



COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 198

25th – 29th September 2006

ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York futures (US\$/tonne)
25 th September	1057.13	1569.71	850.33	1522.33
26 th September	1060.09	1570.69	853.67	1521.67
27 th September	1069.30	1582.78	864.00	1532.00
28 th September	1045.89	1547.56	850.67	1498.67
29 th September	1055.16	1557.81	862.67	1499.33
Average	1,057.51	1,565.71	856.27	1,514.80

Up-coming Events

- 15th International Cocoa Research Conference, 9th – 14th October 2006, San José, Costa Rica

In the News:

- Pan Sino to invest US\$250m in cocoa plant in Singapore
- "Small incidents" of child labour in Ghana cocoa industry – Report
- Cocoa farmer calls for a review of bonus period
- Ghana: Cocoa Farmer Calls for a Review of Bonus Period
- Ghana ready for celebrating Cocoa Day
- Is Ghana's way to progress paved with cocoa, timber and gold?
- Cocoa intake linked to lower blood pressure and reduced risk of death

INSIDE THIS ISSUE :

ICCO DAILY COCOA PRICES
 UP-COMING EVENTS
 LONDON & NEW YORK FUTURES
 MARKETS UPDATE
 SPOT PRICES
 NEWS
 TIT-BITS

Have you had your cocoa today?

Cocoa Producers Alliance

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

Monday 25th Sept. 2006

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Dec 2006	843	834	-6	849	826	4,167
Mar 2007	859	852	-6	866	845	964
May 2007	873	865	-5	875	860S	743
Jul 2007	887	878	-5	887	874S	649
Sep 2007	902	892	-5	902	889	276
Dec. 2007	910	906	-5	910	900	193
Mar-08	915	918	-4	921	911S	80
May-08	922	929	-3	922	922	9
Jul-08	946	939	-3	947	936	194
Sep-08		948	-3			0
Totals		896				7,275

Tuesday 26th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	837	837	3	842	831	2,254
Mar 2007	854	855	3	860	850	1,022
May 2007	864	869	4	868	864	236
Jul 2007	876	881	3	885	876S	482
Sep 2007	891	895	3	895	891	14
Dec. 2007		909	3			0
Mar-08		921	3			0
May-08		932	3			0
Jul-08	938	942	3			442
Sep-08		951	3	945	937S	0
Totals		899				4,450

Wednesday 27th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	839	847	10	848	838	2,277
Mar 2007	858	866	11	866	858	1,201
May 2007	872	879	10	878	871	630
Jul 2007	883	892	11	891	883	330
Sep 2007		905	10			0
Dec. 2007		919	10			0
Mar-08	923	931	10	930S	923	200
May-08	940	941	9	940S	940S	100
Jul-08		952	10			0
Sep-08		960	9			0
Totals		909				4,738

Thursday 28th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	848	837	-10	854	827	4,613
Mar 2007	867	851	-15	871	845	1,727
May 2007	880	864	-15	884	860	553
Jul 2007	893	877	-15	894	878	78
Sep 2007	892	890	-15	892S	892S	5
Dec. 2007	910	904	-15	910	910	50
Mar-08	922	916	-15	922S	922S	25
May-08		926	-15			0
Jul-08		937	-15			0
Sep-08						0
Totals		889				7,051

Friday 29th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	838	849	12	854	833	4,790
Mar 2007	852	863	12	865	848	1,951
May 2007	867	876	12	879	862	573
Jul 2007	880	888	11	884	879	39
Sep 2007	893	902	12	897S	893S	16
Dec. 2007	910	915	11	910S	908S	114
Mar-08	922	927	11	922	920	14
May-08		937	11			0
Jul-08		948	11			0
Sep-08		956	11			0
Totals		906				7,497

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

Monday 25th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1496 1499	1493	-6	1510	1480	4576
Mar 2007	1530 ^B 1533 ^A	1527	-7	1545	1514	869
May 2007	1555 ^B 1559 ^A	1550	-9	1566	1545	78
Jul 2007	1579 ^B 1584 ^A	1575	-9	1584	1584	32
Sep 2007	1600 ^B 1607 ^A	1599	-8	1614	1591	217
Dec 2007	0 0	1625	-7	0	0	142
Mar 2008	1654 ^B 0	1649	-8	0	0	0
May 2008	0 0	1669	-8	0	0	0
Jul 2008	0 0	1689	-8	1704	1681	181
Totals		1597				6,095

Tuesday 26th Sept 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1487 1490	1489	-4	1502	1481	3664
Mar 2007	1520 0	1524	-3	1537	1516	1177
May 2007	1543 ^B 1547 ^A	1547	-3	1548	1548	206
Jul 2007	1565 ^B 1572 ^A	1573	-2	0	0	3
Sep 2007	1592 ^B 1595 ^A	1598	-1	1602	1597	105
Dec 2007	1618 ^B 1622 ^A	1623	-2	1625	1625	11
Mar 2008	1640 ^B 1646 ^A	1650	1	0	0	25
May 2008	0 0	1670	1	0	0	0
Jul 2008	0 0	1690	1	1692	1687	40
Totals		1596				5,231

Wednesday 27th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1496 1503	1502	13	1508	1492	4031
Mar 2007	1533 1534	1536	12	1540	1527	1111
May 2007	1555 ^B 1560 ^A	1559	12	0	0	0
Jul 2007	1581 ^B 1590 ^A	1585	12	1586	1573	270
Sep 2007	0 0	1610	12	0	0	40
Dec 2007	1630 ^B 0	1635	12	0	0	70
Mar 2008	0 0	1662	12	0	0	0
May 2008	0 0	1682	12	0	0	0
Jul 2008	0 0	1702	12	0	0	0
Totals		1608				5,522

Thursday 28th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1505 1508	1467	-35	1508	1463	6702
Mar 2007	1538 0	1501	-35	1538	1497	1414
May 2007	1560 ^B 1565 ^A	1524	-35	1552	1524	171
Jul 2007	1585 ^B 1590 ^A	1550	-35	1563	1553	66
Sep 2007	1610 ^B 1617 ^A	1574	-36	0	0	79
Dec 2007	0 0	1599	-36	1630	1628	121
Mar 2008	0 0	1626	-36	0	0	40
May 2008	0 0	1647	-35	0	0	0
Jul 2008	0 0	1669	-33	0	0	0
Totals		945	-15			8,593

Friday 29th Sept. 2006

Month	Opening Trans	Settle	Change	High	Low	Volume
Dec 2006	1471 1476	1472	5	1479	1449	4831
Mar 2007	1508 0	1504	3	1510	1482	724
May 2007	1530 ^B 1534 ^A	1527	3	1529	1511	97
Jul 2007	1555 ^B 1560 ^A	1553	3	1555	1537	131
Sep 2007	1578 ^B 1588 ^A	1577	3	0	0	711
Dec 2007	0 0	1600	1	0	0	78
Mar 2008	0 0	1629	3	0	0	200
May 2008	0 0	1650	3	0	0	0
Jul 2008	0 0	1672	3	0	0	0
Sep. 2008		0				500
Totals		1418				2,441

Spot Prices (US \$ per tonne)

	25 th Sept.	26 th Sept.	27 th Sept.	28 th Sept.	29 th Sept.
Main Crop Ghana, Grade 1	1870	1866	1879	1846	1849
Main Crop Ivory Coast, Grade 1	1781	1777	1790	1757	1760
Main Crop Nigerian, 1	1751	1747	1760	1727	1730
Superior Arriba	1968	1964	1977	1944	1947
Sanchez f.a.q.	1713	1709	1722	1689	1692
Malaysian 110	1491	1487	1490	1467	1470
Sulawesi f.a.q.	1528	1524	1537	1504	1507
Ecuador Cocoa Liquor	2523	2516	2538	2483	2488
Pure Prime Press African Type Cocoa Butter	3897	3886	3920	3834	3842
10/12% Natural Cocoa Press Cake	796	794	801	783	785

Source: Cocoa Merchants' Association-

News

Pan Sino to invest US\$250m in cocoa plant in Singapore

By Wong Choon Mei, Channel NewsAsia |

Posted: 25 September 2006

SINGAPORE : Hong Kong-listed Pan Sino International Holdings is investing US\$250 million in a cocoa processing plant in Singapore. To be built on a 6-hectare site at Jurong Industrial Estate, the plant - which is expected to be up and running in 2009 - is Singapore's largest food project in recent years. Pan Sino also says it may consider listing its Singapore outfit - Hesley Cocoa International - on the SGX.

Pan Sino is a regional group with roots originating from Indonesia, where it owns extensive plantations and is the third largest cocoa bean trader.

It now wants to diversify into manufacturing, where it sees bigger margins.

Rudi Zulfian, CEO, Hesley Cocoa International, said, "From trading operations, we get 20 to 25 percent margins and (with) a move to manufacturing, we will get additional 30 to 35 percent margins. We intend to invest about US\$250 million in Singapore and hopefully that US\$250 million will give us a capacity of 120,000 tonnes per annum. We will divide it into two phases. (In the) first phase, we will pump in about US\$130 million which will give (an) initial capacity of 80,000 tonnes per annum." The group plans to finance its Singapore operations from listing proceeds derived out of Hong Kong.

Fully-owned unit - Hesley Cocoa - will manage and run the factory here.

Ko Kheng Hwa, Managing Director, Economic Development Board, said, "This is Singapore's largest food manufacturing project in recent years. This investment is highly desirable for Singapore. It is capital intensive, the production is complex and sophisticated. We call it high-skill expertise." Pan Sino expects cocoa bean prices to stay rangebound over the next 12 months, with a 5 to 10 percent fluctuation around the current level of about US\$1,300 per tonne.

It plans to focus on its traditional export markets in the US and Europe, and is also keen to make inroads into China.

Rudi Zulfian said, "The growth of production is not as big as growth of demand. You can say that the growth of demand for cocoa in one country is in line with the growth of the economy. The consumption per capita of chocolate in Europe is 2 kg per person. You cannot imagine...China people (consuming) 2 kg of cocoa - now they only consume about half (a) kilogramme." There are currently two other cocoa processors in Singapore, which together generate about 80,000 tonnes a year. - CNA/ms

"Small incidents" of child labour in Ghana cocoa industry - Report

Tuesday 09/26 Accra,

-GNA- The incidence of child labour in the Ghanaian cocoa industry is not alarming, but identified small incidents must be addressed, a report by the General Agricultural Workers Union (GAWU) has shown. The report on recent "Research on Child Labour on Cocoa Farms in Ghana," said: "There is need to embark on vigorous public education and sensitisation campaign on child labour issues." It added: "This is a necessary step in order to check any abuse of the traditional practice of training children in the occupations of their parents."

The report also stressed "the need for strong collaboration among stakeholders to sensitise and build capacities of the Community-Based Organisations to effectively check this emerging phenomenon before it becomes a menace." Launching the report, Kwasi Adu-Amankwah, Secretary-General of the Ghana Trade Union Congress (GTUC), said the Union viewed child labour not only as an issue that affected the physical, psychological and educational well being of the children, but was also a canker that had devastating effects. "It's like a giraffe, the further away you are from it the smaller it looks, but a closer look reveals its enormous and gigantic nature," he charged.

Adu-Amankwa said the Trade Union would not accept child labour in any form, and had thus included the elimination of all forms of child labour in its policy, adding that the use of bipartite agreements with employers was being applied through collective agreements. Saturday, October 07, 2006

Cocoa farmer calls for a review of bonus period

Wednesday, September 27, 2006

-GNA-

Nana Yaw Barimah Suadwa, Chief Farmer of Fianko, a cocoa growing community in Asunafo North district, has appealed to the government to review the periods for the payment of bonuses to cocoa farmers. He proposed that the bonuses be paid in June and July instead of November "when the farmers have enough money to spend".

Nana Yaw Barimah Suadwa, thanked the government for its continued support for cocoa farmers leading to increased productivity. He urged the government to re-introduce the farmers' assistant scheme that allowed them to hire labourers to maintain their farms. The chief noted that the scheme, coupled with other measures, would enable farmers to increase the current national production of 700,000 metric tonnes to the targeted one million metric tonnes. Nana Yaw Barimah Suadwa advised cocoa farmers that the only way of effectively eradicating diseases in their farms was to apply the required inputs or to allow infested farms to be destroyed and replanted with hi-tech cocoa seedlings, which could be harvested within two years.

Ghana: Cocoa Farmer Calls for a Review of Bonus Period

September 27, 2006

GNA

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Ghana ready for celebrating Cocoa Day

September 28, 2006

The Ghana Cocoa Board (COCOBOD) on Wednesday said it had made adequate preparations to eliminate bottlenecks that might affect the smooth running of the 2006/7 major cocoa season, which opens in October 2006.

Speaking at a press conference ahead of the celebration of Cocoa Producers Alliance (COPAL) Cocoa Day, Isaac Osei, Chief Executive of COCOBOD, said 14 bales of jute sacks and twines, enough to allow Licensed Buying Companies (LBCs) to purchase and bag about 300,000 tons of beans had been released, reported the Ghana News Agency.

Last week, COCOBOD announced the signing of a trade finance facility agreement involving 810 million U.S. dollars to be used to finance cocoa purchases for the 2006/7 crop year. The money would be made available to LBCs as seed money for them to purchase cocoa during the new season. Osei said the loan agreement would provide buyers "adequate cash flow" to make prompt payment for the produce from farmers. This year's COPAL celebration would be marked on October 1 and would include activities such as a health walk, recognition of some farmers, fair and exhibition.

Source: Xinhua

Is Ghana's way to progress paved with cocoa, timber and gold?

29/09/2006

African Business Roundtable President, Bamanga Tukur has said it all: 60 percent of global raw materials are supplied by the poorest region in the world, Africa. The figures support the long held argument that Africa's inability not to process its raw materials locally is one of the major reasons that the continent remains poor, held back by the lack of manufacturing success.

Ghana's major export profile attest to this: Gold, cocoa, timber, tuna, bauxite, aluminium, manganese ore, diamonds. In fact, after 23 years of economic reforms, today Cocoa, gold and timber still account for over 70 percent of Ghana's total export. It is worthy of note that our economic exchange with the rest of the world has not fundamentally changed for about five hundred years. It has been predominantly driven by the export of human resource (from slaves to medical officers and manual labourers) and natural resource. Our country has a rich history of trade with Europe dating back to the 15th century when Portuguese traders built trading forts. Such was the trade buoyancy that Ghana soon accounted for more than one-tenth of the world's gold supply by the end of the 16th century. But, who has gained from this in a progressively sustainable way? Certainly, not us!

After the 18th century, the strength of Britain's economy (Industrial revolution) which was based in consumer and industrial goods, in turn fed heavily on raw material sources in the colonies. Even as Ghana continues to grow in the capitalist free-market doctrine we are still fighting the legacy of underdevelopment that British colonial rule imposed upon us. And, at the bottom of that is our over-reliance on primary goods. We need to move away from it. Except the movement is not as clear cut as it should be. Government, we believe, has taken bold steps to clear the fields and empower the private sector to lead this necessary industrial drive. It can certainly do more. But, the private sector appears to lack the far-sighted conviction to help the country make a clean break with our primary-goods-oriented past.

Government should also find more understanding in the fact that the future lies in technology, ICT, industrialisation and value-addition to our products. If we have relied on cocoa, gold and timber for about a century without much to show for it, then critical examination is required and a change in focus prioritised. Ghana, for instance, earned 170.5 million euro from the export of 455,000 m3 of wood products during 2004 compared to 163 million euro from 444,000 m3 of wood exports in 2003, thus registering increases of 4.6 percent and 2.4 percent in value and volume respectively during 2004.

Yet, Ghana has a land area of 22.7 million hectares and a forest cover of 28 percent with a deforestation rate of 1.72 percent. Is this level of environmental degradation for such meager sums a price worth paying? But, even that industry and recent changes in it show what can be done to change things. Having banned the export of logs, Ghana has made some modest progress in value-added products in the timber industry. Of the total value for 2004, tertiary products (including mouldings, flooring, furniture parts, profile boards, dowels, broomsticks, and sleepers) accounted for 27 million euro in 2004 (up from Euro 23 million in 2003). Secondary products (including sawn lumber, plywood and veneers) fetched a total of 143 million euro in 2004 (compared to Euro 140 million in 2003).

Africa, the overwhelming evidence shows, is suffering from a chronic pandemic case of the Dutch disease - an economic concept that tries to explain the seeming relationship between the exploitation of natural resources and a decline in the manufacturing sector. The theory is that an increase in revenues from natural resources will de-industrialise a nation's economy by raising the exchange rate, which makes the manufacturing sector less competitive. Despite a high potential, Ghana's economy has remained structurally rigid, largely depending on exports of primary commodities, namely gold, cocoa, bauxite and timber. Since 1983, the country has been committed to ambitious economic reform programmes, supported by international donors that resulted in comparatively considerable economic growth, with an average of 4.2 percent per annum between 1991 and 2002 and a record 5.9 percent growth in 2005.

However, Mr. Turkur was very right to warn African countries that their World Bank-inspired poverty alleviation programmes would fail unless industrialisation was given priority. The evidence so far shows that Ghana's economic liberalisation programme, especially in the 1990s, led more significantly to heavy de-industrialisation, especially in the divestiture of state-owned assets. We know what to do and we know we have to do it, but the conviction to do it appears lacking. Nobody else would do it for us. And, this is a clear message to all, more so, Ghanaians living abroad, whose combined monies transferred to Ghana is far in excess of total annual donor support. The way forward is certainly not in cocoa, timber and gold. They must remain significant but let us make bold and sustainable shift to goods and services that can earn us far in excess of what these primary goods give us.

Cocoa intake linked to lower blood pressure and reduced risk of death

Source: Archives of Internal Medicine, 2006

A study of elderly Dutch men has shown that eating or drinking cocoa is associated with lower blood pressure and a reduced risk of death.

Cocoa has been linked to cardiovascular health benefits since at least the 18th century, but researchers are just beginning to collect scientific evidence for these claims. Cocoa is now known to contain chemicals called flavan-3-ols, which have been linked to lower blood pressure and improved function of the cells lining the blood vessels.

Brian Buijsse, National Institute for Public Health and the Environment, Bilthoven, the Netherlands, and colleagues examined cocoa's relationship to cardiovascular health in 470 Dutch men aged 65 to 84 years. The men underwent physical examinations and were interviewed about their dietary intake when they enrolled in the study in 1985 and at follow-up visits in 1990 and 1995. The researchers then placed them into three groups based on their level of cocoa consumption. Information about their subsequent illnesses and deaths were obtained from hospital or government data.

Over the next 15 years, men who consumed cocoa regularly had significantly lower blood pressure than those who did not. Over the course of the study, 314 men died, 152 due to cardiovascular diseases. Men in the group with the highest cocoa consumption were half as likely as the others to die from cardiovascular disease. Their risk remained lower even when considering other factors, such as weight, smoking habits, physical activity levels, calorie intake and alcohol consumption. The men who consumed more cocoa were also less likely to die of any cause.

Although blood pressure is usually linked with risk of cardiovascular death, that was not the case in this study. "The lower cardiovascular mortality risk associated with cocoa intake could not be attributed to the lower blood pressure observed with cocoa use, "the authors write" Our findings, therefore, suggest that the lower cardiovascular mortality risk related with cocoa intake is mediated by mechanisms other than lowering blood pressure." The benefits associated with flavan-3-ols may play a role.

The link between chocolate and overall lower risk of death suggests that other mechanisms also may be involved. " Because cocoa is a rich source of antioxidants, it may also be related to other disease that are linked to oxidative stress (e.g. pulmonary diseases, including chronic obstructive pulmonary disease, and certain types of cancer)," the authors conclude.

TIT BITS

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

US MIDDAY: cocoa down

NEW YORK (September 27, 2006): A stronger dollar levelled Tuesday's early gains in US cocoa futures, forcing the market to settle lower. Dealers forecast trading for the week would remain tight and thin, saying there appeared to be little inspiration to break the pattern.

Ivorian cocoa cooperatives threaten strike

ABIDJAN (September 27, 2006): cocoa cooperatives in Ivory Coast, which control a diminishing share of exports from the world's top cocoa grower, threatened on Tuesday to go on strike next month if the government did not give them tax breaks.

US MIDDAY: cocoa ends up

NEW YORK (September 28, 2006): US cocoa futures closed higher on Wednesday, following a rebound in other commodities, but trade was thin with little news for players to consider ahead of a new crop season.

Brazil cocoa arrivals fall

SAO PAULO (September 28, 2006): Brazilian 2006/07 (May/April) cocoa arrivals from Bahia and other states totalled 1.89 million 60-kg bags by September 24, down 8 percent from 2.06 million bags a year ago, Bahia Commercial Association said Wednesday.

New York cocoa down

NEW YORK (September 28, 2006): A stronger dollar levelled on Tuesday's gains in US cocoa futures, forcing the market to settle lower. Dealers forecast trading for the week would remain tight and thin, saying there appeared to be little inspiration to break the pattern.

US MIDDAY: cocoa down

NEW YORK (September 29, 2006): US cocoa futures closed down Thursday, giving back more than twice of the previous session's gains, as a stronger dollar forced sellers' hands. Volume traded was much higher than Wednesday, although the market was still trapped in the trading range of the past week.

New York cocoa up

NEW YORK (September 29, 2006): US cocoa futures closed higher on Wednesday, following a rebound in other commodities, but trade was thin with little news for players to consider ahead of a new crop season. cocoa for December delivery on the New York Board of Trade settled up \$13 at \$1,502 a tonne after trading from \$1,492 to \$1,508.

