



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 294

28th July – 1st Aug. 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)
28 th July	1750.45	2850.96	1473.67	2801.67
29 th July	1767.73	2876.98	1491.67	2837.67
30 th July	1771.97	2871.39	1489.00	2832.00
31 st July	1794.39	2908.50	1509.33	2867.00
1 st Aug	1886.95	3056.21	1588.00	3019.00
Average	1794.00	2913.00	1510.00	2871.00

Up-coming Events

- 71st General Assembly and Council of Ministers Meetings, 8th – 12th September 2008, Bávaro, Dominican Republic
- National Academies Cocoa Symposium 2008, 28th – 30th October 2008, Kumasi, Ghana

In the News (from Newspapers worldwide)

Health and Nutrition

- Premium, dark chocolates can resist downturn
- How chocolate can help your heart
- New Research Study links dark chocolate to Vascular Health Benefits

Production and Quality

- Ghana light crop cocoa purchases pull ahead of 06/7
- Ivorian cocoa arrivals seen 1.28 mln tonnes by July 27
- State to help cocoa farmers – production
- Cocoa farmers get lessons on pests, diseases – prod
- Government urged to encourage the planting of cocoa and teak trees in Sawsaw forest reserve
- Ivorian cocoa arrivals up at 1,281,671 T by July 27

The Market

- Coffee, Cocoa, Sugar, and OJ Outlook
- Cocoa Prices to rise in 2009 - Macquarie Bank
- SOFTS-Markets consolidate, cocoa may move higher

Business & Economy

- Body shop hands back chunk of chocolate company
- Barry Callebaut sells Chococam to focus on cocoa sourcing
- Perfect match (+competition)
- Queensland chocolate factory a shining light in the industry
- Cadbury to step up change as input costs bite
- Indonesia says to invest up to US\$175 Mln in Cocoa

Other

- Cadbury cost cuts despite profits
- Cocoa market has potential to grow: Expert
- Ghana: Relations With China - Into the Claws of Another Predator?
- Bournville 'safe' as Cadbury warns of more cuts
- Reviving the jute factory
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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 28th July 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep 2008	1498	1486	-16	1526	1478S	4,098
Dec 2008	1491	1474	-17	1510	1468S	2,686
Mar 2009	1474	1461	-17	1489S	1455S	460
May 2009	1477	1463	-18	1489S	1461S	413
Jul 2009	1475	1467	-18	1475	1474	19
Sep 2009	1482	1464	-23	1482S	1477	263
Dec 2009		1468	-22			15
Mar 2010		1473	-22			0
May 2010		1474	-22			0
Jul 2010		1465	-22			0
Average/Totals		1470				7,954

Tuesday 29th July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1486	1502	16	1523	1486	2,786
Dec 2008	1476	1492	18	1503	1476	1,978
Mar 2009	1473	1481	20	1491	1468S	906
May 2009	1475	1485	22	1497S	1470	1,029
Jul 2009	1498	1489	22	1499	1495	20
Sep 2009	1503	1485	21	1503	1503	10
Dec 2009		1489	21			0
Mar 2010		1494	21			0
May 2010		1495	21			0
Jul 2010		1486	21			0
Average/Totals		1490				6,729

Wednesday 30th July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1501	1499	-3	1515	1482	1,429
Dec 2008	1496	1490	-2	1503	1476	2,053
Mar 2009	1484	1478	-3	1493S	1467S	1,254
May 2009	1487	1482	-3	1497S	1472S	340
Jul 2009	1497	1486	-3	1497S	1485S	216
Sep 2009	1490	1487	2	1491	1485	25
Dec 2009		1492	3			0
Mar 2010		1497	3			0
May 2010		1498	3			0
Jul 2010		1489	3			0
Average/Totals		1490				5,317

Thursday 31st July 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1500	1518	19	1525	1495	3,124
Dec 2008	1486	1510	20	1514S	1486	7,102
Mar 2009	1485	1500	22	1501S	1484	705
May 2009	1492	1505	23	1509S	1490S	409
Jul 2009	1490	1508	22	1508	1490	41
Sep 2009	1502	1508	21	1511S	1502S	13
Dec 2009		1513	21			0
Mar 2010		1518	21			0
May 2010		1519	21			0
Jul 2010		1510	21			0
Average/Totals		1511				11,394

Friday 1st August 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2008	1522	1602	84	1611	1520	7,671
Dec 2008	1511	1586	76	1592	1506	7,071
Mar 2009	1505	1576	76	1585	1505	1,767
May 2009	1524	1581	76	1588S	1524S	1,186
Jul 2009	1565	1584	76	1593S	1559	284
Sep 2009	1564	1583	75	1590S	1563S	37
Dec 2009	1563	1585	72	1598	1563S	314
Mar 2010		1590	72			0
May 2010		1591	72			0
Jul 2010		1582	72			0
Average/Totals		1586				18330

Average for the week		1586				9945
						49,724

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

Monday 28th July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2813	2795	-18	2860	2788	5220
Dec 2008	2828	2810	-18	2868	2807	5770
Mar 2009	2846	2809	-20	2856	2807	584
May 2009	2827	2813	-18	2837	2812	17
Jul 2009	2843	2810	-18	2843	2810	10
Sep 2009	2840	2810	-26	2840	2810	5
Dec 2009		2824	-19	2824	2824	1088
Mar 2010	2837	2827	-19	2837	2827	1500
May 2010		2842	-19	2842	2842	
Average/Totals		2816				14194

Tuesday 29th July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2790	2835	40	2865	2790	5715
Dec 2008	2821	2848	38	2876	2815	2953
Mar 2009	2830	2852	43	2875	2830	429
May 2009	2835	2854	41	2875	2833	186
Jul 2009	2861	2851	41	2871	2851	27
Sep 2009	2874	2853	43	2874	2853	4
Dec 2009		2862	38	2862	2862	2
Mar 2010		2865	38	2865	2865	14
May 2010		2880	38	2880	2880	
Average/Totals		2856				9330

Wednesday 30th July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2839	2808	-27	2855	2762	6,173
Dec 2008	2860	2828	-20	2868	2780	2,921
Mar 2009	2857	2832	-20	2860	2793	624
May 2009	2852	2833	-21	2859	2811	271
Jul 2009	2849	2830	-21	2856	2791	10
Sep 2009	2845	2833	-20	2854	2833	11
Dec 2009	2822	2842	-20	2842	2822	1
Mar 2010	2822	2845	-20	2845	2820	
May 2010		2860	-20	2860	2860	
Average/Totals		2835				10011

Thursday 31st July 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2808	2858	50	2860	2807	7,398
Dec 2008	2837	2878	50	2880	2827	4,976
Mar 2009	2842	2878	46	2878	2840	379
May 2009	2845	2880	47	2880	2845	476
Jul 2009	2843	2877	47	2877	2843	25
Sep 2009		2880	47	2880	2880	21
Dec 2009	2880	2891	49	2891	2880	8
Mar 2010		2887	42	2887	2887	11
May 2010		2902	42	2902	2902	
Average/Totals		2881				13294

Friday 1st August 2008

Month	Open	Price	Change	High	Low	Volume
Sep 2008	2854	2996	138	3013	2843	6,783
Dec 2008	2867	3019	141	3035	2859	4,129
Mar 2009	2878	3026	148	3036	2875	638
May 2009	2931	3024	144	3030	2931	120
Jul 2009	2993	3020	143	3027	2977	93
Sep 2009	2989	3017	137	3017	2989	
Dec 2009	2986	3026	135	3033	2986	11
Mar 2010		3028	141	3028	3028	1
May 2010	2946	3043	141	3043	2946	
Average/Totals		3022				11775

Average for the week	3022				14651
Total for the week					58,604

Spot Prices [US\$ per tonne]

	28 th July	29 th July	30 th July	31 st July	1 st Aug
Main Crop Ghana, Grade 1	3262	3302	3275	3305	3443
Main Crop Ivory Coast, Grade 1	3153	3193	3166	3163	3301
Main Crop Nigerian, 1	3108	3148	2121	3151	3289
Superior Arriba	3068	3108	3081	3165	3303
Sanchez f.a.q.	3163	3203	3176	3218	3356
Malaysian 110	2805	2845	2818	2831	2969
Sulawesi f.a.q.	3035	3075	3048	3115	3253
Ecuador Cocoa Liquor	5050	5122	5073	5097	5343
Pure Prime Press African Type Cocoa Butter	8003	8118	8040	8202	8599
10/12% Natural Cocoa Press Cake	1099	1115	1104	1124	1178

Source: Cocoa Merchants' Association-

News

Health and Nutrition

Premium, dark chocolates can resist downturn

Source: Reuters

01/08/2008

London, 1 August - Global cocoa and chocolate consumption shows signs of waning due to the economic downturn, high prices and health worries, but a little luxury from premium products and dark chocolate seems to be "recession proof".

The latest cocoa grindings data, a measure of demand for the key chocolate ingredient, has been disappointing in the U.S. and Europe. Second-quarter U.S. grindings fell 15.89 percent from a year ago, and Europe's grind was up 1.7 percent. The subdued grindings have coincided with a slowdown in global economic growth and a surge in U.S. cocoa futures by 40 percent so far this year, spurred by a heightened investment fund appetite for the commodity, and tight physical supplies. Grinding of cocoa beans creates products such as liquor and butter, which are used in the making of chocolate, while cocoa futures are an indicator of physical prices of the commodity.

Frans Remmers, senior cocoa products trader at Dutch trade house Theo Broma, said global cocoa demand was likely flat. "It's difficult to estimate whether chocolate consumption really is down or whether it is just stagnating a bit, and I think the latter is the case," he said.

The mix of high cocoa prices and the slowing U.S. economy, could cause falling demand for cocoa and chocolate products, said Judy Ganes-Chase of J Ganes Consulting in New York. "Drops in usage come from manufacturers fiddling with bar sizes and (industrial) recipes reducing the amount of chocolate used, which in turn causes consumption to drop," she said.

The fall in global economic growth and the increase in the price of cocoa beans were expected to have a negative impact on consumer demand for chocolate products, said Laurent Pipitone, senior statistician with the International Cocoa Organization. "Consumption of chocolate products seems to be slowing down in volume in the U.S.," London-based Pipitone added.

Fortis Commodity Derivatives said the latest U.S. grindings data sent a grim signal about consumption. "Cocoa is unlikely to be exempt from a slowing demand for all kinds of discretionary purchases, as consumers find their former spending powers are curtailed by higher inflation," Fortis said in its latest cocoa market report.

U.S. chocolate confectionery demand eased to 1.63 million tonnes in 2006 from 1.65 million in 2005, say the International Confectionery Association and the European confectionery association, CAOBISCO. 2007 data was not available. The U.S. is the world's biggest market for chocolate confectionery. "The U.S. industry in general, may have made some wrong decisions in the marketing of their chocolate products and therefore was not well-positioned to capture the movement towards premium chocolate -- dark chocolate, organic and single origin chocolate," said Pipitone.

Chicago-based Marcia Mogelonsky, senior research analyst with Mintel International, a market research company, said in her view the U.S. chocolate market was growing, but slowly. "The major driving force has been the premium market (defined as chocolate costing \$16/lb or more). The rest of the category has seen varied fortunes, depending on product type."

EMERGING ECONOMIES DRIVE DEMAND

Emerging economies, such as China and Russia, are driving demand for cocoa and chocolate products, analysts say. "The demand for chocolate is strong -- and increasing -- in areas in which a developed "chocolate culture" is not well established (e.g. China), or where there is an established chocolate culture that is getting more sophisticated (e.g. Russia, Turkey)," said Mogelonsky.

Guo Wei Ping, manager of the cocoa division of the China Tea trading firm, a unit of COFCO Co, said chocolate demand in China could have risen by over 15 percent year-on-year since 2002-03.

Mogelonsky was upbeat about prospects for premium chocolate. "Self-gifting and self-rewarding are habits Americans got into, especially during the more exuberant economic times that seem to be on the way out," she said. "And self-rewarding with a piece of premium chocolate is still 'do-able'."

In developed markets, consumption of cocoa and chocolate is linked to concern over health. According to Mintel senior market analyst Mathilde Dudouit, UK consumers are increasingly looking for healthier snacks, such as cereal bars at the expense of chocolate.

Analysts see a shift in tastes towards dark chocolate around the world, as it is perceived to be healthy. Studies have shown foods rich in cocoa like dark chocolate offer heart benefits, but researchers say the added sugar, fat and calories could cancel out any good the chocolate might do. And in the final analysis, how many people can really resist a chocolate?

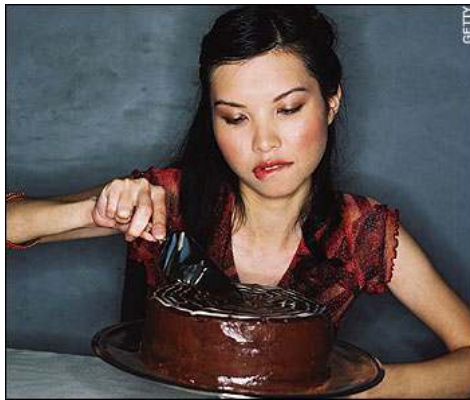
How chocolate can help your heart

Telegraph.co.uk, United Kingdom

02/08/2008

Marianne Kavanagh looks at the mysterious world of flavanols

We are a nation in love with chocolate, that renowned aphrodisiac. But the link between sex and chocolate is looking shaky. All the feel-good chemicals it contains, such as tryptophan and phenylethylamine, can also be found in foods like cheese.



Guilt free: the antioxidant powers of cocoa are well known

Chocolate's sensual image may be under threat but it is currently being trumpeted as the ideal health food. On sale now is a new kind of polyphenol-rich chocolate called Acticoa.

Manufacturers including Delvaux, Minerva and Prestat are using Acticoa, as is Hadleigh Maid of Suffolk, which combines the new chocolate with cranberries and cherries.

Most of the health claims are focused on the antioxidant powers of cocoa. But while everyone agrees that chocolate can be very good for you, a body of scientific opinion suggests that putting all the benefits down to the antioxidant effect might be wrong. My understanding is that our bodies have their own defences anyway and that much of the research into antioxidants has been done in the test tube rather than the human body.

So which kind of chocolate is good for us, and why? The good types are high in flavanols, a sub-group of polyphenols. But cocoa, the raw ingredient, can lose large amounts of flavanols depending on how it is treated early on.

The cocoa seeds are fermented and dried, then smashed or pressed. Small variations in method make a huge difference to the health benefits of the finished product. Some dark chocolate ends up rich in flavanols; some, even if made with a high percentage of cocoa, has hardly any left.

Professor Roger Corder of the William Harvey Research Institute in London has been researching the benefits of a diet rich in flavanols for years. His book, *The Wine Diet* (Sphere, £9.99), looks at the health benefits of drinking red wine, particularly robust wines such as madiran from south-west France. He points out that you can find flavanols in many foods, including apples, cranberries, walnuts, cinnamon - and chocolate. Like many other scientists researching plant chemicals, he believes the health benefits are linked to the action of flavanols on the endothelium, the single layer of cells that lines all the blood vessels in our body. A healthy vascular system means a healthy heart.

Harold Schmitz, chief science officer for Mars, agrees. In the late Eighties, Mars began looking in detail at the chemical compounds in cocoa. By 2003 the company had become convinced of the health effects of cocoa on the cardiovascular system, and launched its first flavanol-rich chocolate - *Cocoavia*. The product is still being refined but Mars, for commercial and scientific reasons, is committed to the long haul. Schmitz says: "Here's the intersection of one of the world's favourite flavours, grown by millions of small farmers in less developed areas of the world, which, if handled properly, could help to contribute the solution to the number one health problem in the developed world - cardiovascular disease."

Gradually we are discovering more about cocoa. It's a good source of essential minerals such as magnesium and copper and it's possible that women crave chocolate more than men because they become deficient in these metals more easily. But the most important health benefit of cocoa, says the latest research, is that it's good for our blood vessels - as long as it's rich in flavanols. It may be a matter of arteries rather than romance, but chocolate can be good for the heart after all. # For information on Hadleigh Maid chocolates, see www.hadleighmaid.com.

New Research Study links dark chocolate to Vascular Health Benefits

Yale-Griffin Findings Highlight Hershey's®s Extra Dark Chocolate, Which Becomes the First Chocolate Bar to Earn Respected Best Life Seal of Approval
Business Wire (press release), CA

July 30, 2008

Research Findings:

- * Dark chocolate has a positive impact on blood pressure and blood vessel function.
- * Consuming Hershey's Extra Dark Chocolate (75g) as well as Hershey's Natural Cocoa (22g) lowered blood pressure and improved endothelial function in 45 participants 2 hours after consumption.

HERSHEY, Pa.--(BUSINESS WIRE)--Dark chocolate has come to be recognized for its flavanol antioxidant benefits, but a new study, conducted by the Yale-Griffin Prevention Research Center, has uncovered an important link to its vascular health benefits. The study, which used Hershey's Extra Dark Chocolate, reported that dark chocolate has a positive impact on blood pressure and blood vessel function. The study's release comes on the heels of Hershey's Extra Dark Chocolate, a rich dark chocolate featuring 60 percent cacao, earning renowned health and fitness expert Bob Greene's Best Life seal of approval – the first chocolate bar to earn that distinction. “The Hershey Company is continuously looking for opportunities to offer products that support the balanced lifestyles of today's health-conscious consumers,” said Debra Miller, Ph.D., Director of Nutrition, The Hershey Company. “This one-two punch of the Yale-Griffin research confirming chocolate's vascular health benefits, combined with Bob Greene's Best Life seal, makes Hershey's Extra Dark Chocolate a sensible option for people looking for small indulgences.”

The Yale-Griffin Prevention Research Center study is the largest study of its kind to research the short-term benefits of solid dark chocolate and cocoa containing beverages on blood pressure and endothelial function (blood vessel function). The results of the study, recently published in the American Journal of Clinical Nutrition, found that consuming Hershey's Extra Dark Chocolate (75g) as well as Hershey's Natural Cocoa (22g) lowered blood pressure and improved endothelial function in 45 participants 2 hours after consumption. “Our study demonstrated impressive enhancement of endothelial function following the acute consumption of dark chocolate and cocoa,” said David L. Katz, MD, MPH, principal investigator of the study and director of the Prevention Research Center. “The results are exciting because they show that dark chocolate, a highly-popular treat long associated with pleasure, has health promoting properties as well.”

In addition, The Hershey Company announced that Hershey's Extra Dark Chocolate is the first chocolate bar to earn the respected Best Life seal of approval. Designed by Bob Greene, respected exercise physiologist and famed trainer, the Best Life seal appears on select grocery products and is intended to help consumers make healthier food and lifestyle decisions. Hershey's Extra Dark Chocolate's naturally occurring antioxidants and proven vascular health benefits helped the product to earn this distinction. Bob Greene will utilize Hershey's Extra Dark Chocolate and Hershey's Natural Cocoa as he helps consumers to develop balanced, healthy lifestyles through his book, *The Best Life Diet*, the companion website TheBestLife.com, appearances on *The Oprah Winfrey Show* and other national television and radio shows, and national tours.

Hershey's Extra Dark Chocolate is available wherever candy is sold. The Best Life seal of approval will begin appearing on packaging later this year.

About The Hershey Company

The Hershey Company (NYSE:HSY) is the largest North American manufacturer of quality chocolate and sugar confectionery products. With revenues of nearly \$5 billion and approximately 13,000 employees worldwide, The Hershey Company markets such iconic brands as Hershey's, Reese's, Hershey's Kisses, Kit Kat, Twizzlers and Ice Breakers. Hershey is the leader in the fast-growing dark and premium chocolate segment, with such brands as Hershey's Bliss, Hershey's Special Dark, Hershey's Extra Dark and Cacao Reserve by Hershey's. Hershey's Ice Breakers franchise delivers refreshment across a variety of mint and gum flavors and formats. Hershey's partnership with Starbucks offers a premium chocolate experience that combines the highest-quality chocolate with Starbucks coffee-house flavors, for a range of delicious and distinct chocolate products. In addition, Artisan Confections Company, a wholly owned subsidiary of The Hershey Company, markets such premium chocolate offerings as Scharffen Berger, known for its high-cacao dark chocolate products, Joseph Schmidt, recognized for its fine, handcrafted chocolate gifts, and Dagoba, known for its high-quality natural and organic chocolate bars. Visit us at www.hersheynewsroom.com.

About The Best Life

The Best Life Diet is not a typical diet plan. Instead, it's a way of living—of eating, exercising and viewing life—that promotes weight loss and fosters lifelong weight control. The three-phased plan offers a gradual approach to developing healthy habits that not only increase fitness and reduce body weight, but can also dramatically reduce the risk for diabetes, heart disease and other chronic conditions. For more on the program, visit www.TheBestLife.com.

Production and Quality

Ghana light crop cocoa purchases pull ahead of 06/7

Reuters South Africa, South Africa

By Kwasi Kpodo

28 Jul 2008

ACCRA, July 28 (Reuters) - Ghana cocoa purchases declared to industry regulator Cocobod for the first three weeks of the 2008 light crop reached 8,768.5 tonnes, 22.7 percent up on the same period a year ago, an industry source said on Monday.

Purchases for the week ending July 17 were 1,329.1 tonnes, down from 2,778.9 tonnes the previous week. But the cumulative total was ahead of the 7,141.1 tonnes registered by the third week of the 2006/07 light crop.

Recorded purchases have been reduced due to smuggling of Ghanaian cocoa over the border to take advantage of higher prices being paid in neighbouring Ivory Coast, making it unlikely the official 2007/08 October-September crop will reach a widely expected 700,000 tonnes, Cocobod said last week.

The industry source said on Monday that an estimated 50,000 tonnes of cocoa beans had been smuggled out of Ghana so far in the 2007/08 season, including around 20,000 tonnes from the June-light crop alone. "Our total harvest for the crop year may just be at the 700,000 (tonnes) threshold ... The season has been good as we predicted but some of the purchases are not reaching us," the source told Reuters.

Cocobod had expected to buy about 60,000 tonnes of cocoa during the light crop, above a "conservative" initial target of 50,000 tonnes, the source said. "But now we think we may only get around 40,000 tonnes from the light crop," the source said. The government was forced to make an unusual mid-season increase in its fixed farmgate price for cocoa by more than 25 percent in February in an effort to curb smuggling.

But although Ghanaian cocoa commands a quality premium over Ivorian beans on international markets -- and that premium rose sharply last week according to physical traders in Hamburg - farmgate prices in Ivory Coast have again exceeded Ghana's fixed price, in part due to Ghana's weakening cedi currency <GHS=>.

Cocobod fixes a uniform farmgate price in Ghana, whereas prices in Ivory Coast fluctuate with the market, quality and on how far the beans must be transported for export. Since February Ghanaian farmers have received a fixed 1,200 cedis/tonne (\$1.04/kg) while farmgate prices in many parts of Ivory Coast have been between 500 and 600 CFA francs/kg 600 CFA francs (\$1.19-\$1.43) for much of the past month, according to data from Ivory Coast's Coffee and Cocoa Bourse (BCC). Ghana's light crop started slowly on June 27 with less than 5,000 tonnes purchased in the first week, down 10 percent on the same period last year. A strong second week of purchases outstripped last year's running total, but officials say the loss of smuggled beans has excluded any chance of an official record harvest topping the record crop of 740,457 tonnes harvested in the 2005/6 season.

Ghana has set itself an ambitious target to harvest at least 1 million tonnes of cocoa a year by 2010, mainly through increased use of fertiliser and adoption of high yielding seeds, combined with improved farming methods. (Reporting by Kwasi Kpodo; Editing by Alistair Thomson and Michael Roddy)

Ivorian cocoa arrivals seen 1.28 mln tonnes by July 27

Reuters Ghana, Ghana

By Ange Aboa

28 Jul 2008

ABIDJAN, July 28 (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast reached around 1,281,000 tonnes from Oct. 1 to July 27, exporters estimated on Monday, up from 1,165,551 tonnes in the same period of the previous season. Exporters estimated around 7,000 tonnes of beans were delivered to the West African country's two ports in the week of July 21-27, up from 5,133 tonnes in the same week a year ago.

That compared with 7,779 tonnes of beans arriving at Abidjan and San Pedro ports in the previous week of this season, whose April-September mid crop harvest has tailed off in recent weeks with buying interest undermined by fears over poor bean quality.

Farmers and exporters are focusing increasingly on the coming main crop harvest, which officially runs from October-March but is widely expected to start early this year. "In my opinion, we will bottom out around Aug. 15, and then things will pick up again at the start of September," said the director of a large European exporter in the main city Abidjan. "There are a good

number of pods which are growing steadily on the trees with the rains, which are still falling. That should mean a good supply," he said. "There is a good chance (the main crop) will start in September because we are already seeing early signs in the plantations," he said.

The current mid-crop harvest has failed to meet expectations, with weekly volumes below those anticipated and disappointing quality due to small bean size and excessive mould and moisture due to sustained rains over recent weeks. The premium paid by European physical traders for Ghanaian cocoa rose sharply last week to fears over the quality of Ivorian beans, traders told Reuters in Hamburg, Germany, last Friday. The premium for cocoa from Ghana -- the world's second biggest grower, whose cocoa is regarded as being of higher quality than Ivorian cocoa -- represents the price paid over corresponding London futures prices .

The director of another European exporter in Abidjan said Ivorian bean quality would likely improve once main-crop beans started coming out of the plantations. "Beans from the start of the season are always higher quality than those from later on. We really shouldn't worry about the main crop," he said. "If there are no more rains than usual, quality will be good -- not excellent, but good enough. It is when there are heavy rains that everything is ruined, because the farmers find it hard to store the beans for very long in good conditions and humidity and mould levels increase", he said.

State to help cocoa farmers

Fiji Times, Fiji

July 29, 2008

The Ministry of Primary Industries has set its sight on training more farmers on cocoa production, with the opening of niche markets for cocoa. According to the Ministry, local farmers needed to move away from the traditional methods of farming and explore other methods.

Director of Extension Services, Fiuwaki Waqalala, made the comments at a workshop that was held at Koronivia Agriculture Office last week. He said if farmers wanted to achieve productivity, then they need to move with modern technology.

Cocoa farmers get lessons on pests, diseases

Fiji Daily Post, Fiji

30-Jul-2008

WITH the opening of niche markets for cocoa, the Ministry of Primary Industries has set its sight on training more farmers on cocoa production. About 40 cocoa farmers in the Tailevu North vicinity attended a workshop at the Korovou Agriculture Office last week to learn more about pests and diseases of cocoa and how to eradicate them.

The workshop which was funded by the Secretariat of the Pacific Community (SPC) and jointly organised by the Research and Extension Services Division of the Ministry of Primary Industries is aimed at creating more awareness for the cocoa farmers.

Speaking to the participants, Director of Extension Services, Fiuwaki Waqalala said that in this new era of technology, farmers had to move away from the traditional methods of planting.

Government urged to encourage the planting of cocoa and teak trees in Sawsaw forest reserve

Modern Ghana, Ghana

By gna

02 Aug 2008

Nana Appiah Zakaria, Chief of Atia near Nsuta in Techiman Municipality in the Brong Ahafo, has appealed to government to allow farmers in the area to plant cocoa in addition to teak in the Sawsaw forest reserve. He said the cultivation of cocoa would enable farmers to derive maximum returns in the form of cash to support their teak plantations.

Nana Appiah Zakaria, who made the appeal through the Ghana News Agency (GNA) at Atia said "whilst teak takes 20 years to mature, cocoa takes only three to four years to mature and can, therefore, provide money for farmers in the short and medium term as they wait to harvest the teak". The Chief said he had planted teak in cocoa plantation and found it profitable and asked officials of the Ministry of Food and Agriculture and Ministry of Lands, Forestry and Mines to assess the viability of his proposal. He said farmers could not wait for 20 years before earning income from harvested teak.

Ivorian cocoa arrivals up at 1,281,671 T by July 27

Reuters Ghana, Ghana

2 Aug 2008, 7:44 GMT

ABIDJAN (Reuters) - Cocoa arrivals at ports in top grower Ivory Coast reached 1,281,671 tonnes by July 27, up from 1,165,551 tonnes in the same period a year ago, according to aggregated data from exporters obtained by Reuters on Friday. The figures showed 7,195 tonnes of beans arrived at the ports of Abidjan and San Pedro between July 21 to July 27, up from 5,133 tonnes in the same week of the 2006/2007 season, but down from last week's level.

The week on week decline had been expected and exporters are far more interested in the conditions leading up to the new season, which starts in October. "This is about right, we are in the quiet phase until we start the new season..," said the director of a European exporting company. "Up until now, the harvest has been developing fairly well and, if this continues, we should expect a better than average season," he added, saying he would keep an eye on the conditions between now and October. Another director said also that the upcoming season should be "quite good" but, ahead of a possible September start for the new season, he was monitoring very closely what was happening in the bush as conditions could change quickly.

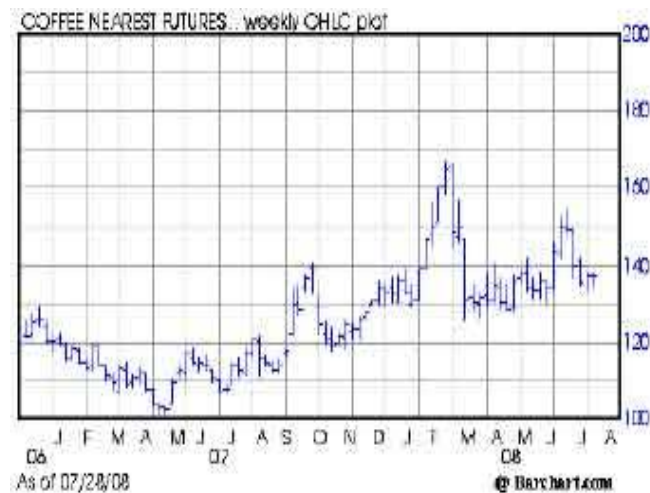
The Market

Coffee, Cocoa, Sugar, and OJ Outlook

Inside Futures, IL

By CRB Research Team of Commodity Research Bureau

August 01, 2008



COFFEE—Sep Nybot Arabica coffee prices are trading near the bottom of a 5-month range. Coffee prices fms20080731-20 have sold off from a Jun 30th 4-1/2 month high on bearish factors that include (1) dollar strength and general commodity selling, (2) ICO's forecast for a 8.5% hike in global coffee production in 2008/09 to 128 mln bags from 118 mln bags in 2007/08, and (3) the USDA's forecast of a 36% y/y rise in Brazil's harvest starting July to 51.1 mln bags (vs last year's 37.6 mln bags). Bullish factors include (1) speculation brazil may subsidize its coffee farmers to ensure a minimum price, and (2) the 6-8 mln bag 2007-08 world coffee deficit. As of July 22, large specs continue to liquidate their moderate long position to 23,439. USDA coffee summary: 2007-08 world coffee production 117.8 mln bags (-4.7% vs 2006-07's 122.9 mln); 2007-08 world ending stocks at a record low 18.3 mln bags.



COCOA—Sep cocoa prices bounced to a 1-week high from the recent 2-month low on concern shipments fms20080731-21 from the Ivory Coast may be disrupted by a scheduled Aug 1 strike. Bearish factors include (1) the +8% y/y rise in Ivory Coast exports between Oct-Jun 15, (2) ICO's forecasted 20% decrease in the global cocoa deficit to 41,000 MT in the season ended in Sep, and (3) ICO's forecast of a +10% increase in the 2007-08 global cocoa crop to 3.74 mln tons. Bullish factors include (1) concern about poor quality cocoa beans from the Ivory Coast due to reduced use of high-priced fertilizers and pesticides, and (2) cocoa inventories at a 6-month low. Large specs as of July 22 reduced their moderate long position to 24,022.



SUGAR—Oct sugar prices corrected up to a 2-week high from the recent 1-1/2 month low. Bearish factors include (1) long liquidation pressure and general commodity weakness, and (2) the plunge in crude oil prices which is undercutting sugar and ethanol prices. Underlying bullish factors include (1) ISO's prediction that India's sugar output next year may fall 4 MMT as farmers switch to more profitable crops, (2) ISO's cut in its forecast for the 2007-08 sugar surplus to 7.8 MMT from 9.3 MMT, (3) the USDA's forecast for a 2.3% drop in 2008-09 (Oct-Sep) global sugar production. As of July 22, large specs continued to liquidate their large long position to 118,309. USDA Sugar crop summary: 2007-08 world production 165.5 MMT (+0.9% y/y vs 164.1 MMT in 2006-07), consumption 149.4 MMT (+4.6% y/y from 142.8 MMT in 05-06), ending stocks 14.7 MMT (-53% y/y from 31.5 MMT in 05-06).



ORANGE JUICE—Sep orange juice has collapsed in the past 3 weeks to a contract low from the Jul 7th high. Bearish factors include (1) dollar strength, (2) the lack of any hurricanes, and (3) the USDA forecast of a +31.8% increase in 2007-08 production as demand slumps and inventories rise (FCOJ sales -2.6% y/y in week ended Jul 5 and inventories +67% y/y in Jun). Bullish factors include (1) the hurricane season, and (2) the USDA's forecast for a 13% drop in Brazil's orange crop because of dry weather. As of July 22, large specs had a moderate long position of 8,696. USDA orange summary: Florida 2006-07 orange crop 17-yr low of 129 mln boxes (-12.8% from 2005-06's 147.9 mln 90-lb boxes); US 2005-06 all-orange production 8.87 mln tons (-4% y/y).

Cocoa Prices to rise in 2009 - Macquarie Bank

Source: Reuters

01/08/2008

London, August 1 - The global cocoa market is set to remain in deficit for at least two more seasons and the average price should rise in 2009, commodity strategist Kona Haque of Macquarie Bank said in a report on Friday.

"With supply-side risks remaining high, prices will be volatile, average 126.5 cents per lb in 2008 (\$2,790 a tonne) and 137 cents per lb (\$2,865 a tonne) in 2009," she said.

"A more balanced market from 2010 should help international prices soften thereafter," Haque added.

Cocoa futures have risen sharply this year, setting a 28-year peak on ICE on July 1. The advanced has been driven partly by crop concerns in both Ivory Coast and Indonesia. The benchmark September contract on ICE closed at \$2,858 a tonne on Thursday, up 40 percent from the front month price at the end of 2007.

"From a historical perspective, cocoa prices are still very cheap in real terms. At current levels, cocoa prices would need to rise almost 3-fold to reach their all time high in real terms," Haque said.

"We do not believe that a new equilibrium price has been set yet, and it is reasonable to expect demand for cocoa to continue to surge -- ahead of supply," she added.

Haque said recent reports indicated the 2008/09 crop, particular in top producer Ivory Coast, had got off to a poor start while the Indonesian Cocoa Association in June said an outbreak of fungal disease had affected 60 percent of the cocoa plantations in

Sulawesi, the main growing region. Global consumption of cocoa had risen at 4.8 percent per annum over the past 5 years, compared with just 1.4 percent growth in the previous 5 years, stimulated partly by rising living standards.

She said, however, that signs of a global economic slowdown and rising raw materials costs could slow the growth rate, particularly in the United States. "We expect the growth in grindings will slow from 3.6 percent in 2006/07 to 2.7 to 2.9 percent in 2007/08-2008/09." Haque said strong growth in emerging Asia and eastern Europe should offset any softening in mature markets and growth should accelerate from 2009/2010 to 3.3 percent.

SOFTS-Markets consolidate, cocoa may move higher

Forbes, NY

By David Brough

07.28.08

LONDON, July 28 (Reuters) - Soft commodity futures consolidated on Monday and dealers said cocoa, supported by a firm fundamental market outlook, could push higher if fund interest kicks in later. "The move up early today confirmed the break out of the downtrend. There is room to go higher if the funds come in," a cocoa dealer said.

London December <LCCZ8 rose 9 pounds to 1,500 pounds in low turnover of 640 lots at 1141 GMT.

ICE October was up \$37 to \$2,850 a tonne.

Dealers noted a lack of origin selling in cocoa, and said industry cover remained light. A steady oil and dollar had no clear market impact, dealers added. Concerns over the quality of the coming main crop in Ivory Coast, the world's top cocoa grower, continued to support the market, dealers said.

London robusta coffee futures were little changed and remained in their recent range, with roaster buying expected to come in in the low \$2,300s in benchmark September, dealers said.

September was down \$1 at \$2,350 a tonne in modest volume of 2,484 lots at 1149 GMT.

ICE September arabicas up 0.10 cent to \$1.3740 a lb.

Nearby positions are believed to be supported by an investor or fund, dealers said. Dealers said robustas were underpinned by concern about supply tightness before the next Vietnamese harvest.

London white sugar futures also consolidated, dipping in low volume, in sympathy with raw sugar, awaiting new leads, dealers said.

Sugar prices could firm on a medium-term outlook for tightening global supplies, dealers said.

London October was down \$3.50 to \$356.0 per tonne in light turnover of 640 lots at 1128 GMT.

October raw sugar futures were down 0.21 cent to 12.23 cents a lb.

Armajaro Asset Management LLP plans to launch a sugar-focused fund in the third quarter of 2008, the company said on Monday.

The main centre-south sugar growing region of Brazil will process an all-time high 500 million tonnes of sugarcane in 2008, 16 percent more than the previous year, trade house Czarnikow said on Monday.

Business & Economy

Body shop hands back chunk of chocolate company

Edinburgh Evening News, UK

28/07/2008

THE Body Shop has handed back its stake in a young chocolate business to the co-operative of cocoa farmers who founded it. The ethical retailer, recently acquired by the multinational L'Oreal, bought the 14 per cent share in The Day Chocolate Company in 1997 for £250,000 to help to establish the company. It will now hand the share back to the Ghanaian cocoa farmers who set up the company, which makes Divine fair trade chocolate.

Day Chocolate had turnover of £7.67 million and profits of £618,081 in the year to September 2005. It is currently one-third owned by the Kuapa Kakoo cocoa farming co-operative, which has 47,000 members in 1200 villages. Twin Trading, a firm that backs fair trade ventures, owns 52.5 per cent of the business.

Peter Saunders, chief executive of The Body Shop, said: "The Day Chocolate Company was a fledgling business in 1997 and we believe we have helped it grow to be a profitable, dynamic, ethical business. "It is now right that we hand our stake to the cocoa farmers who have made the company such a success story."

Barry Callebaut sells Chococam to focus on cocoa sourcing

ConfectioneryNews.com, France

By Lindsey Partos

28-Jul-2008

Focusing further on cocoa bean sourcing and processing, Zurich-based Barry Callebaut spins-off Chococam, the last of its consumer activities in Africa, to South African food firm Tiger Brands. While the price tag for Cameroon-based Chococam remains undisclosed, the deal sees Tiger Brands acquiring a 74.7 per cent slice of the shares, while the remaining 25.3 per cent will stay with small private shareholders.

The divestment of Chococam, with annual sales of about €28 million, follows the disposal of other consumer businesses in Senegal and Ivory Coast by Barry Callebaut, the world's number one maker of bulk chocolate, to focus on contract manufacturing and producing ingredients such as cocoa butter. But while shaking off the consumer products end, Barry Callebaut will still remain in Cameroon. "Our group has been present in Cameroon since 1952. We will remain present in Cameroon through our subsidiary SIC Cacaos in which we have just made important investments," said Patrick De Maeseneire, CEO of Barry Callebaut.

Indeed, according to a recent Dow Jones commodities report that cites figures from the National Cocoa and Coffee Board, the Cameroon subsidiary of Barry Callebaut bought 20,293 metric tons of cocoa beans for processing in August-June of the 2007-08 season (August-July), down from 21,681 tons a year earlier, figures from show.

For South Africa's Tiger Brands, a food and healthcare company with about €1.6 bn in annual sales, the acquisition expands the firm's "African footprint". "Chococam is a quality acquisition with high market shares in categories that are familiar to Tiger Brands. We are delighted that we will have a presence in Cameroon as there is enormous growth potential in this market," commented Tiger Brands' CEO Peter Matlare.

Earlier this month Barry Callebaut said that new outsourcing contracts for industrial cocoa from new and existing chocolate makers had boosted volume growth for the firm, helping to offset harmful exchange rates, energy prices and inflation. The Swiss maker of bulk chocolate reported sales volumes of 872,993mt for the first nine months of 2008, a rise of 10 per cent for the same period in 2007 which they claim is "more than three times the growth rate of the chocolate market."

The firm's strong volume growth propelled nine months sales to May 31, 2008 by 19 per cent to 3.61 billion Swiss francs (€2.24billion), up from CHF3.04 billion in the year ago period. Revenues gained positively from the 'historically' high raw material prices.

ConfectioneryNews.com reported recently that cocoa prices peaked on 13 March this year, with ICE Futures US cocoa 2nd position seeing prices closing at \$2,922 a tonne, "a staggering 39.2 per cent higher on the start of the year", says a report from Fortis.

Perfect match (+competition)

New Zealand Herald, New Zealand
July 28, 2008



Photo / Supplied

Chocolate and wine - two of our favourite things, which sadly have always been notoriously difficult to match well.

Now the makers of Green & Black's Organic Chocolate have decided to put an end to our torture by arranging marriages for these two treats. Working with Selaks wines they have come up with a set of good chocolate and wine matches, and a list of tips for trying it yourself.

Green & Black's head of taste Micah Carr-Hill says the first thing is to make sure the wine is at least as sweet as the chocolate. To get the best of the match, taste the wine first and allow the flavours to saturate your mouth, then bite the chocolate, letting it melt on your tongue. Then take another sip of the wine.

Organic Green and Blacks Chocolate.

The matches are:

- * Green & Black's Organic 70 per cent Cocoa with Selaks Founders Reserve Syrah.
- * Green & Black's Organic Gold Maya with Selaks The Favourite Gewurtztraminer (bottled next month).
- * Green & Black's Organic White with Madagascan vanilla, with Selaks The Favourite Sauvignon Blanc.
- * Green & Black's Organic Milk with Selaks Premium Selection Pinot Noir 2007.

To let you give wine and chocolate matching a try, we have five hampers each including two 100g blocks from the Green & Black's range, matched with a Selaks wine. The hampers also include 35g bars of all the Green & Black's chocolates.

Queensland chocolate factory a shining light in the industry

Australian Food, Australia

July 30, 2008

By Isobel Drake

Worldwide cocoa production has been tainted by child slave labour over the course of the past decade, but an Australian company is now one of an increasing number worldwide who are looking to eradicate slave labour from the industry.

On a visit to Cocoa Australia's cocoa plantation and processing centre at Mossman Central Mill last week, Opposition Spokesman for Northern Australia, Senator Ian Macdonald, indicated that this Australian first would help to reduce the use of child labour to produce cocoa in the Third World. "Currently around 70 per cent of the world's cocoa is produced using child slave labour. This innovative business right here in North Queensland - found to be the best cocoa growing area in Australia - will reduce the need to import cocoa from countries where these sort of abuses occur," he said.

"It is also pleasing to see the traditional sugar mills of North Queensland diversifying into new industries. The organic chocolate produced by Cocoa Australia not only provides more jobs for locals at the Mossman Mill, but local cane farmers can also grow cocoa plants in un-used corners of their farms that would otherwise would lay fallow. This will be of particular help to canefarmers in times of low world sugar prices as a source of extra income," Senator Macdonald added.

The Mill is also producing a new "low GI" sugar - another Australian first. "Again, the innovative nature of business in Northern Australia is being demonstrated here, and this is a great help to Australians trying to stay lean and healthy," Senator Macdonald claimed. "Cocoa Australia's operations are a great credit to them and efforts to curb child slave labour and replace it with chocolate produced under fair conditions. It is also a great boost to the local and Australian economies. I have no doubt it will continue to be yet another great North Queensland success story."

Since the discovery of widespread child slave labour in cocoa production in the late 90s, major chocolate producers and manufacturers have made a commitment to eliminating such practices. The issue has been most prevalent in the Ivory Coast, where over 40 per cent of the world's cocoa beans are produced, and slow and steady steps have been made in recent years.

The chocolate and cocoa industry is organising a sector-wide independently verified certification process and hope to have it fully in place across each country's cocoa-growing sector by the end of 2010. The industry has also been working with the Ivory Coast and Ghanaian Governments to remedy the situation.

Cadbury to step up change as input costs bite

Financial Times, UK

By Lucy Killgren

July 30 2008

Less than a year into its cost reduction programme, Cadbury said it would take another look at structure, costs and pricing in the face of higher input costs and economic uncertainty, as it reported a 28 per cent rise in first-half pre-tax profits to £143m, helped by currency effects.

The manufacturer of Dairy Milk chocolate bars, Trident chewing gum and Halls sweets, announced a four-year programme, dubbed Vision into Action, in June last year. But pressure from rising oil and cocoa costs and the gloomier economic outlook means it will need to accelerate the process in order to meet its target of mid-teens margins by 2011.

Roger Carr, chairman, said: "We are recognising that the world has changed quite remarkably, even in the last six months and what was good enough in a more benign economic environment will not be sufficient to meet promises we have made to investors." Cadbury will be "looking at every aspect" of the Vision Into Action programme. "We now face bigger challenges. We have to adjust course in order to encounter and overcome these challenges." Mr Carr arrived at the group earlier this month at a challenging time for the company. It has been forced to raise prices by between 5 and 6 per cent to counter soaring input costs.

Cadbury reported revenues up by 7 per cent on a constant currency basis, to £2.65bn. It said six percentage points of this increase came from price rises with the remainder from volume growth. Asked if price increases had affected volumes, Ken Hanna, finance director said: "So far, so good. The volume impact has been in line with other producers."

Todd Stitzer, chief executive, underlined the defensive mood, saying: "No matter how bleak things look, people always go for the small affordable treats that Cadbury offers." He is hoping that new products such as Sweet Kicks, a chocolate-filled gum, will help drive demand.

Cadbury, which in May completed the demerger of its US beverage business – now separately quoted in New York as Dr Pepper Snapple Group – is also reviewing its remaining beverage business in Australia. "While this business is integrated with our confectionery operations in Australia, we have been separating key commercial function to improve the focus on the individual categories of confectionery and beverages. The review will take some months to complete," it said.

Underlying margins for the first half rose 190 basis points at constant exchange rates. This was driven by cost efficiencies, improved performance in emerging markets, strong growth in higher margin brands and operational leverage. "Good price realisation in most of our markets enables us to recover significant increases in input costs," it said.

During the second half, however, it will be up against demanding 2007 second half revenue and margin comparatives. "While we expect our commodity cost increases for the year to remain in the 5 to 6 per cent range, these increases will be weighted toward the second half," it said. The group expects full-year revenue growth to be around the top end of its 4 to 6 per cent range and margin growth to be in line with current market consensus of about 120 basis points.

Exchange rate movements – principally the euro and Australian dollar against sterling – helped boost revenues and profits, contributing 20 basis points to underlying operating margins of 7.2 per cent.

Cadbury said growth was robust across all key markets with the exception of France and southern Europe, where it saw "some slowdown" in the rate of growth. Revenues in emerging markets rose 13 per cent, helped by a strong performance in India where revenues grew by a quarter. The board has agreed a 6 per cent increase in the interim dividend to 5.3p. Cadbury shares were flat in early trade 628½p. It will give more detail on the measures it expects to take in its interim management statement in October.

Indonesia says to invest up to US\$175 Mln in Cocoa

Source: Reuters

30/07/2008

Jakarta, July 30 - Indonesia will spend as much as 1.6 trillion rupiah (\$175 million) this year on revitalising cocoa plantations and tackling the spread of pests and diseases which threaten output, an agriculture official said on Tuesday.

Indonesia, the world's third-largest cocoa producer, has been struggling to increase its output as ageing cocoa trees have made the crop vulnerable to pest attacks.

The country's vast network of smallholders has also meant that it is more difficult to increase output as farmers often neglect their plants when cocoa prices are low or falling.

Ahmad Mangga Barani, director general of plantation crops at the Agriculture Ministry, said that the funds would be used for crop maintenance, and to cover the costs of fertiliser and replanting in 200,000 hectares of cocoa plantations.

"Farmers will get free cocoa seeds that can resist pest and disease attacks," Mangga Barani said.

Mangga Barani said the programme would help Indonesia in its fight against a deadly fungal disease, Vascular-streak dieback (VSD) and against the cocoa pod borer, which eats cocoa beans.

About 500,000 hectares of cocoa plantations have been affected by these pests and diseases, but the areas affected could be reduced by 56 percent with the introduction of pest- and disease-resistant seeds, he said.

Cocoa prices have surged to the highest level in about 20 years on concerns about crop size and quality in top grower Ivory Coast and in Indonesia.

Indonesia will need a total of 5.6 trillion rupiah over a three-year period to revitalise its ageing cocoa plantations, he added.

Indonesia is now expected to produce 480,000-490,000 tonnes of cocoa this year, well below a forecast in May of 520,000 tonnes, because of the spread of VSD which attacks branches, leaves, and tree trunks.

The Agriculture Ministry will distribute 1 million pest- and disease-resistant cocoa seeds this year, and a further 3.5 million next year, Mangga Barani said.

Laurent Pipitone, senior statistician at the International Cocoa Organization, has said VSD could pose a serious threat for the country's cocoa production in the long term. (\$1=9,125 Rupiah)

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Other

Cadbury cost cuts despite profits

The Press Association - Jul 30, 2008

Dairy Milk maker Cadbury posted a 46% leap in first-half profits and said it would take "whatever measures necessary" to combat commodity cost rises. Strong demand for brands such as its Dairy Milk chocolate and the new Creme Egg Twisted Bar helped drive the hike in underlying pre-tax profits to £223 million, said Cadbury. But the group, which spun off its drinks arm in May and dropped the Schweppes brand from its name, said it was stepping up its cost cutting efforts to tackle challenging conditions and input price increases.

Cadbury has already upped its prices by 3% to 4% in the past year, which will be looked at again as part of a top-down business review to ensure it meets goals to grow revenues by 4% to 6% and achieve "mid-teens" profit margins growth.

Staff numbers will also be reviewed, the group confirmed.

Cadbury chairman Roger Carr said: "Against a background of more challenging economic conditions, we will take whatever measures are necessary in costs, prices, organisation structure and business portfolio to underpin and deliver the performance commitments we have made for 2008 and beyond."

Sales in the first six months of the year were ahead of the group's targets, up 7.3% on a like-for-like basis. Cadbury said it now expects revenues growth at the top end of its 4% to 6% range, despite battling against soaring input costs of around 5% to 6% this year, which will be weighted towards the second half, it said.

Cadbury spent £52 million more on marketing - at £297 million - to help boost sales. Revenues rose by 3% in Britain, helped by its move out of less profitable promotions and new launches, including the expansion of its Trident gum range, with a new chocolate-centred Trident Sweet Kicks and other centre-filled flavours.

Cocoa market has potential to grow: Expert

Tuesday, July 29, 2008

Pacific cocoa market has a lot of potential to grow with its untapped niche for future development, says an expert. Dr John Konam, a plant pathologist working with the South Pacific Community, said cocoa has a lot of potential in Fiji and if planned properly can be developed at an industry level. "Cocoa is a much cash crop of high potential value and there is consistent world demand for the next two to three decades," he said.

"Pacific cocoa produces less than 3 per cent of the world cocoa but the strength lies in the fine flavour of it which is about 9 per cent."

However, he said farmers should be aware of any pests and diseases that may threaten their cocoa farms. The Director Extension Services, Fiuwaki Waqalala, said the Agricultural Marketing Authority of Fiji (AMA) have also identified certain cocoa markets which they will capitalise on.

Ivory Coast union calls off planned general strike

Thu 31 Jul 2008, 6:08 GMT

ABIDJAN (Reuters) - An influential union in top cocoa grower Ivory Coast has called off a general strike planned for July 31, saying it wanted to allow time for talks aimed at resolving a crisis sparked by the high cost of living. The General Union for Ivorian Workers (UGTCI) had previously called for a general strike against the surge in the cost of food and fuel that has swept Ivory Coast and much of Africa.

"The UGTCI ... has decided to suspend its plans in order to allow negotiations to succeed," UGTCI Secretary-General Francois Ade-Mensah said in a statement on Wednesday.

A transport strike this month paralysed much of the commercial capital, Abidjan, and sparked clashes between youths and police. They did not, however, greatly affect cocoa exports as the industry is in a seasonal lull.

Ghana: Relations With China - Into the Claws of Another Predator?

Inter Press Service (Johannesburg)

29 July 2008

Francis Kokutse

Accra

More and more, China seems to be taking up any commodity that can be had from Ghana. From copper waste and scrap, timber and natural rubber to aluminium waste and scrap and vegetable products are being exported to the upcoming Asian superpower. Cocoa is the latest addition to the list. Ghana is to export 6,500 metric tonnes to China this year, says Isaac Osei, chief executive of the Ghana Cocoa Board (COCOBOD).

This uptake of cocoa is meant to pay for the construction of the ongoing hydro-power project at Bui, north-east of the capital Accra. Government sources indicated last year that an arrangement had been entered into where cocoa production would be increased to supply extra cocoa to China.

Trade between the two countries has blossomed over the years, with China benefitting most. By 2000, exports to China totalled only 25 million dollars with imports of 93 million dollars. Exports grew to 32 million dollars in 2003 with imports of 180 million dollars. In 2006, the figure went up to 39 million dollars for exports while imports surged to 504 million dollars.

Despite the Bui project, some Ghanaians are concerned that China is benefiting from trade liberalisation by African countries while the same is not true the other way round. Virtually every African country has opened its doors wide to cheap Chinese imports.

Osei pointed out in April this year at the United Nations Conference on Trade and Development (UNCTAD) meeting in Accra that Ghana's efforts to promote cocoa trade with emerging industrial giants such as China and India were being undermined by trade tariffs applied to developing producers.

Osei said developing countries such as Ghana and Cote d'Ivoire faced higher tariffs on cocoa imports to China and India than less-developed producers such as Benin, Guinea, Haiti, Togo or Uganda. "For us, it discourages investment in the cocoa sector here."

There is disquiet within the cocoa industry because of the way consuming nations have continued to create distortions in the pricing of the commodity. Speaking on the same platform as Osei, finance minister Kwadwo Baah-Wiredu said there was an imbalance in the cocoa pricing system and urged cocoa-producing states to join forces. "The current cocoa-chocolate value chain is characterised by an imbalance where the manufacturing and processing end is well positioned at the high value end, compared to the cocoa producers who receive a low share of the final price," he said. With China's heightened visibility through cheap goods, some Ghanaians are particularly unhappy about the Asian state's approach to Ghana.

Alfred Neimann, a commodity analyst at BMT Associates in London told IPS this development "is really surprising since China and India have maintained profiles as leading the development cause of the developing world.

"China needs to open up more and be flexible, especially when she is dealing with countries in the South. That is the only way that China can show that it is on the side of development," he added.

Neimann said it is unfair that China -- having taken advantage of the free trade environment to flood poorer countries, especially Africa, with cheap imports which may not necessarily be of high quality -- turns round to prevent the flow of goods into its territory.

Gabriel Orji, an official working in the Nigerian ministry of trade, said that "there is no friendship when it comes to trade. What is happening between China and African states now is an evolving relationship that has to be properly defined and nurtured. "Africa cannot move away from one predator only to get herself into the claws of another," Orji said. The governments of African states should use their encounters with their Chinese counterparts to get them to see things from the African perspective, he added.

Getting proper rules in place is important for Ghana. The country is on course to meeting a national target of one million tonnes of cocoa a year by 2010. Consequently, it is keen to find more markets for its produce, apart from other attempts to add value to products locally. China is a potential market and, with improved trade relations, Ghana is likely to sell more cocoa since local processing facilities are not strong on the ground yet.

An alternative is to find other ready markets. Already there have been diplomatic moves to export cocoa to Cuba but this will take time. Thus there is the need to find ways to create favourable trade environments devoid of hindrances.

Employing about a million people in the six cocoa growing districts throughout the country, the cocoa industry is a major contributor to government revenue. It earned about 1.2 billion dollars last year.

Bournville 'safe' as Cadbury warns of more cuts

Jul 30 2008 by Anna Blackaby, Business Staff

Cadbury (CBRY) has posted a 46 per cent leap in profits and insisted the future of its Bournville plant was secure despite vowing to take "whatever measures are necessary" in the face of a challenging economic backdrop. Strong demand for brands such as Dairy Milk and the new Creme Egg Twisted Bar, as well as double-digit revenue growth in emerging markets, were behind the Birmingham-based confectionery giant's first-half profit surge.

Cadbury, which dropped the Schweppes brand from its name when it spun off its drinks arm in May, said underlying pretax profits hit £223 million in the first half of the year. The group also confirmed its commitment to delivering "mid-teens" profit margin growth by 2011.

Cadbury chairman Roger Carr said: "Against a background of more challenging economic conditions, we will take whatever measures are necessary in costs, prices, organisation structure and business portfolio to underpin and deliver the performance commitments we have made for 2008 and beyond."

Despite the ongoing focus on costs, the company said there were no further plans to cut jobs at the Bournville site.

Cadbury spokesman Tony Bilsborough told The Birmingham Post: "The operation at Bournville recently had an investment into the factory and site and over the last few years, there has been a gradual reduction in headcount there through increased efficiency. "There are no plans to reduce that further. We are committed to Bournville - it is one of our leading, if not the leading, factory."

Cadbury announced last year it would shut its Keynsham plant near Bristol by 2010, axing 500 jobs, with much of the work going to Poland. The decrease in headcount at Bournville - initially announced to be about 200 but subsequently reduced although the final figure was not revealed - has been achieved through voluntary redundancies. It employs 50,000 people worldwide, with about half of its 5,000-strong UK workforce at the Bournville site.

Cadbury is pumping £40 million into its Bournville site, which will see new chocolate-making facilities installed by the end of the year and a new moulded chocolate bar production line set for the year after.

The group, which also owns Trident chewing gum, Green and Black's and Halls cough drops, said yesterday it was facing an uncertain economic outlook and expected further increases in input costs in 2009.

Cadbury has upped its prices by three to four per cent in the past year in reaction to higher milk, cocoa and vegetable oil prices, as well as soaring crude oil prices. But the firm said higher prices had not affected sales and it had seen no downtrading to cheaper products.

Cadbury chief executive Todd Stitzer said the group's products were well-placed to help it weather a consumer downturn. "No matter how bleak economies look, people always go for treats and that's why we have seen no real slowdown in the first half and we see confectionery as a robust category in difficult economic conditions," he said

Mr Stitzer said overall demand remained strong and he was confident further price rises in 2009 would be enough to continue to offset rises in commodity prices.

Cadbury's revenues in the UK rose by three per cent, helped by new launches including the expansion of its Trident gum range with the launch of chocolate-centred Trident Sweet Kicks in July. The brand, Britain's first chocolate-flavoured gum, is a mint-flavoured chewing gum filled with a liquid chocolate centre, aimed at women dieters looking for a "snack substitute".

Reviving the jute factory

30/07/2008

The Statesman Online, Ghana - Jul 30, 2008

That the jute factory, which used to be one of the flourishing Kumasi-based industrial units, is now going to be resurrected is good news indeed. A Memorandum of Understanding to this effect was recently signed between Ghana Cocoa Board and Ganges Jute Pvt Limited of South Africa - a subsidiary of Ganges Jute Pvt Limited India.

Whereas COCOBOD would be providing the premises for the factory, GJPL would offer the needed financial support, training, equipment and technology for the smooth running of the factory at a cost of \$6 million. All things being equal, the industrial unit would create 300 job opportunities, according to the Director of GJPL, Abhishek Poddar, while the MoU was being signed with the Chief Executive of COCOBOD, Isaac Osei who represented the Government of Ghana.

Years ago the jute factory used to be the supplier of (jute) sacks for the cocoa industry, thereby easing Ghana's dependence on imported sacks for the packaging of dried cocoa beans. However, just as other industrial establishments collapsed following incessant and wanton military take-overs and subsequent inept administrations, the factory also died a natural death. Consequently, many people were thrown out of gainful employment and they, together with their dependants, were therefore plunged into the abyss of economic distress.

Thank God 300 job opportunities are going to be created through the revival of the factory. Creation of this number of jobs is not a mean achievement under President John Agyekum Kufuor's New Patriotic Party Government. In fact, it will add up to the successes already chalked by the current administration.

Undoubtedly, money that goes into the importation of the jute sacks might be used on other ventures to boost the economy of the nation. Then again, the products would be at the beck and call of our industrious farmers – who sometimes complain about the difficulties they encounter in accessing the sacks to package their cocoa beans.

The Statesman believes that in the near future production of the sacks would increase to pave way for more jobs to be created. There could also be excess for export so as to increase the country's foreign exchange earnings. We are extremely glad that a good number of the industries which collapsed over two decades ago have been, and are still being revived. It's a clear indication of the concretization of the NPP's vision of industrialization.

We urge the government to continue with the industrial drive to improve the standard of living of majority of Ghanaians. Partnering the private entrepreneurs will go a long way to achieving the stated vision.

All hands must be on deck to move the nation forward.

CAOBISCO articulates today's challenges

By Lindsey Partos

ConfectioneryNews.com

31-Jul-2008 - Filippo Cerulli, the new president of CAOBISCO talks to ConfectioneryNews.com about challenges facing the €45.4 billion chocolate, biscuit and confectionery industry in the 21st century, and how this leading European trade association intends to stay ahead of the times, supporting its members along the road to growth. Since the inception of CAOBISCO nearly 50 years ago, the European market has witnessed the post-war acceleration of productivity in the 50s and 60s, the food mountains of the 70s and 80s, and now the glaring view of a global food industry getting to grips with soaring prices for energy and raw materials.

For Filippo Cerulli, the first priority as he embarks on his tenure as CAOBISCO president is to add value to the association, enabling it to evolve, adapt, and reflect new requests from members. "If we analyse the last few years, we observe much change in our markets and structure," he told ConfectioneryNews.com.

Regional markets are now national, and very often European, markets. In parallel, the problems, and their size, have changed, continues Cerulli. In the past, each member state would work to create their own solution, but now there are increasingly European solutions, that must occur without losing a strong connection with the local market.

And against the background today of strong inflation on key raw materials, such as wheat, vegetable oils and sugar, a pivotal role for the association, that represents some 1800 firms and 245,000 employees, is to contribute to a structure that will offer support mechanisms during challenging times. "We have to push the European agriculture sector to be more open, and more flexible to market changes," said Cerulli. He deems that existing regulations in the EU have created an inflexible supply, and that when a crisis emerges, the market is unable to react with sufficient rapidity.

Notably, with wheat: CAOBISCO is currently lobbying the Commission to ensure some buffer stocks exist for this essential cereal that provides a range of food ingredients, from starch to flour, used widely by its members. While stocks are expensive to keep, Cerulli argues that actually not keeping them is a more expensive option, witnessed by the strong inflation on commodities and finished goods over the past 24 months.

And with global buffer wheat stocks currently at a 30 year low and current supplies vulnerable to untoward weather conditions, the European food industry is keen to ensure they have access to some security stocks.

In the past, the EU had very large intervention stocks, but the last of these were sold a couple of years ago.

According to Cerulli, the Commission is currently discussing the option of abolishing intervention stocks altogether. And while the association is not arguing necessarily for a return to intervention stocks, they believe some security stocks are necessary. Access to such stocks could also dampen inflation to consumers, currently galloping in today's market place. "If the European Union wants to solve inflation, or reduce it, they have to start managing it from the beginning - agriculture and raw materials," asserts Cerulli.

A "beginning" that is tied intimately to the CAOBISCO members. Together, the association members buy some 30 per cent of the European sugar production, 35 per cent of skimmed milk powder at full EU price, as well as a large share of the glucose, butter, wheat, eggs and dried fruit produced in the European Union.

TIT BITS

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

US MIDDAY: coffee down, cocoa up

NEW YORK (July 29, 2008): Arabica coffee futures eased in early trade Monday, as the market consolidated after Friday's small rally, while cocoa was up a shade with both commodities dealing thin volumes. ICE Futures US September arabica contract down 1.15 cents at \$1.3615 per lb by 9:23 am EDT (1323 GMT), spanning \$1.36 to \$1.3755. The rest flat to 1.15 cents lower. September volume at 1,995 lots by 9:24 am.

London coffee, cocoa and sugar fall

LONDON (July 29, 2008): Soft commodity futures turned south late on Monday and dealers said a fund could be liquidating positions in coffee and cocoa while technical selling weighed on sugar. "A cross-commodities fund might have dumped its positions in coffee and cocoa," a dealer said. One coffee dealer said the market had fallen despite a slight rise in crude oil prices and a weaker dollar, both potentially supportive factors.

Ivorian cocoa arrivals seen 1.28 million tonnes

ABIDJAN (July 29, 2008): cocoa arrivals at ports in top grower Ivory Coast reached around 1,281,000 tonnes from October 1 to July 27, exporters estimated on Monday, up from 1,165,551 tonnes in the same period of the previous season. Exporters estimated around 7,000 tonnes of beans were delivered to the West African country's two ports in the week of July 21-27, up from 5,133 tonnes in the same week a year ago.

Indonesia to invest up to \$175 million in cocoa

JAKARTA (July 30, 2008): Indonesia will spend as much as 1.6 trillion rupiah (\$175 million) this year on revitalising cocoa plantations and tackling the spread of pests and diseases which threaten output, an agriculture official said on Tuesday. Indonesia, the world's third-largest cocoa producer, has been struggling to increase its output as ageing cocoa trees have made the crop vulnerable to pest attacks.

US MIDDAY: coffee and cocoa climb

NEW YORK (July 31, 2008): Arabica coffee futures trading on ICE Futures US were firm for the second straight day Wednesday, while cocoa turned higher after a weak start, with both markets dealing in thin trade. September was up 1.65 cent at \$1.3805 per lb by 9:18 am EDT (1318 GMT), dealing between \$1.37 and \$1.384.

US MIDDAY: coffee and cocoa up

NEW YORK (August 01, 2008): Arabica coffee futures trading on ICE Futures US firmed for the third straight day on Thursday, while cocoa also gained on supply concerns and a broad rally across the soft commodities complex. September was up 1.45 cent at \$1.3900 per lb by 9:17 am EDT (1317 GMT), dealing between \$1.370 and \$1.395.

Indonesian cocoa sellers cut discount on tight supplies

JAKARTA (August 01, 2008): Indonesia's Sulawesi cocoa beans were offered for sale at a lower discount than earlier this month as persistent rains in the plantation areas hampered delivery of cocoa beans, dealers said on Thursday.