's contract with Mars.

'Not Just Science'

"This is not just science for the sake of science," said Royyuru. "This is IBM making an impact in markets way beyond what we would traditionally look at."

Cocoa demand will outpace supply by 29,000 tons this season, Fortis Bank said June 6, up from a prior forecast of 6,000 tons. The bank expects a 21,000-ton shortfall for the 2008-09 season, a third straight annual deficit.

Mars wants to "help accelerate the traditional breeding programs that will improve cocoa trees, yield higher quality cocoa and increase farmers' economic livelihood," Howard-Yana Shapiro, global director of plant science for Mars, said. The U.S. Agricultural Research Service will make the results publicly available, he said.

After completing its \$23 billion acquisition of William Wrigley Jr. Co. this year, McLean, Virginia-based Mars will be the largest candy company in the world, according to Euromonitor International Inc. in Chicago.

Cocoa futures for September delivery fell \$30 to \$3,200 a metric ton yesterday on ICE Futures U.S., formerly the New York Board of Trade. The price had climbed 57 percent this year before today.

IBM climbed \$1.12 to \$124.58 yesterday in New York Stock Exchange composite trading. The shares had gained 15 percent this year before today.

Unwrapping the Chocolate Genome

Washington Post, United States

By Kendra Marr, Washington Post Staff Writer

June 26, 2008

To save chocolate lovers from the agony of a potential candy bar shortage, McLean candy giant Mars is investing \$10 million in a five-year project to develop cacao trees that fight drought, disease and poor harvests.

Mars will announce today that it is partnering with IBM and the Department of Agriculture to sequence and analyze the entire cocoa genome. The team will be identifying the characteristics that make a better cacao tree. Then it plans to breed the genetically superior specimens to battle the foes that have shrunk the number of beans to make chocolate over the years. "We have the ability as a private company to take charge of the future," Howard-Yana Shapiro, global director of plant science for Mars, said.

Unlocking the secrets of the genome and eliminating the guesswork in traditional breeding could bring economic stability to the 6.5 million small family cocoa farmers around the world and help fend off the environmental assaults that inflict \$700 million to \$800 million in damages to farmers each year, Shapiro said. Mars plans to make the research results free and accessible through the Public Intellectual Property Resource for Agriculture, a group that supports agricultural innovation, as they become available. The intent is to prevent opportunists from patenting the plant's key genes.

Although chocolate seems ubiquitous, the cocoa on which it depends is a volatile crop. West Africa, which produces 70 percent of the world's cocoa, has been hammered by bad weather in the past few years. Rainfall has dropped, as temperatures rise. Decades ago, Brazil was a top cocoa exporter. Then a fungus known as witches' broom attacked cacao trees, devastating

the industry. About 10 to 15 percent of cocoa comes from the Americas, Shapiro said. In the past year, cocoa prices have risen almost 50 percent as global supply of the beans has shrunk. Cocoa futures fell nearly 1 percent yesterday.

Those kind of economics have focused scientific attention on the cacao plant. In recent years, wheat, rice and corn have been the most common subject of genetic research and alterations. The Mars initiative is among the few genetic studies of cocoa, although currently, there are a number of plant genome projects in Brazil involving cocoa along with eucalyptus, sugar cane and citrus. "It's forward-thinking," said David Morris, senior analyst with market research firm Mintel. "Looking across the board at commodity price increases and the fact that the planet will be increasingly taxed to produce food commodities, they're planning accordingly."

Mars has been championing cocoa research for the past 20 years, which includes work with the USDA to improve breeding and reduce the threat of pests and disease. But until today's announcement, the company has been focusing more on proving the purported health benefits of chocolate. The company has been promoting cocoa-based flavanols, antioxidants that may reduce bad cholesterol and improve blood circulation. This health spin continues to pay dividends, as healthy heart benefits of dark chocolate have particularly resonated with older consumers, Morris said. "It provides a health halo to a product that's otherwise considered unhealthy," he said.

The scientists expect it will take about a year to generate cocoa's raw DNA. The cocoa genome consists of about 500 million base pairs, whereas the human genome is made up of 3 billion base pairs. Then it's up to three IBM scientists to analyze this data and look for patterns. "That's where the fun begins," said Ajay Royyuru, senior manager of IBM's Computational Biology Center. "You have the sequence and you start asking what you can learn from the genome and you can get answers to these questions."

Once scientists identify the useful genes, they'll be able to accelerate the breeding process. "You don't have to wait an entire crop cycle to find out if you selected the right plant or not," Royyuru said. That'll be the key to healthier, stronger cocoa crops with higher yields. They'll be able to absorb water and nutrients more efficiently, and resist pests and disease. "We'll have the full toolbox to use as opposed to the pocket full of tools we have now," Shapiro said. And chocolate lovers will have the powers of science on their side.

Project to reveal choc's DNA code

BBC News, UK

By Pallab Ghosh, BBC science correspondent

26 June 2008



The work will take about five years to complete. The chocolate company Mars has announced that it is to decode the genetic structure of the cacao tree. The research project, which is to be done in collaboration with the US Department of Agriculture and IT firm IBM, aims to improve cocoa production.

Scientists hope the Chocolate Genome Project can assist breeding programmes.

Understanding the tree's DNA could make crop production more resistant to pests, diseases, and water shortages that may come from a warming climate.

The work will take about five years to complete

Howard-Yana Shapiro, Mars' global director of plant science, said African farmers stood to benefit the most as they accounted for nearly two-thirds of world cocoa production. The research would "ultimately improve cacao trees, yield higher quality cocoa and increase income for farmers", he told BBC News.

Dr Shapiro would not be drawn on whether the research might lead to genetically modified chocolate. "Researchers worldwide will have access to our work, the cacao genome. What they do with it, I can't control," he explained. It is likely to take approximately five years to sequence, assemble, annotate and analyse the cacao genome.

But information will be available before then, as it is gathered, through the Public Intellectual Property Resource for Agriculture (PIPRA) DNA sequence information will be publicly available for no charge and no information will be patented.

Dr Jane Rodgers, of the John Innes Centre in Norwich, UK, welcomed the fact that the research results would be put in a public database. "This kind of approach is the norm," she said. "The results of the project will underpin all research in the field and stimulate its application to the greater benefit of all."

Dr John Orchard, of the Natural Resources Institute in Kent, said that it was essential to develop hardier varieties regardless of climate change. "The cocoa crop is particularly vulnerable to disease. Sixty percent of the Brazilian harvest was wiped out by a disease called witches recently and this kind of impact is not uncommon," he told BBC News. The research is similar to the sequencing of the rice genome five years ago. That project has already led to "huge strides" in the basic understanding of the food crop, according to Dr Hugh Jones of the Institute of Arable Crop Research in Harpenden in Hertfordshire. "This study should lead to similar benefits," he said.

Project workers at IBM's TJ Watson Research Centre in New York will use their experience of computational biology to create a detailed genetic map of cacao.

Complete Genomic Map of cocoa expected for 2013

Source: FLEXNEWS

26/06/2008

According to the USDA/ARS, during the past 15 years, the global cocoa industry has been confronted with witches' broom, frosty pod and black pod - a trio of devastating fungal diseases that has cost growers an estimated USD 700 million per year. "And while cocoa is not grown in the U.S., for every dollar of cocoa imported, between one and two dollars of domestic agricultural products are used in the manufacture of chocolate products", US confectionery giant Mars, Inc. said in a statement. Unlike corn, rice or wheat, cocoa has been the subject of little agricultural research, claims the company.

However, today, a new scientific partnership was announced between the USDA's Agricultural Research Service, Mars Inc., and IBM. The three partners hope to have sequenced the entire cocoa genome in five years time. The cocoa genome project, which will be financially supported and coordinated by Mars, will benefit from extra scientific support provided by the USDA's Subtropical Horticulture Research Station (SHRS) in Miami, in collaboration with scientists at IBM's Thomas J. Watson Research Center in Yorktown Heights, N.Y. Thanks to its 'Blue Gene' supercomputer, IBM will help analyse the cocoa genome. It is also understood that Washington State University will help in creating detailed genetic maps and assembling the sequence fragments into the complete genome sequence.

Ultimately, the project team will hope that by sequencing the cocoa genome, the chocolate industry will be able count on cocoa plants producing higher yields and witness significant results in terms of disease and pest resistance, drought tolerance, and perhaps flavour. "The collaboration will enable farmers to plant better quality cocoa and, more importantly, help create healthier, stronger cocoa crops with higher yields, pest and disease resistance, and increased water and nutrient use efficiency. These crops will help protect an important social, economic and environmental driver in Africa, where 70 percent of the world's cocoa is produced", Mars, Inc., said in the statement sent to FLEXNEWS.

Howard-Yana Shapiro, Ph.D., Mars' global director of plant science, added: "As the global leader in cocoa science, Mars saw the potential this research holds to help accelerate what farmers have been doing since the beginning of time with traditional breeding, ultimately improving cocoa trees, yielding higher quality cocoa and increasing income for farmers"

In a statement, the USDA said that the SHRS is currently conducting field trials involving foreign partners in South America, West Africa, Central America and Papua New Guinea to evaluate potential disease-resistant cocoa trees. Several of these tree selections were based upon disease-tolerance genes discovered in the Miami laboratories. Since 1999, the SHRS has worked in partnership with Mars Inc., to apply modern molecular genetic techniques to enhance cocoa breeding and reducing the threat of pest and disease to the crop around the world.

Once completed, the research results will be released into the public domain via the Public Intellectual Property Resource for Agriculture (PIPRA), which supports agricultural innovation for both humanitarian and small-scale commercial purposes. "We are delighted to work with Mars, USDA and IBM to allow free access to the cocoa genome sequence information in real time, while ensuring that the gene sequences will not be patented," noted Alan Bennett, Executive Director of the Public Intellectual Property Resource for Agriculture. "Once its genome is sequenced, it has the potential to provide positive social, economic and environmental impact for the more than 6.5 million small family cocoa farmers around the world."

US Company launches effort to save Global cocoa crops

Voice of America

By Michael Bowman

26 June 2008



Local villagers work on their cocoa farm in Abo village near Ikom, Nigeria (Dec. 2007).

Like people around the world, Americans love a good bar of chocolate or anything containing the confection. But climate change and diseases are ravaging cocoa bean crops in many parts of the world, eroding production and raising prices of the essential ingredient used to make chocolate. VOA's Michael Bowman reports from Washington, a U.S.-based candy company is teaming up with agricultural researchers to fight the threat.

In the mid-1980s, Brazil was the world's third-largest grower of cocoa beans. That was before the emergence of two strains of fungus that attacked and decimated the country's cacao trees from which cocoa beans are harvested. Today, Brazil is a net importer of cocoa beans, and most of the world's remaining production is centered in African countries like Ivory Coast and Asian nations like Indonesia.

Today, drought threatens cocoa bean production in West Africa. And even though the fungus strains that wiped out Brazil's cacao plantations have yet to migrate beyond the Americas, researchers believe it is only a matter of time before they do so.

Raymond Schnell is a geneticist for the U.S. Department of Agriculture, working from the agency's subtropical horticulture research facility in Miami, Florida. "The two [fungal] diseases do not exist in Africa or Asia. And Africa and Asia are the main production areas at this time, not Central and South America anymore. So if the diseases were to move, as diseases tend to do, it would cause major problems in these production areas, because all the material [cocoa beans] being grown in Africa and Asia now is susceptible to these two diseases," explains Schnell.

The solution?

Develop cacao trees that are resistant to fungus and that can better withstand drought and other adverse climate conditions. For nearly 10 years, U.S.-based candy giant Mars has helped fund USDA projects to probe cacao's genetic code. Raymond Schnell says sufficient progress has been made to take the project to the next level: the sequencing and analysis of the plant's entire genome. "What we have now are [genetic] markers that we can use to help us select for these disease-resistance traits. But in order to move the program forward, what we really need to do is have all the sequence information. And Mars has agreed to fund that project, where we are going to sequence the cacao genome," says Schnell.

Mars is contributing \$10 million to the project, which is expected to take several years to complete. The resulting genetic data will then be studied for patterns that suggest disease resistant traits that can be employed in cacao breeding programs. Mars officials are quoted as saying they intend to play an active role that "takes charge of the future" of cocoa bean production, rather than leaving matters to chance. For nations that depend heavily on cocoa crops, as well as chocolate manufacturers and chocolate lovers across the globe, the stakes are high.

Cocoa genome to be identified in five years

Pravda, Russia

Source: Pravda.Ru

June 26 2008

The new project launched by the government to safeguard the world's chocolate supply will last for five years. With the help of ten-million-dollar funding, scientists will try to dissect the genome of the cocoa bean. Specialists will have to analyze more than 400 million parts of the coca genome to battle crippling crop diseases and eventually produce chocolate of better taste.



Fungal diseases which hit cocoa plantations cause farmers a very serious damage – about \$700 million every year. The genome research will help identify the traits, which make cocoa trees susceptible. In addition, it will also let scientists and chocolate makers have a better understanding of every aspect of cocoa – its abilities to resist drought, taste qualities and so on.

Cocoa is the dried and partially fermented fatty seed of the cacao tree from which chocolate is made. "Cocoa" can often also refer to the drink commonly known as hot chocolate; cocoa powder, the dry powder made by grinding cocoa seeds and removing the cocoa butter from the dark, bitter cocoa solids; or it may refer to the combination of both cocoa powder and cocoa butter together.

A cacao pod has a rough leathery rind about 3 cm thick (this varies with the origin and variety of pod). It is filled with sweet, mucilaginous pulp called 'baba de cacao' in South America, enclosing 30 to 50 large almond-like seeds (beans) that are fairly soft and pinkish or purplish in color.

Cocoa should not be confused with the coca plant which can be used to create cocaine.

The cacao tree is native to the Americas. It may have originated in the foothills of the Andes in the Amazon and Orinoco basins of South America where today, examples of wild cacao still can be found. However, it may have had a larger range in the past, evidence for which may be obscured because of its cultivation in these areas long before, as well as after, the Spanish arrived. It may have been introduced into Central America by the ancient Mayas, and cultivated in Mexico by the Olmecs, then by the Toltecs and later by the Aztecs. It was a common currency throughout Mesoamerica and the Caribbean before the Spanish conquest.

Cacao trees will grow in a limited geographical zone, of approximately 20 degrees to the north and south of the Equator. Nearly 70% of the world crop is grown in West Africa.

To make 1 kg (2.2 pounds) of chocolate, about 300 to 600 beans are processed, depending on the desired cocoa content. In a factory, the beans are washed and roasted. Next they are cracked and then de-hulled by a "winnowing". The resulting pieces of beans are called nibs, and are ground using various methods into a thick creamy paste, known as chocolate liquor or cocoa paste. This "liquor" is then further processed into chocolate by mixing in (more) cocoa butter and sugar (and sometimes lecithin as an emulsifier and vanilla), and then refining, conching and tempering. Or it can be separated into cocoa powder and cocoa butter using a hydraulic press or the Broma process. This process produces around 50% cocoa butter and 50% cocoa powder. Standard cocoa powder has a fat content of approximately 10-12 percent. Cocoa butter is used in chocolate bar manufacture, other confectionery, soaps, and cosmetics.

Reforming the cocoa bean genome

Marketplace, CA, Janet Babin

June 27, 2008



An agricultural worker prepares cocoa beans. (Issouf Sanogo/AFP/Getty Images)

Drought and disease have harmed the crop of cocoa beans, doubling the price in many places. But government scientists are working with the cocoa bean genome to solve the productivity issue. Janet Babin reports.

Scott Jagow: The world's cocoa supply is under threat. But there's no need to hoard the Hershey's just yet. Government scientists and the candy industry are coming to the rescue. Janet Babin reports from the Marketplace Innovations Desk at North Carolina Public Radio.

Janet Babin: It's more than inflation that's upped the cost of those M&M's. The cocoa tree -- that's the tree that produces cocoa beans -- is under siege from drought and disease. The lost crops cost farmers about \$700 million a year. Short supply has doubled bean prices in many places. To improve productivity, scientists will sequence the cocoa bean genome.

Raymond Schnell is a geneticist with the USDA's Ag Research Service:

Raymond Schnell: What we're trying to do is produce more disease-resistant varieties of cacao that are highly productive and have the flavor attributes that are needed by the confectionary industry. Most cocoa beans are grown outside the U.S. So why does the U.S. government research them? Schnell says it's because 65,000 people here work in the candy industry. Mars Inc. will contribute 10 million to fund the cocoa bean genome project.

IBM gets involved in the African Cocoa Market

eFluxMedia

By Michael Todd

June 27th 2008

IBM announced a new initiative for helping the African infrastructure with a series of researches on cocoa. The plan involves a better understanding of the plant's genome in order to help the crops from failing due to drought and disease.

Some say that this is strictly a strategy to win the people's sympathy in order to get an easier access into their profitable developing market. On the other hand, IBM has helped the African infrastructure over the years with more than \$120 million, showing a true interest in improving the system.

Even though Africa provides almost 70 percent of the world's cocoa supplies, there is still a lot of room for development and as Isidore Rigoutsos, manager of the bioinformatics and pattern discovery group at IBM Research, explained to PC World: "Cocoa is an important crop in Africa. If you can increase the yield, you generate more product and you can increase the income of farmers."

In order to get the information access needed, IBM will work together with the US Department of Agriculture and also with the chocolate manufacturer Mars. The researchers from all three bureaus will focus on understanding the bean's key properties, and once the information will be gathered, a detailed plan for the new crops will be made.

IBM explained that the decision was also influenced by the fact that such cocoa studies have been neglected, with the governments' main focus being set on corn, wheat and rice. The project will demand five years of intense work and its results are highly anticipated by the company and also by the African states.

Scientists unite to unlock Genetic Code behind Chocolate

dbTechno, MA

June 26, 2008



Scientists from the U.S. Department of Agriculture, along with IBM has announced the start of the Chocolate Genome Project. The idea behind the project is to better understand how cocoa trees are made, and how they can improve them. Washington (dbTechno) - Scientists from the U.S. Department of Agriculture, along with IBM has announced the start of the Chocolate Genome Project. The idea behind the project is to better understand how cocoa trees are made, and how they can improve them.

The goal of the project is to basically make better chocolate. The scientists feel that if they can unlock the genetic code behind the chocolate, they can in turn make cocoa trees which are more resistant to things such as climate change, diseases, and more.

Another major factor which scientists are believed to be working towards of chocolate that is genetically modified. The Chocolate Genome Project is expected to take 5 years in total to complete. Once it is all said and done they will have the full sequence of the cocoa genome. All of the data will then be made available for free without any patent needed. Disease, climate change, etc. has caused the global supply of cocoa beans to drop. The hope is that this project could fix that problem.

IBM Teams with Mars to sweeten Cocoa Research

InformationWeek, NY

By Paul McDougall

June 27, 2008

The computing giant is teaming up with confectioner Mars Inc., along with the U.S. Department of Agriculture, to sequence and analyze the cocoa genome, which lies at the heart of all the world's chocolaty goodness.

Scientists at IBM's T.J. Watson Research Center in Yorktown Heights, N.Y., will use computational biology technology and supercomputers to map out the cocoa gene. IBM says the research could enable farmers to plant better quality cocoa and grow cocoa crops that produce higher yields and are more resistant to insects and diseases. It could also help boost agriculture in Africa, where 70% of the world's cocoa is produced. "Sequencing the genomes of agriculture crops is a critical step if we want to better understand and improve a crop," said Judy St. John, the USDA's deputy administrator for crop production, in a statement.

Genome sequencing -- a process whereby the order of DNA molecules that make up a chromosome is determined -- could make it easier for food producers to identify the genetic traits that allow crops, such as cocoa, to produce higher yields and resist environmental antagonists.

Mars, which produces the famous Mars bar, will work closely with IBM in the effort. "Mars saw the potential this research holds to help accelerate what farmers have been doing since the beginning of time" -- trying to find faster ways to grow healthier crops, said Howard-Yana Shapiro, global director of plant science at Mars, in a statement.

IBM said cocoa has been somewhat neglected when it comes to agricultural research compared to major crops such as corn, wheat, and rice. But it notes that the crop is economically important, and not just to Africa. For every dollar's worth of cocoa imported to the U.S., one to two dollars of American agricultural products are used in turning it into chocolate, according to IBM.

Others

Ivorian cocoa body replaces managers in graft swoop

guardian.co.uk, UK

By Ange Aboa

June 25 2008

ABIDJAN, June 25 (Reuters) - Ivory Coast's Coffee and Cocoa Bourse (BCC) has begun naming a new management team after more than a dozen top industry officials were arrested in a crackdown on graft in the No. 1 cocoa grower, officials said on Wednesday.

Ivory Coast usually produces more than 1 million tonnes of cocoa beans a year -- more than 35 percent of world supply -- and cocoa accounts for around 40 percent of the country's export revenues and around 15 percent of gross domestic product (GDP). "As of yesterday afternoon, the BCC has a new management board president. We unanimously chose Edoukou Kouadio Angoua to replace (Lucien) Tape Do, who is in prison," board member Kagnitie Kone told Reuters on Wednesday.

Angoua is a cocoa farmer who has been increasingly active in growers' representative bodies in recent years. Kone said the board would also appoint an interim managing director by Friday. Tape Do and Managing Director Tano Kassi Kadio were arrested last week when police began rounding up 23 people facing charges in an investigation ordered by Ivorian President Laurent Gbagbo.

By Tuesday, 13 had been detained, police sources said. Tape Do was charged with mismanagement, embezzlement, fraud and forgery of banking documents. Taking the helm of the BCC marketing body, which administers key stages of the cocoa sales process like registering beans for export, Angoua said he expected no disruption from the probe. "I'm thinking more about the future, and that is the coming 2008/09 harvest, which will start in a few months," Angoua said by phone from BCC headquarters in Abidjan.

Ivory Coast's cocoa season runs from October to September. "Everything is calm here and all the staff are working as usual. Ask the exporters -- they haven't had any problem since this affair began, and there is no problem with the government which is getting its DUS (single export tax). Everything is continuing as normal," he told Reuters. Angoua said he would visit growers and meet exporters to reassure them the BCC would continue to work as usual.

FRAUD CRACKDOWN

The fraud probe followed allegations in the local media of the embezzlement of more than 100 billion CFA francs (\$236 million) meant to help develop the sector, whose murky finances have become even less transparent since a 2002/03 civil war. Also arrested were Henri Kassi Amouzou, head of the Fund for the Development and Promotion of the Activities of Cocoa and Coffee Producers (FDPCC), as well as the fund's director.

Gbagbo, who is widely expected to seek another term in post-war elections on Nov. 30, has said the investigation would lead to prosecutions and jail terms for those found guilty.

Since years before the war, foreign donors have complained about reported corruption in the cocoa sector administration, which levies hefty charges on each kilogram of cocoa exported for taxes and to fund development of the sector.

Ivory Coast liberalised its cocoa sector in 2000, ending a system of guaranteed prices and scrapping the state-run Caistab which controlled the sector, but leaving in place a system of agencies and subsidies to promote and regulate production. Farmers have called repeatedly for the removal of some industry figures, sometimes disrupting exports with strikes.

ICoast cocoa probe claims top scalp

AFP –

June 27, 2008

ABIDJAN (AFP) — A massive corruption probe into the cocoa industry in top world producer Ivory Coast claimed Friday the scalp of another former close ally of President Laurent Gbagbo, legal officials said.

The latest arrest was that of Jean-Claude Bayou, a member of Gbagbo's FPI political party and director of the FGCCC -- a guarantee fund for the vital coffee and cocoa producing industries. Gbagbo ordered the probe himself and in the last few weeks 17 former top officials -- many of them previously close to the president -- have been arrested on charges of "financial fraud and embezzlement". Besides heading the FGCCC, Bayou is a businessman who is the world's biggest producer of cocoa nibs -- nuggets of roasted cocoa beans that provide the basic ingredient of all chocolate.

Prosecutors opened their investigation into fraud at the country's cocoa institutions on May 30, publishing a list of 23 people indicted on charges of fraud. All those detained so far were named on the list.

The Ivory Coast produces some 40 percent of the world market in cocoa and some six million people are employed in the cocoa industry. Cocoa and coffee make up 40 percent of Ivory Coast's export income and 20 percent of its Gross Domestic Product (GDP).

TIT BITS

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

London sugar, cocoa and coffee rise

LONDON (June 25, 2008): Sugar, cocoa and coffee prices rose on Tuesday, underpinned by bullish sentiment on fundamentals as markets began to recover from Monday's dollar-driven setbacks, dealers said. "Funds are still buying coffee and cocoa," said Abah Ofon, soft commodity analyst with Standard Chartered Bank in Dubai.

US MIDDAY: cocoa hits 28-year top

NEW YORK (June 25, 2008): US cocoa futures on ICE Futures touched another 28-year high in early trade on Tuesday, while arabica coffee was also firm with both markets supported by the weakened dollar. September arabica contract was up 1.20 cents at \$1.4765 per lb by 9:21 am EDT (1321 GMT), moving from \$1.4625 to \$1.484.

US MIDDAY: cocoa down, coffee up

NEW YORK (June 26, 2008): US cocoa futures on ICE Futures eased early on Wednesday on profit-taking after settling at a 28-year high Tuesday, while arabica coffee continued to climb but stopped short at the previous session high. September arabica contract was up 1.15 cents at \$1.495 per lb by 9:28 am EDT (1328 GMT), moving from \$1.4815 to \$1.511.

US MIDDAY: cocoa at 28-year high

NEW YORK (June 27, 2008): US cocoa futures on ICE Futures climbed to another 28-year high in early trade Thursday, while arabica coffee tapped a 3-1/2-month high for the third day, with both markets boosted by the weak dollar. September arabica was up 1.20 cent at \$1.5155 per lb by 9:28 am EDT (1328 GMT), moving from \$1.5015 to \$1.5275.

London cocoa climbs

LONDON (June 27, 2008): A weak dollar inspired a rally on Thursday in soft commodity markets and some analysts said volatile dealings in cocoa, coffee and sugar futures will continue in the weeks ahead. "This is definitely a dollar move and (some) momentum play," said Larry Young, senior trader of brokerage house Infinity Futures in Chicago.

Indonesian cocoa prices firm

JAKARTA (June 27, 2008): Indonesia cocoa bean prices firmed on Thursday as New York cocoa futures hovered near a 28-year peak and as supplies remained tight, dealers said. Sulawesi's fair-average cocoa beans were quoted between 26,300-26,400 rupiah (\$2.84-\$2.85) a kg, compared with the historic high of 26,200-26,700 rupiah a kg that was set last week.

US MIDDAY: cocoa hits fresh high

NEW YORK (June 28, 2008): US cocoa futures on ICE Futures again inched up to a fresh 28-year high in early trade on Friday, while arabica coffee retraced gains from Thursday, when it closed at a 3-1/2-month high for the third straight day, as participants took profits.

London cocoa hits 22-year peak

LONDON (June 28, 2008): A weakening dollar, strong oil and record high commodity indices pushed sugar prices up and sent cocoa to a 22-year peak on Friday, while profit taking and producer sales kept coffee below this week's 3-1/2-month highs. Dealers and analysts cited fund and trade buying of sugar futures, noting tight nearby supplies of white sugar.