



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 222

12th – 16th March 2007

Cocoa Producers' Alliance

ICCO Daily Cocoa Prices

	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
12 th March	1887.30	1016.67	1815.33
13 th March	1894.76	1016.33	1828.67
14 th March	1852.40	995.67	1781.67
15 th March	1871.11	1005.67	1797.67
16 th March	1875.03	997.33	1815.33
Average	1876.00	1006.00	1808.00

Up-coming Events



In the News:

- Cocoa May Reduce Risk of Cancer Heart Attack Stroke and Diabetes
- Brazil Dry Weather to Continue in Cocoa Areas of Bahia State
- Abolish Unfair Discount on Malaysian Cocoa Beans, Says Anifah
- David Michael pushes cocoa extenders as shortage looms
- Cocoa 'Vitamin' Health Benefits Could Outshine Penicillin
- Cocoa flavanol classed as vitamin?
- Cocoa Consumption May Boost Levels of HDL, a "Good" Cholesterol
- Human Trafficking 'Unacceptable', Says UK Confectionary Association
- Globalization and Child Labor: The Cause Can Also be a Cure
- Ivorian cocoa growers say drought worst in memory

INSIDE THIS ISSUE:

- ✓ ICCO DAILY COCOA PRICES
- ✓ UP-COMING EVENTS
- ✓ LONDON & NEW YORK FUTURES MARKETS UPDATE
- ✓ SPOT PRICES
- ✓ NEWS
- ✓ TIT- BITS
- ✓ **ORDER FORM -14TH INTERNATIONAL COCOA RESEARCH CONFERENCE**

Have you had your cocoa today?

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

Monday 12th March 2007

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Mar 2007	1010	1030	16	1028	1001	1313
May 2007	993	1006	7	1008	979	6327
Jul 2007	1005	1016	5	1017	993	1135
Sep 2007	1016	1028	6	1030	1003S	484
Dec 2007	1012	1028	8	1028	1003S	382
Mar 2008	1010	1033	8	1033	1008	97
May 2008		1040	9			0
Jul 2008	1034	1047	9	1034	1034	3
Sep 2008	1036	1054	9	1036	1036	2
Dec 2008	1047	1064	9	1053	1047	4
Totals		1035				9,747

Tuesday 13th March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2007	1031	1030	0	1037	1024	1684
May 2007	1007	1006	0	1010	995	6120
Jul 2007	1016	1016	0	1020	1004	1737
Sep 2007	1026	1027	-1	1029	1018S	1192
Dec 2007	1022	1027	-1	1031	1016	841
Mar 2008	1035	1032	-1	1035	1023S	80
May 2008		1039	-1			0
Jul 2008		1046	-1			0
Sep 2008		1053	-1			0
Dec 2008		1063	-1			0
Totals		1034				11,654

Wednesday 14th March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2007	1030	990	-40	1035	990	14291
May 2007	1002	985	-21	1005	976	9922
Jul 2007	1013	995	-21	1014	986	11827
Sep 2007	1024	1007	-20	1026	998	1088
Dec 2007	1020	1007	-20	1025	1002	309
Mar 2008	1031	1011	-21	1031S	1003	224
May 2008	1034	1018	-21	1034S	1015	11
Jul 2008	1042	1025	-21	1042	1042	1
Sep 2008		1032	-21			0
Dec 2008	1035	1042	-21	1035	1035	1
Totals		1011				37,674

Thursday 15th March 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Mar 2007	979	978	-12	986	974	725
May 2007	985	994	9	995	980	2990
Jul 2007	995					

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

Monday 12th March 2007

Month	Open	Price	Change	High	Low	Volume
Mar 2007	1680 ^B 1780 ^A	1775	-3	1791	1791	57
May 2007	1778 1782	1790	-3	1804	1768	6729
Jul 2007	1808 1809	1817	-3	1825	1799	955
Sep 2007	1825 ^B 1832 ^A	1839	-4	1846	1822	850
Dec 2007	1843 ^B 1853 ^A	1858	-5	1861	1857	619
Mar 2008	1855 ^B 1875 ^A	1875	-5	0	0	10
May 2008	0 0	1890	-5	0	0	0
Jul 2008	0 0	1901	-5	0	0	0
Sep 2008	0 0	1924	-4	0	0	0
Dec 2008	0 0	1933	-3	0	0	3
Totals		1860				9223

Tuesday 13th March 2007

Month	Open	Price	Change	High	Low	Volume
Mar 2007	1760 ^B 1780 ^A	1789	14	1795	1785	34
May 2007	1785 1788	1804	14			

Thursday 15th March 2007

Month	Open	Price	Change	High	Low	Volume
Mar 2007	1300 ^B 1770 ^A	1757	16	0	0	10
May 2007	1770 1772	1772	16	1777	1758	5159
Jul 2007	1795 0	1799	16	1800	1788	1762
Sep 2007	1810 ^B 1820 ^A	1822	16	1823	1810	750
Dec 2007	0 0	1842	16	1845	1842	79
Mar 2008	0 0	1858	16	0	0	50
May 2008	0 0	1874	16	0	0	0
Jul 2008	0 0	1885	16	0	0	0
Sep 2008	0 0	1908	16	0	0	0
Dec 2008	0 0	1918	16	0	0	0
Totals		1844				7810

Friday 16th March 2007

Month	Open	Price	Change	High	Low	Volume
Mar 2007	0 0	0	0	0	0	0
May 2007	1767 1771	1790	18	1800	1767	6406
Jul 2007	1799 1800	1817	18	1828	1799	1155
Sep 2007	1824 0	1839	17	1845	1824	639
Dec 2007	0 1845 ^A	1860	18	0	0	113
Mar 2008	0 0	1877	19	0	0	52
May 2008	0 1881 ^A	1893	19	0	0	6
Jul 2008	0 0	1905	20	0	0	0
Sep 2008	0 0	1928	20	0	0	0
Dec 2008	0 0	1938	20	0	0	0
Totals		1685				8371

Average for the week	1818					11977
Total for the week						47,907

Spot Prices (US\$ per tonne)

	12 th March	13 th March	14 th March	15 th March	16 th March
Main Crop Ghana, Grade 1	2177	2191	2143	2159	2177
Main Crop Ivory Coast, Grade 1	2080	2094	2046	2062	2080
Main Crop Nigerian, 1	2067	2081	2033	2049	2067
Superior Arriba	2732	2746	2698	2714	2732
Sanchez f.a.q.	2062	2076	2028	2044	2062
Malaysian 110	1788	1802	1754	1770	1788
Sulawesi f.a.q.	1845	1859	1811	1827	1845
Ecuador Cocoa Liquor	3482	3524	3430	3461	3496
Pure Prime Press African Type Cocoa Butter	4982	5021	4888	4932	4982
10/12% Natural Cocoa Press Cake	949	956	931	939	949

Source: Cocoa Merchants' Association

News

Cocoa May Reduce Risk of Cancer Heart Attack Stroke and Diabetes – Should Epicatechin Be Considered A Vitamin – Tea and Wine Too

March 12, 2007

(Best Syndication) Cocoa may have so many beneficial properties that one researcher suggests that it be considered a vitamin. Harvard Professor Norman Hollenberghas has become a proponent of epicatechin, a substance found in cocoa, and has spent years studying the benefits of drinking cocoa.

Hollenberg told Chemistry and Industry magazine reporter Marina Murphy that the Kuna people in Panama drink up to 40 cups of cocoa per week and their risk of 4 of the 5 most common killer diseases has been reduced to less than 10%. He believes that epicatechin is the key chemical that is reducing their risk of stroke, heart failure, cancer and diabetes.

This finding could be as important as other drug discoveries including penicillin and anesthesia, according to Hollenberg. "If these observations predict the future, then we can say without blushing that they are among the most important observations in the history of medicine. We all agree that penicillin and anaesthesia are enormously important. But epicatechin could potentially get rid of 4 of the 5 most common diseases in the western world, how important does that make epicatechin?... I would say very important."

Although vitamins are defined as an essential compound and a deficiency of a vitamin can lead to disease, under the current guidelines epicatechin would not be considered a vitamin, according to nutrition expert Daniel Fabricant. He says epicatechin is so impressive that it may even warrant rethinking how vitamins are defined. Currently there are only 13 essential vitamins. There could be some benefits by increasing the number of vitamins. Fabricant believes that the link between epicatechin and lack of disease among the Kuna people is so profound that it should be investigated further. You may want to have some tea or wine with that cocoa bar. They report says that epicatechin is also found in teas, wine, chocolate and some fruit and vegetables.

Brazil Dry Weather to Continue in Cocoa Areas of Bahia State

By Carlos Caminada

March 13 (Bloomberg) -- Brazil's largest cocoa-producing region won't get much rain during the rest of this month, after two weeks of already dry weather, a meteorologist said. The southeast of Bahia state, home to 80 percent of Brazil's cocoa crops, will receive less than 30 millimeters (1 inch) of rain in the next 15 days, below the historical average, said Andre Madeira of Climatempo. The dry spell threatens the development of pods that growers will start harvesting in May.

"A warm and dry air mass is hovering over the region," Madeira, a meteorologist at the Sao Paulo-based weather forecaster, said in a telephone interview. "Apart from a few scattered showers, there won't be much rain."

Cocoa for May delivery rose \$14, or 0.8 percent, to \$1,804 a metric ton on the New York Board of Trade today. Cocoa futures have risen 26 percent in the past year. Output in Brazil, the world's sixth-largest producer of cocoa beans, will drop to 194,413 tons this year from 204,056 tons in 2006, the Brazilian government's statistics agency said Feb. 7.

To contact the reporter on this story: Carlos Caminada in Sao Paulo at ccaminada1@bloomberg.net

Abolish Unfair Discount on Malaysian Cocoa Beans, Says Anifah

KUALA LUMPUR,

March 13 (Bernama)

The Deputy Minister of Plantation Industries and Commodities, Datuk Anifah Aman, has called for the abolition of unfair discounting for Malaysian cocoa beans at the London and New York Terminal markets despite its improved quality. Malaysia, he stressed, has taken steps to improve its dry beans quality through the introduction of various measures, such as the Standard Malaysian Cocoa, Good Agriculture Practices and Malaysia Cocoa Board recommended planting materials. Cocoa is Malaysia's third major commodity after oil palm and rubber, providing a livelihood for over 90,000 farm families.

In 2005, the cocoa sector contributed RM1.9 billion to Malaysia's export earnings and it grew to RM2.08 billion in 2006.

"While producers seek stable and remunerative cocoa prices for beans and products, the consumers on the other hand demand stable and quality beans supply," he said at the opening of the five-day International Cocoa Council Meeting here Tuesday night.

He pointed out that sustainable cocoa is very much related to price, and the farmers will have higher returns if the discounted cocoa bean price is lower or zero. In addressing the issue of sustainable cocoa supply, Anifah said producers and consumers should work together for a win-win situation.

Anifah also asked the International Cocoa Organisation (ICCO) to tackle the issues of non-tariff barriers such as food safety standards, and sanitary and phytosanitary requirements. He also hoped that the ICCO will discuss with the importing countries such tariff barriers issues as the discriminatory tariff on cocoa and cocoa products imposed by the European Union on certain producing countries.

Among other issues that he wants the the council to deliberate on include ICCO playing an active role in price stabilisation, more intensive research to effectively fight pests and diseases affecting cocoa, a fairer price for cocoa beans and products and the negative perception of cocoa to health such as obesity.

ICCO was established in 1973 under the auspices of the United Nations. Its main objective is to foster international cooperation concerning cocoa by providing a worldwide forum, contributing to market stabilisation and assurance of supply at reasonable prices.

The International Cocoa Council is the controlling body of the ICCO. Its members comprised representatives of 30 countries, 12 from the producers and 18 from importing countries.

David Michael pushes cocoa extenders as shortage looms

By Lorraine Heller

3/14/2007 - The anticipated drop in cocoa production this year has prompted US flavor firm David Michael to renew a marketing push for its line of cocoa extenders, which claim to help manufacturers cut costs. The company said Cocoa-Mate ingredients, a line of cocoa extenders and replacers, are designed to allow for savings during times of high cocoa prices.

The ingredients were first developed in 2002, in response to that year's cocoa shortage. According to the latest market estimates, 2007 is likely to be another year of tight cocoa supplies. Just last week, the International Cocoa Organisation (ICCO) published its first cocoa forecast for 2006/07 on world production, grindings and cocoa bean stocks. Global supply is expected to dip 5.5 percent to 3,472 thousand tons, compared to last year's world production of 3,675.

Similarly pessimistic forecasts have been noted elsewhere, with investment bank Fortis forced to increase its 2006/07 cocoa deficit figure from 131,000 tons to 215,000 last month due to unfavorable weather in West Africa. Unseasonably dry weather in the area has raised fears that crops will be damaged and production from the major growing region will fall. With supplies dipping and factors such as weather, disease and civil unrest having an increasing impact on the production chain, the food manufacturing sector is faced with the threat of rising prices.

David Michael claims its Cocoa-Mate ingredients can help manufacturers minimize some of these extra costs by reducing the levels of cocoa powder used in food products by up to 30 percent. The customized flavors, which take into consideration both the type of cocoa and the total percentage of cocoa used in the finished product, are adaptable for use in a number of applications, including ice cream, yogurt, beverages, puddings, toppings and bakery goods. The company supplies the ingredient as either a 'Natural & Artificial' or an artificial flavor in a liquid or powder.

Cocoa 'Vitamin' Health Benefits Could Outshine Penicillin

14 Mar 2007 - 11:00 PDT

The health benefits of epicatechin, a compound found in cocoa, are so striking that it may rival penicillin and anaesthesia in terms of importance to public health, reports Marina Murphy in Chemistry & Industry, the magazine of the SCI. Norman Hollenberg, professor of medicine at Harvard Medical School, told C&I that epicatechin is so important that it should be considered a vitamin.

Hollenberg has spent years studying the benefits of cocoa drinking on the Kuna people in Panama. He found that the risk of 4 of the 5 most common killer diseases: stroke, heart failure, cancer and diabetes, is reduced to less than 10% in the Kuna. They can drink up to 40 cups of cocoa a week. Natural cocoa has high levels of epicatechin.

'If these observations predict the future, then we can say without blushing that they are among the most important observations in the history of medicine,' Hollenberg says. 'We all agree that penicillin and anaesthesia are enormously important. But epicatechin could potentially get rid of 4 of the 5 most common diseases in the western world, how important does that make epicatechin?... I would say very important'

Nutrition expert Daniel Fabricant says that Hollenberg's results, although observational, are so impressive that they may even warrant a rethink of how vitamins are defined. Epicatechin does not currently meet the criteria. Vitamins are defined as essential to the normal functioning, metabolism, regulation and growth of cells and deficiency is usually linked to disease. At the moment, the science does not support epicatechin having an essential role. But, Fabricant, who is vice president scientific affairs at the Natural Products Association, says: 'the link between high epicatechin consumption and a decreased risk of killer disease is so striking, it should be investigated further. It may be that these diseases are the result of epicatechin deficiency,' he says.

Currently, there are only 13 essential vitamins. An increase in the number of vitamins would provide significant opportunity for nutritional companies to expand their range of products. Flavanols like epicatechin are removed for commercial cocoas because they tend to have a bitter taste. So there is huge scope for nutritional companies to develop epicatechin supplements or capsules. Epicatechin is also found in teas, wine, chocolate and some fruit and vegetables.

About Chemistry & Industry

Chemistry & Industry magazine from SCI delivers news and comment from the interface between science and business. As well as covering industry and science, it focuses on developments that will be of significant commercial interest in five- to ten-years time. Published twice-monthly and free to SCI Members, it also carries authoritative features and reviews. Opinion-formers worldwide respect Chemistry & Industry for its independent insight.

About SCI

SCI is a unique international forum where science meets business on independent, impartial ground. Anyone can join, and the Society offers a chance to share information between sectors as diverse as food and agriculture, pharmaceuticals, biotechnology, environmental science and safety. As well as publishing new research and running events, SCI has a growing database of member specialists who can give background information on a wide range of scientific issues. Originally established in 1881, SCI is a registered charity with members in over 70 countries.

Cocoa flavanol classed as vitamin?

Wednesday, March 14, 2007

Epicatechin, a flavanol found in cocoa, tea and wine, could be so important to the diet that it should be classified as a vitamin, says a Harvard researcher. Dr Norman Hollenberg from Harvard Medical School and Brigham and Women's Hospital reports that the island-dwelling Kuna people, who do drink up to 40 cups per week of the flavanol-rich cocoa, have a 10 percent lower risk of four of the five most common killer diseases: stroke, heart failure, cancer and diabetes, than people who live on mainland Panama.

And such is the importance of epicatechin in the diet that it should be considered a 'vitamin', Hollenberg told Chemistry & Industry magazine. "There are opportunities to develop high-flavanol cocoa varieties or supplements. Cocoa is already really popular, but no doubt some people would prefer to get their epicatechin in capsule form," said Hollenberg.

The research, supported by confectionary giant Mars, extends previous studies linking consumption of flavanol-rich cocoa products to improved cardiovascular health. Mars has been very active in this research area, supporting numerous studies in the area for more than 15 years. The link between cocoa flavanols and cardiovascular health has been linked to the improving blood flow via increased production of nitric oxide, a molecule used by the endothelium to signal surrounding muscle to relax.

How the research was done

Hollenburg's data, published in the current issue of the International Journal of Medical Sciences, used death certificates to compare the cause of death of island-dwelling Kuna to those who live on mainland Panama. It showed that the relative risk of death from heart disease on the Panama mainland was 1 280 percent higher than on the islands and death from cancer was 630 percent higher, compared to the islanders.

"If these observations predict the future, then we can say without blushing that they are among the most important observations in the history of medicine," said Hollenberg. "We all agree that penicillin and anaesthesia are enormously important. But epicatechin could potentially get rid of 4 of the 5 most common diseases in the western world. How important does that make epicatechin? I would say very important."

However, writing in the International Journal of Medical Sciences Hollenberg and his colleagues added some perspective: "Although the findings are comparable with effect of the flavanol-rich cocoa on health, clearly a large number of alternative possibilities exist, involving diet, physical activity, stress and genetic factors."

"An observation study of this kind cannot prove causality. Indeed, only a randomised, controlled clinical trial in which all of these factors can be controlled will lead to a definitive conclusion," they said.

A 'striking' link

Daniel Fabricant, vice president scientific affairs at the Natural Products Association, said: "The link between high epicatechin consumption and a decreased risk of killer disease is so striking, it should be investigated further. It may be that these diseases are the result of epicatechin deficiency."

But calls for the compound to be classified as a 'vitamin' are premature, said Fabricant. "Vitamins are defined as being essential to the normal functioning, metabolism, regulation and growth of cells. At the moment, the science does not support epicatechin having an essential role."

Experts counsel moderation for consumption of chocolate due to the calorific load.

Ellen Mason, a cardiac nurse at the British Heart Foundation, told the BBC that the observation between epicatechin and disease risk was interesting, but was confined to a "unique culture". "We do not advise that people in the UK take up drinking cocoa in high quantities in order to protect their hearts," she said. - (Decision News Media, March 2007)

Cocoa Consumption May Boost Levels of HDL, a "Good" Cholesterol

Mar 15, 2007-

15/03/07 Drinking cocoa each day may boost levels of HDL ("good") cholesterol, Japanese researchers report. Researchers, who included Kazuo Kondo, MD, PhD, of Tokyo's Ochanomizu University, studied 25 healthy Japanese men with normal or mildly high cholesterol levels. None of the men were taking any prescription drugs, antioxidants, or vitamin supplements. They weren't overweight, judging by their average BMI (body mass index), and they didn't drink a lot of alcohol.

First, the researchers checked participants' blood and urine samples and divided them into two groups.

One group was assigned to drink cocoa containing sugar each day for 12 weeks.

For comparison, the men in the other group were told to drink a sugary beverage containing no cocoa for 12 weeks.

But it was no ordinary cocoa the first group drank. The researchers bought the cacao beans themselves and roasted, cracked, and ground them in their lab. They also analyzed the cocoa powder to make sure it hadn't lost major amounts of antioxidants during processing.

At the end of the 12-week experiment, participants provided more blood and urine samples.

HDL Cholesterol, LDL Cholesterol

The men in the cocoa group showed a 24% rise in their HDL, or "good," cholesterol levels. HDL levels also rose for the comparison group, but to a lesser extent (5% increase in HDL).

The researchers also tested the men's LDL ("bad") cholesterol.

Those tests included blasting samples of the men's LDL cholesterol with free radicals to trigger a process called oxidation. Oxidized LDL cholesterol may be particularly hazardous because oxidation may help LDL cholesterol build up in the arteries, the researchers explain.

Human Trafficking 'Unacceptable', Says UK Confectionary Association

Anne Thomas

Thursday, March 15, 2007,

The Biscuit Cake Chocolate & Confectionary Association (BCCCA), which represents the cocoa and chocolate industry in the UK, recently spoke out against human trafficking - particularly regarding children who labour in cocoa farms.

Noting that human trafficking is 'unacceptable', Alison Ward, Communications Director of BCCCA told Christian Today: "We all want to ensure that the cocoa we buy is grown using internationally approved labour standards – notably without the worst forms of child or forced labour. This issue is so important that all the major chocolate companies have come together to ensure that the right systems and programmes are in place.

"Our industry has a long-term commitment to cocoa growing communities and we are keen to help raise standards for all those dependent on cocoa for their futures."

Nearly half the world's cocoa is harvested in the Cote D'Ivoire. As it is a hidden trade, exact figures are hard to come by. In 2000 the US State Department Human Rights report found that more than 15,000 Malian children were trafficked into this area to work as slaves both on coffee and cocoa plantations, the majority being cocoa.

"Chocolate manufacturers promised to end the use of trafficked children in harvesting the cocoa beans that make our chocolate by 2005," explained a spokesperson from Stop The Traffik, "but this has not been done. They have started several worthy initiatives but are not addressing the central issue of trafficked labour.

"Stop The Traffik is calling for the whole industry to declare which farms they buy cocoa beans from, and to guarantee that no trafficked labour is used. Nothing less will do."

Many churches and faith groups across the world are currently leading the way in bringing justice for children who labour in cocoa farms.

Globalization and Child Labor: The Cause Can Also be a Cure

Prof. Susan Ariel Aaronson

3/15/2007

Pressure of globalization has led to child trafficking and forced labor. Similar global pressure from public opinion can also put an end to the practice. Five years ago, reports emerged about small groups of children being trafficked and forced to pick cacao beans – the main ingredient for chocolate – in West African plantations. Outraged US officials, industry groups and activists organized the Cocoa Protocol to stop the practice and debated a label that would certify chocolate products as being free of child labor. Major chocolate firms and non-governmental organizations set out to provide education, training and other opportunities for children in nations like the Ivory Coast, Ghana, Mali and others. But slavery lingers in Africa, making it clear that a strategy that focuses on a single sector cannot end centuries of poverty and cultural practices permeating the continent. Collapse of the cacao industry in West Africa, in order to prevent child labor by a few could devastate millions more lives. Awareness, as provided by initiatives such as the Cocoa Protocol, can instigate change – but many more industries and governments need to join efforts to end the exploitation of Africa's children.

Many chocolate lovers still have a bitter taste in their mouths from revelations that the candies they adore might have been produced by child labor in West Africa. In an ensuing uproar, cocoa producers, traders, suppliers, governments, unions and civil-society groups agreed to a solution brokered by two members of Congress. In 2001, they created a multi-sectoral partnership, the Cocoa Protocol, to address the conditions that perpetuate forced child labor on these cacao plantations.

Yet five years later, children still toil, picking cacao in unsafe and unfair conditions. Clearly, a sector-specific strategy cannot address the broad cultural, social and economic factors in West Africa that perpetuate child labor.

The number of children forced to labor in the cacao plantations is small. In 2000, the US State Department, Knight Ridder and the BBC reported that some 15,000 children worked in conditions of forced labor picking beans in Ghana and the Ivory Coast. Trafficked from extremely poor countries, like Mali and Burkina Faso, the children worked on some of the 1.5 million small cocoa farms in West Africa. These farms produce more than half the world's cacao that's processed into candy, cookies or cocoa butter used for cosmetics.

Consumers and regulators don't know how to protect these child workers without jeopardizing the livelihoods of millions of their compatriots.

The news that forced labor was used to produce chocolate, a clear violation of existing legislation, raised a red flag for US policymakers as well as processors and manufacturers of cocoa products. Under the Smoot-Hawley Tariff Act of 1930, the US Customs Service is supposed to refuse entry to any goods identified as made by forced labor. But it rarely investigates or interdicts such products. Congressman Elliott Engel and Senator Tom Harkin pursued a new tactic. The House passed legislation requiring the US Food and Drug Administration to develop a social label to reassure consumers that their cocoa products were free of child labor.

However, before the Senate could act, a panicked chocolate industry appealed for a non-legislative solution. The industry feared the US chocolate market, with some \$13 billion in sales, would collapse if the bill became law.

Harkin and Engel wanted to address child labor without undermining the fragile economies in question. They recognized that in the Ivory Coast alone, some 7 million individuals were engaged in cacao-related economic activity; but less than 1% of these workers were children. They also understood that a collapse of this trade could exacerbate rather than address the root factors – illiteracy, poverty and lack of economic alternatives – that perpetuate exploitation in the cocoa sector.

In September 2001, after intense negotiations, plantation owners, cacao traders and processors and chocolate manufacturers agreed to implement the Cocoa Protocol. All of the major chocolate company firms signed on and agreed to work with unions, civil society and government officials in a multi-sectoral partnership designed to ensure that all cocoa bean products are grown and processed without violating international accepted labor standards. Moreover, the signatories to the Protocol agreed to develop and put in place a certification to assure consumers that processed cacao was not produced in these conditions by July 1, 2005.

But the companies did not meet that deadline. They were hampered by civil war in the Ivory Coast and the non-participation of companies that use cacao for cocoa butter products such as cosmetics firms.

After an in-depth investigation of conditions of cacao plantations in Ivory Coast in 2006, BBC reporter Humphrey Hawksley found little evidence that industry efforts were changing farm conditions and concluded: "No one is in charge of the efforts put in place under the Cocoa Protocol. There's no place the buck stops. In the cocoa belt, it's only a short drive to find children working with machetes amid some of the worst poverty anywhere in the world."

Some NGOs and activists are frustrated and want to abandon the Protocol. The International Labor Rights Fund filed suit against Nestlé, ADM and Cargill. Meanwhile, other NGOs such as Global Exchange want governments to adopt a social label and ban imports of cacao that can't be shown to be fairly traded. But a government approved or sanctioned social label is not a panacea. Although some countries, namely Belgium and South Africa, have put in place social labels for manufactured goods, they have not done so for bulk commodities such as cacao where it is difficult to separate out those commodities legitimately produced and those not. Moreover, policymakers don't yet know if such social labels could be challenged as a trade distortion in the WTO. In the face of these concerns, the two legislators as well as some NGOs such as Free the Slaves and the National Child Labor Coalition are willing to wait another year for the chocolate industry to develop its certification.

Forty-two countries in the chocolate supply chain endorsed the protocol and abide by its strictures. Industrialized country governments, international organizations, chocolate companies and foundations provide money and expertise to resolve complex problems in the sector. Under the watchful eye of Protocol participants, Ghana and the Ivory Coast have stepped up efforts to monitor labor conditions, reduce or eliminate school fees, and invest

in the education of local children. Meanwhile, in countries such as Mali that have exported child labor, government officials teach families how they can raise family incomes if they let their kids go to school. These efforts are beginning to address the supply-side factors that can perpetuate forced child labor in the cocoa sector, while pushing cocoa processors and manufacturers on the demand side to stop procuring cacao from farms where forced child labor exists. And the changes do not undermine the cacao trade that sustains so many West Africans.

But a sector-specific strategy cannot address the economic and cultural factors that perpetuate forced child labor in West Africa: First, because of an oversupply of cacao, the real price of cacao remains low by historic standards. West African farmers have little leverage to bargain effectively for higher prices and thus they try to reap cost efficiencies from their workers. Secondly, the Protocol cannot address the cultural mores that perpetuate child labor in the countries of West Africa. Lacking educational opportunities, parents view their children as an extra hand, not as individuals who deserve time for education or play. Childhood is both a construct and a luxury good, available only to children of adults who earn sufficient livelihoods for their families as a whole.

Consequently, while the Cocoa Protocol may reduce child labor in one sector, it cannot guarantee that children won't continue to work in other sectors. Their exploitation will only stop when policymakers in the industrialized and developing world meet their human-rights obligations and enforce the law; when companies take responsibility for their supply chains and develop strategies to ensure that their suppliers don't rely on forced labor; and finally, when policymakers address the lack of opportunities, power, and education as well as cultural mores that allow individuals to be abused. The Cocoa Protocol offers a model as to how policymakers working in collaboration with industry, unions and civil society, might address these problems in one sector without distorting trade. But it's just a sector-specific start.

*Susan Ariel Aaronson teaches at the George Washington University School of Business and is the author, with Jamie Zimmerman, of "Trade Imbalance: The Struggle to Weigh Human Rights Concerns in Trade Policymaking," Cambridge University Press, 2007. * Reproduced by the Global Politician with express permission from YaleGlobal.*

Ivorian cocoa growers say drought worst in memory

Sat Mar 17, 2007

By Peter Murphy

DALOA (Reuters) - A harsh spell of dry weather in Ivory Coast's central Daloa region which has lasted several months is the worst in living memory and is killing off young cocoa trees, farmers and cooperatives said on Friday. Rains have scarcely fallen in the major cocoa producing region since late November, apart from a short but heavy downpour in early February. Farmers in the world's top cocoa exporter said they expected to harvest far less than usual during the coming April-September mid crop, the smaller of the two six-month growing cycles. "It's a complete failure. There will be no mid crop on my farm," said Lambert N'Dri, 47, picking up dry, shrivelled pods from the trees as he walked through his 10-year-old, three-hectare plantation. The few tiny flowers visible on his trees -- which normally herald the growth of pods -- fell from the branches when touched. Many of his trees were bare while others had a small number of medium-sized green pods.

N'Dri, who was born in Daloa, said he had never seen such a harsh, long-lasting spell of dry weather. A manager at the local cooperative Kavokiva said it reminded him of a 1983 drought which caused months of power cuts because of a lack of water for hydro-electric dams. A brief shower arrived in Gonate, a town 20 km (12 miles) from Daloa, on Friday afternoon where Kavokiva, one of the country's largest cooperatives, is located. A few drops fell in Daloa's town centre a few hours later. "We are going to need a lot more of this," said the cooperative's production manager Albert Konan, staring out from a warehouse at the main road as the shower swept in.

PRODUCTION HIT

Even if regular rains fell from now, mid-crop production would still be hit in Daloa, Konan said, but added it might also result in an early start to the next main crop in October. The small quantities of beans Konan expected to be harvested this year in the region would be too small to be of use to exporters, he said.

Exporters have estimated output for this year's mid crop possibly as low as 200,000 tonnes, far below last year's big harvest of more than 400,000 tonnes. "We have never seen this. It is a disaster," said Konan, adding that the

water company was rationing supplies, only turning on the water in the early hours of the morning, and that rural wells were dry.

Farmer Cesar Yoboue, 33, was less fortunate than N'Dri. His plantation with younger, more vulnerable trees planted between three and five years ago bore little resemblance to a cocoa farm, with leaves drooping and almost no pods. "When it doesn't rain the young trees die because they don't have deep roots," he said, explaining that older trees could source moisture from deeper in the ground to sustain them for longer.

The paper-dry brown leaves carpeting the ground crackled as he walked around and turned to flakes when handled. "There are cocoa trees that I will have to replace now," he said, yanking a tall but thin sapling from the ground and tossing it aside.

TIT BITS

(Source: Business Recorder – www.brecord)

New York cocoa settles a touch weaker

NEW YORK (March 14, 2007): US cocoa open-outcry futures contracts closed slightly down on Monday in a light day of trading, dealers said. "I think, because there is no great conviction about the mid crop, that the market is moving sideways, waiting for something to break," one trader said.

New York cocoa settles up

NEW YORK (March 15, 2007): US cocoa open-outcry futures contracts closed slightly higher on Tuesday, after hitting an eight-month high, fuelled by light speculative and fund buying, dealers said. The settle price "should add more of a positive tone for the market going into tomorrow," one trader said.

New York cocoa drifts lower

NEW YORK (March 16, 2007): US cocoa futures contracts closed lower in open-outcry trading on Wednesday, retreating from the contract high reached on Tuesday as the full impact of dry weather on the mid-crop in West Africa waits to be determined, dealers said.

Brazil's February cocoa grind falls

RIO DE JANEIRO (March 16, 2007): Brazil's cocoa grind totalled 15,366 tonnes in February, down 12 percent from 17,484 tonnes a year-ago, cocoa analyst Thomas Hartmann said on Thursday.

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