



# COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 224

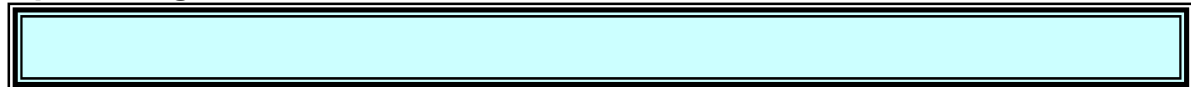
26<sup>th</sup> – 30<sup>th</sup> March 2007

Cocoa Producers' Alliance

## ICCO Daily Cocoa Prices

	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
26 <sup>th</sup> March	2009.14	1051.67	1950.33
27 <sup>th</sup> March	1990.06	1045.67	1927.00
28 <sup>th</sup> March	2015.71	1061.67	1952.67
29 <sup>th</sup> March	2031.22	1068.67	1968.33
30 <sup>th</sup> March	2043.34	1074.00	1976.00
<b>Average</b>	<b>2018.00</b>	<b>1060.00</b>	<b>1955.00</b>

## Up-coming Events



### In the News:

- Dark Chocolate and Heart Health go Hand in Hand
- Chocolate companies watch cocoa shortage
- Sweet Science: New report reaffirms cocoa is heart-healthy
- Cocoa polyphenols may offer diabetes benefits
- Cocoa shows blood-vessel benefits
- Malaysia 2007 cocoa output set to rise 13pc
- PNG farmers call for fresh efforts to eradicate cocoa pod borer
- Unsweetened Cocoa Delivers Better Benefits Than Sugary Cocoa
- Rising cocoa price to hit those with a sweet tooth
- Revamp cocoa farms - DCE
- West African child labour still feeds the world's insatiable hunger for chocolate
- Controls improve quality of Ivorian cocoa exports
- Child labour warning on choccie
- Cocoa surges, ignores Ivory Coast deal
- The Focus Report for March 29<sup>th</sup>: Prospective Plantings Report
- Green & Black's opens up new front with extra-dark chocolate
- Mildly obese adults may take heart in dark chocolate

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- ✓ LONDON & NEW YORK FUTURES MARKETS UPDATE
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- ✓ **ORDER FORM - 14<sup>TH</sup> 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 26th March 2007**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
May 2007	1033	1038	-1	1044	1031	4103
Jul 2007	1044	1052	1	1057	1044	1329
Sep 2007	1060	1065	1	1070	1058	1463
Dec 2007	1071	1071	3	1076	1065	858
Mar 2008	1069	1072	5	1076	1067	532
May 2008	1079	1078	5	1080	1079	50
Jul 2008		1086	6			0
Sep 2008	1093	1093	6	1093S	1093S	200
Dec 2008	1102	1103	7	1103	1102	2
Mar 2009		1110	7			0
<b>Totals</b>		<b>1077</b>				<b>8,537</b>

**Tuesday 27th March 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1035	1032	-6	1040	1027	3657
Jul 2007	1046	1046	-6	1054	1041	1264
Sep 2007	1061	1059	-6	1067	1056	422
Dec 2007	1067	1063	-8	1072	1059	1113
Mar 2008	1067	1064	-8	1070	1060	592
May 2008	1073	1071	-7	1074	1072	10
Jul 2008	1081	1079	-7	1081	1081	1
Sep 2008		1086	-7			0
Dec 2008		1096	-7			0
Mar 2009		1103	-7			0
<b>Totals</b>		<b>1070</b>				<b>7,059</b>

**Wednesday 28th March 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1026	1047	15	1053	1026	4533
Jul 2007	1043	1062	16	1067	1043	2774
Sep 2007	1058	1076	17	1079S	1058	1239
Dec 2007	1061	1081	18	1083	1061	884
Mar 2008	1066	1081	17	1074	1066	28
May 2008	1075	1088	17	1090	1075	5
Jul 2008		1096	17			0
Sep 2008		1103	17			0
Dec 2008		1113	17			0
Mar 2009		1120	17			0
<b>Totals</b>		<b>1087</b>				<b>9,463</b>

**Thursday 29th March 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1048	1054	7	1066	1048	4591
Jul 2007	1063	1069	7	1081S	1063	2077
Sep 2007	1077	1083	7	1095	1077	1178
Dec 2007	1082	1087	6	1100	1082	1361
Mar 2008	1085	1085	4	1098	1085	572
May 2008	1093	1092	4	1093S	1093S	200
Jul 2008		1100	4			0
Sep 2008		1107	4			0
Dec 2008		1116	3			0
Mar 2009		1123	3			0
<b>Totals</b>		<b>1092</b>				<b>9,979</b>

**Friday 30th March 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
May 2007	1048	1059	5	1065	1046	3,813
Jul 2007	1064	1074	5	1081	1062	1,765
Sep 2007	1080	1089	6	1095	1080	1,623
Dec 2007	1085	1093	6	1099	1085	1,343
Mar 2008	1089	1093	8	1098	1089	223
May 2008	1100	1100	8	1100	1097S	21
Jul 2008	1104	1105	5	1104S	1104S	14
Sep 2008		1112	5			0
Dec 2008	1123	1121	5	1123	1123	8
Mar 2009		1128	5			0
<b>Totals</b>		<b>1097</b>				<b>8,810</b>

<b>Average for the week</b>	<b>1084</b>					<b>8770</b>
<b>Total for the week</b>						<b>43,848</b>

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

**Monday 26th March 2007**

Month	Open	Price	Change	High	Low	Volume
May 2007	1906 1908	1926	6	1942	1906	6710
Jul 2007	1928 <sup>B</sup> 1933 <sup>A</sup>	1951	5	1964	1935	1737
Sep 2007	1952 0	1974	5	1980	1952	187
Dec 2007	1967 <sup>B</sup> 1977 <sup>A</sup>	1992	5	2000	1975	355
Mar 2008	1985 <sup>B</sup> 1995 <sup>A</sup>	2007	5	0	0	8
May 2008	2005 <sup>B</sup> 2015 <sup>A</sup>	2025	5	0	0	7
Jul 2008	2015 <sup>B</sup> 2027 <sup>A</sup>	2036	4	0	0	10
Sep 2008	2030 <sup>B</sup> 2050 <sup>A</sup>	2059	4	0	0	70
Dec 2008	2060 0	2068	2	2060	2060	112
<b>Totals</b>		<b>2004</b>				<b>9196</b>

**Tuesday 27th March 2007**

Month	Open	Price	Change	High	Low	Volume
May 2007	1911 1912	1893	-33	1922	1890	6239
Jul 2007	1938 1939	1919	-32	1945	1914	1437
Sep 2007	1955 <sup>B</sup> 1965 <sup>A</sup>	1941	-33	1965	1962	195
Dec 2007	0 0	1960	-32	1986	1973	368
Mar 2008	0 0	1977	-30	0	0	100
May 2008	0 0	1995	-30	0	0	12
Jul 2008	0 0	2005	-31	0	0	0
Sep 2008	0 0	2028	-31	2035	2035	5
Dec 2008	0 0	2036	-32	2045	2045	7
<b>Totals</b>		<b>1973</b>				<b>8363</b>

**Wednesday 28th March 2007**

Month	Open	Price	Change	High	Low	Volume
May 2007	1895 1898	1925	32	1937	1894	9124
Jul 2007	1921 1923	1952	33	1964	1921	2722
Sep 2007	1940 <sup>B</sup> 1947 <sup>A</sup>	1974	33	1980	1968	181
Dec 2007	0 0	1994	34	1991	1972	399
Mar 2008	0 0	2009	32	2001	2000	88
May 2008	0 0	2027	32	0	0	5
Jul 2008	0 0	2037	32	0	0	0
Sep 2008	0 0	2060	32	0	0	0
Dec 2008	0 0	2070	34	2060	2060	1
<b>Totals</b>		<b>2005</b>				<b>12520</b>

### Thursday 29th March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1947 1960	1941	16	1960	1933	8228
Jul 2007	1970 1978	1968	16	1985	1962	1897
Sep 2007	1998 2000	1990	16	2000	1998	399
Dec 2007	2019 2020	2009	15	2020	2005	884
Mar 2008	0 0	2027	18	0	0	103
May 2008	0 0	2045	18	0	0	20
Jul 2008	0 0	2055	18	0	0	0
Sep 2008	0 0	2078	18	0	0	1
Dec 2008	0 0	2087	17	0	0	1
<b>Totals</b>		<b>2022</b>				<b>11533</b>

### Friday 30th March 2007

Month	Open	Price	Change	High	Low	Volume
May 2007	1942 1947	1953	12	1968	1937	12035
Jul 2007	1971 0	1983	15	1998	1968	6427
Sep 2007	1988 <sup>B</sup> 1995 <sup>A</sup>	2006	16	1999	1999	228
Dec 2007	2010 <sup>B</sup> 2020 <sup>A</sup>	2027	18	2035	2014	417
Mar 2008	0 0	2042	15	0	0	11
May 2008	0 0	2060	15	0	0	168
Jul 2008	0 0	2070	15	0	0	15
Sep 2008	0 0	2093	15	0	0	0
Dec 2008	0 0	2105	18	0	0	8
Mar 2009		0		0	0	0
<b>Totals</b>		<b>1834</b>				<b>7274</b>

<b>Average for the week</b>	<b>1968</b>				<b>12222</b>
<b>Total for the week</b>					<b>48,886</b>

### Spot Prices (US\$ per tonne)

	26 <sup>th</sup> March	27 <sup>th</sup> March	28 <sup>th</sup> March	29 <sup>th</sup> March	30 <sup>th</sup> March
Main Crop Ghana, Grade 1	2303	2270	2302	2318	2330
Main Crop Ivory Coast, Grade 1	2214	2181	2213	2229	2241
Main Crop Nigerian, 1	2184	2151	2183	2199	2211
Superior Arriba	2854	2821	2853	2869	2881
Sanchez f.a.q.	2199	2166	2198	2214	2226
Malaysian 110	1928	1895	1927	1943	1955
Sulawesi f.a.q.	1969	1936	1968	1984	1996
Ecuador Cocoa Liquor	3846	3780	3844	3876	3899
Pure Prime Press African Type Cocoa Butter	5374	5281	5371	5415	5449
10/12% Natural Cocoa Press Cake	976	959	975	983	990

Source: Cocoa Merchants' Association

# News

## **Dark Chocolate and Heart Health go Hand in Hand**

Monday: 26 Mar 2007

Bharat Rathode

There's good news for chocolate lovers. Nibbling at a piece of dark chocolate may be good for your heart. This has been suggested by researchers who conducted a study at Connecticut's Yale Prevention Research Center. It has been previously proven that the risk of heart disease is lessened considerably with the intake of foods rich in flavonoids as the flavonoids relax blood vessels thus bettering the flow of blood. Cocoa, from which chocolate is made, has perhaps the highest concentration of the catechin and epicatechin flavonoids. These flavonoids are also found in fruits and vegetables, green tea and wine.

As part of their investigation the researchers studied 45 healthy but overweight people over 3 six weeks sessions. The subjects were put into one of three groups. Each of the groups were fed 8oz. or 227g of either sugarless cocoa, sugared cocoa or a placebo. Thirty nine subjects completed the test. In a test known as flow mediated dilation or FMD, the relaxing and expanding abilities of the brachial artery running from the elbow to the shoulder were measured with the help of high frequency ultrasound after they had consumed the drinks. It was observed that the FMD was enhanced by 2.4% in the 'sugarless cocoa' group and by 1.5% in the 'sugared cocoa' group. The placebo taking group showed an actual 0.8% decrease in FMD.

Dr. Valentine Yanchou Njike, team member of the study group, said that the findings do not try to encourage people to eat more chocolate but suggest that more attention should be paid to how chocolate and other flavonoid-rich foods benefit cardiovascular functioning.

The director of preventive cardiology at the University of Wisconsin School of Medicine and Public Health, Dr. James Stein, also cautioned, "Consuming foods such as dark chocolate and red wine can be a double-edged sword." "They shouldn't be considered health foods," he said. "They are treats and shouldn't be staples in the diet."

Professor of medicine at the University of Michigan Medical Center, Dr. Robert Rosenson, who did not participate in the study, added that the study's findings contradicted an old belief about nutrition. "Many people feel that in order to get health benefits, they have to eat foods that are unpalatable," said Rosenson. Yet Rosenson pointed out that the group that had the sugarless cocoa showed the greatest effect. He also pointed out that other research suggests that no beneficial effects are found with milk chocolate.

Rosenson further stated that the beneficial effect of cocoa on blood flow usually reduces within six hours and it might therefore have to be consumed several times a day to obtain a continuous improvement. But because of one's concern about the number of calories perhaps the solution might ultimately lie with the manufacture of some kind of pill that would contain the desired quantities of flavonoids without the undesired fat or sugar. The result of the study was presented at the American College of Cardiology's annual scientific session at New Orleans on Sunday, March 25.

## **Chocolate companies watch cocoa shortage**

Sunday, March 25, 2007

Cocoa prices are soaring on New York and London commodity markets as the International Cocoa Organization predicts a global cocoa shortage of 103,000 metric tons this year. The ICCO daily price per metric ton, averaging the nearest three months of futures trading in New York and London, neared \$2,000 over recent days, while New York futures ended last week at \$1,926.

Cocoa trees thrive in tropical rainforest with hot, humid weather and enough rain to keep the soil moist. But Ivory Coast and Ghana, two west African countries that make up the heart of the cocoa bean world, are in the worst drought in living memory, limiting yields on mature cocoa trees and killing younger ones altogether.

One major chocolate company, the Swiss firm Lindt, which a few days ago reported double digit increases in its 2006 profits, has warned that consumer prices will rise. The Hershey Co., which owns Mauna Loa Macadamia, maintains large chocolate inventories and may be insulated from the uptrend for awhile.

Other candy companies in Hawaii say packaging and advertising contribute more to the consumer price of chocolate than the cocoa does, so even if the cocoa shortage leads to higher prices the difference should appear small from a consumer's point of view. The cocoa market classifies 95 percent of cocoa beans as "bulk" cocoa and the rest as "fine" or "flavor" cocoa.

### **Sweet Science: New report reaffirms cocoa is heart-healthy**

March 26, 2007

Anyone looking for an excuse to order a chocolatey dessert will find one in new research showing cocoa can boost artery function. In a small study, Yale University researchers found that people who ate chocolate showed increased arterial blood flow, with marginally better results for people who ate unsweetened chocolate as compared with those who had the sweetened form. "Chocolate contains flavenoids that are antioxidant molecules that may prevent damage in the arteries," said Dr. Chris Cannon, a cardiologist at Brigham and Women's Hospital, who was not involved in the study.

The researchers gave participants eight ounces of chocolate and measured blood flow through an artery in the upper arm. They found it improved significantly in those who ate chocolate, by 2.4 percent among those who had the unsweetened chocolate and 1.5 percent in those who ate the sweetened form. Researchers announced the findings at the American College of Cardiology Conference in New Orleans. Though it's good news for chocolate lovers, experts caution against overindulging. "There's a potential benefit for heart arteries, but chocolate in all its candy bar forms has lots of sugar and fat and so that may counterbalance the benefit of the cocoa and flavenoids," said Cannon.

Another concern is that the benefits appear to be transient. "We know that the effects of cocoa on vascular health are relatively short-lived, lasting one to two hours, and six hours later the effects diminish," said Dr. Robert S. Rosenson of the University of Michigan. He says in order to get the full benefits of cocoa and avoid potentially harmful doses of fat and sugar, scientists might consider packaging cocoa in tablet form -- though he admits it's a much less appetizing option.

### **Cocoa polyphenols may offer diabetes benefits**

CONFECTIONERYNEWS.com –

Stephen Daniells [www.confectionerynews.com](http://www.confectionerynews.com)

26/03/2007

Dietary supplementation with cacao liquor proanthocyanidins (CLPr) reduced blood glucose levels in obese diabetic mice, and may offer human diabetics significant benefits, says a new study from Japan "Dietary supplementation with CLPr can dose-dependently prevent the development of hyperglycaemia in diabetic obese mice," wrote lead author Makoto Tomaru in the journal *Nutrition*. "The dietary intake of food or drinks produced from cacao beans might be beneficial in preventing the onset of type-2 diabetes mellitus."

An estimated 19 million people are affected by diabetes in the EU 25, equal to four per cent of the total population. This figure is projected to increase to 26 million by 2030.

In the US, there are over 20 million people with diabetes, equal to seven per cent of the population. The total costs are thought to be as much as \$132 billion, with \$92 billion being direct costs from medication, according to 2002 American Diabetes Association figures. The potential health benefits of cocoa have been gaining increasing interest, with studies reporting that flavonoid-rich chocolate may reduce the risk of cardiovascular disease. However, according to Tomaru and co-workers, this is the first study to report that CLPr can prevent aggravation of type-2 diabetes mellitus.

The new study used three-week old female mice and randomly assigned them to eat the AIN-93 diet supplemented with 0, 0.5, or 1.0 per cent for cacao liquor proanthocyanidins (72 per cent total polyphenols) for three weeks. At the end of the study the researchers report that the proanthocyanidins reduced blood glucose levels in a dose-dependent manner. Indeed, blood glucose levels after four and five weeks of age, and of fructosamine at six weeks of age were significantly lower than in those fed 0 per cent CLPr AIN-93 diet. Body weights and food consumption did not differ significantly among the groups, said the researchers. "In this study, the decreased levels of blood glucose may be involved in improvement of insulin resistance by antioxidative effects of CLPr," they said.

The one per cent dose used in this study would be equivalent to a daily polyphenol intake of five grams for a human, said Tomaru, or about 2.5 kg of normal chocolate. However, studies using flavonol-rich dark chocolate have reported positive effects with intakes of only 100 g of dark chocolate per day, providing a flavonol dose of

88 mg. "On the basis of the previous report and the present results, chocolate, cocoa, and other functional foods that contain more CLPr may be recommended to obtain the benefits of cacao proanthocyanidins," concluded the researchers.

Further research is needed to investigate if such results can be repeated in humans, and what mechanism is responsible for these apparent benefits. Confectionary giant Mars has been pro-active in research into the potential health benefits of flavanols from cocoa and has been sponsoring researchers in Germany and the US for about 15 years. Mars were not involved in this latest research. CocoaVia, from Mars, and Acticoa, by Barry Callebaut, both boast high polyphenol content and are marketed as healthy options.

#### **Cocoa shows blood-vessel benefits**

By ED SUSMAN

NEW ORLEANS,

March 26 (UPI) -- U.S. researchers Monday suggested that unsweetened cocoa -- and to a lesser extent sweetened cocoa -- have beneficial effects on endothelial function.

Valentine Yanchou Njike, assistant director of evaluation and research methodology at the Yale Prevention Research Center in New Haven, Conn., said that cocoa contains high levels of flavonoids, a group of antioxidant compounds found in fruits and vegetables, and the actions of these flavonoids may improve function of blood vessels. "While the findings from this study do not suggest that people should start eating more chocolate as part of their daily routine, it does suggest that we pay more attention to how dark chocolate and other flavonoid-rich foods might offer cardiovascular benefits," Njike said.

In the randomized, single-blind, placebo-controlled crossover study that received indirect financial support from the Hershey Company, 45 subjects recruited from the general population of southwestern Connecticut were randomly assigned to one of the three consumption groups: eight ounces of either cocoa without sugar, cocoa with sugar or placebo.

For six weeks, all participants underwent endothelial function testing, assessing blood flow in the brachial artery of the arm using high frequency ultrasound before and after the daily cocoa or placebo consumption. Of the 39 subjects who completed the trial, blood parameters improved significantly in the groups consuming cocoa with no sugar -- a 2.4 percent improvement, and cocoa with sugar -- a 1.5 percent improvement, from baseline values when compared to placebo patients who showed a decline in blood vessel function of 0.8 percent.

#### **Malaysia 2007 cocoa output set to rise 13pc**

By Rupinder Singh

rupinder@nstp.com.my

March 27 2007

MALAYSIA, Asia's largest cocoa processor, expects its cocoa output this year to rise by 13 per cent to 34,000 tonnes from 30,000 in 2006. Plantation Industries and Commodities Minister Datuk Peter Chin Fah Kui said the country aims to steadily increase its cocoa production by educating smallholders on better farming practices and increasing the hectareage of planted area. "The effort has been towards increasing our cocoa bean production by rehabilitating smallholdings, namely crop areas that are left unattended or that are non-productive," he said at the two-day "Cocoa Outlook 2007" conference organised by IBC Asia Singapore in Kuala Lumpur yesterday. Chin said RM83.75 million of the total RM180.5 million allocated for cocoa development projects under the Ninth Malaysia Plan will be channelled towards these rehabilitation exercises for smallholdings.

The Malaysian Cocoa Board (MCB) has set a target for the country to produce 100,000 tonnes of cocoa beans by 2013, said its director-general Datuk Azhar Ismail. Malaysia's smallholders manage about 35,000ha of cocoa producing land averaging about 2.3ha per smallholder due to its labour-intensive nature. Azhar said plans are afoot to raise its production mainly in Sabah and Sarawak.

Chin said Malaysia's grinders are expected to slightly better the 270,261 tonnes reached last year although the target for 2010 remains at 360,000 tonnes. "The increase in capacity is being achieved through expansion of facilities of the existing grinders as well as through greater efficiency in processing," he added. Export earnings from cocoa beans and products are expected to hit RM2.15 billion this year, some 3.4 per cent better than 2006, in line with the higher world consumption for cocoa. Last year, export earnings from cocoa and related products, the third most important agriculture commodity after palm oil and rubber, stood at RM2.08 billion from RM1.9 billion in 2005.



### **PNG farmers call for fresh efforts to eradicate cocoa pod borer**

27 March, 2007

Stakeholders in Papua New Guinea's agriculture industry have again called on the Agriculture and Live-stock Minister Sasa Zibe to act on the recommendations of the cocoa pod borer exit report. The report, prepared by the Emergency Response Unit, was released after the apparent eradication of the borer. But the cocoa pod borer has reappeared in the Vudal Tais Tokiala smallholder block after the PNG cocoa board announced that it was eradicated.

The Post Courier newspaper reports stakeholders have drawn up an NEC submission to get funding from the national government to combat the latest outbreak. The cocoa pod borer damages cocoa by laying eggs on the cocoa pod for its larvae to feed on.

### **Unsweetened Cocoa Delivers Better Benefits Than Sugary Cocoa**

Connie Bennett

March 27, 2007

I'm really excited to learn about a small study, which found that you can derive even more benefits from chocolate without having to down sugar at the same time. You see, we keep hearing about all the benefits of dark chocolate or cacao, which contain a large amount of antioxidants or flavinoids -- perhaps even more so than green tea, red wine or blueberries -- but usually no one focuses on how adding sugar into the equation can offset any benefits you obtain.

But now Yale University researchers conducted a small study, which revealed that unsweetened cocoa improves blood vessels (helps with your heart function) better than sugary cocoa for overweight patients. (For those of you who understand medical lingo, it improved "endothelial function.")

The findings, which were reported at the American College of Cardiology meeting in New Orleans, according to MedPageToday.com, Valentine Yanchou Njike, of Yale University's Yale-Griffin Prevention Research Center, and fellow researchers looked at 45 people for six weeks, and they found that giving 8 ounces (227 grams) of unsweetened cocoa worked better than 8 ounces of sweetened cocoa or 8 ounces of a placebo, after fasting 8 to 12 hours.

Now, as I often mention here, when you're looking at research study results, you always need to know the funding source. So, in this case, as MedPageToday.com's staff writer Crystal Phendit points out, it was Hershey's (as in the chocolate company), along with the CDC. That said, if the results are true, they are promising. (Couldn't a larger study be done without being funded by a chocolate company with a vested interest in the outcome?)

Anyhow, the 39 subjects who completed the study had the following results:

Unsweetened cocoa improved the function of blood vessels by 2.4%.

Sweetened cocoa improved blood vessel function by 1.5%.

The placebo decreased function by 0.8%.

By the way, make sure to turn here to listen to the video on MedPageToday.com with Robert S. Rosenson, M.D. of Northwestern University. (Yeah, my grad school.) Well, I'm off to have some quinoa with a little bit of sprinkled cacao on it -- without sugar, of course. FYI, MedPageToday is thorough. Staff writer Crystal Phendit not only cites the funding sources upfront, but she explains that "...the study was small and would need to be confirmed by larger studies assessing clinical outcomes before chocolate could be recommended for cardiovascular risk reduction." In addition, it pointed out that the study was "published as an abstract and presented orally at a conference. These data and conclusions should be considered to be preliminary as they have not yet been reviewed and published in a peer-reviewed publication."

### **Rising cocoa price to hit those with a sweet tooth**

Wednesday March 28, 2007, - REUTERS

NEW YORK - Chocolate lovers may notice their habit is getting more expensive in the coming months, following a rally that sent the price of cocoa close to a four-year high after a drought hit the world's key grower. A withering dry spell that farmers called the worst in living memory has hit Africa's Ivory Coast, the main grower of cocoa beans used to make chocolate. This, combined with tight supplies, has caused price spikes in New York and London cocoa markets. "I think [chocolate] prices may go up but I also think it will be a product-

by-product increase," Erin Ashley Smith, an analyst who follows the confectionary market for Argus Research Company in New York, said in a phone interview.

Germany's chocolate industry - Europe's largest - would have to consider raising the retail chocolate price if cocoa futures remain this high, said Karsten Keunecke, joint chief executive of German confectionery industry association BDSI. "When commodity prices undergo sustained rises as is now happening, industry must re-examine how it calculates its prices and its raw-material purchasing costs, otherwise it cannot survive in the long term," Keunecke said.

His view echoed that of the chief financial officer of Swiss chocolate maker Lindt & Spruengli's, Dieter Weisskopf, who said this week he saw cocoa prices rising in 2007. With the drought in parts of West Africa killing off younger cocoa trees and reducing the yield potential on others, a question for some analysts is the timing of any price rise which could show up on retail shelves. Large companies typically keep large inventories and can take up to six months to implement price hikes once they are announced.

### **Revamp cocoa farms - DCE**

Source: GNA

28-Mar-2007

The Dormaa District Chief Executive, Squadron-Leader (rtd) Ben Anane Asamoah, has called for a project to replant the large cocoa farms destroyed by bushfires in the district in 1983. He urged current and future development partners in the district to consider the implementation of the project to help raise the country's production level of the crop as well as reduce unemployment. He said this at a meeting with the Most Reverend Matthew Kwasi Gyamfi, Catholic Bishop of Sunyani and Mr. Dennis Lynch and family from the United States who have provided funds for the completion of a 150,000-dollar community clinic in the town.

Squadron-Leader Asamoah said about 70 per cent of the population in the area depended on cocoa production but the 1983 catastrophe had affected their economic well-being. He appealed to well-meaning foreign and local investors as well as NGOs to assist in the resuscitation of the cocoa farms.

Mr. Lynch said his desire to sponsor the construction of the clinic stemmed from his close links with the Catholic clergy in Sunyani Diocese. He promised to discuss the sponsorship of the cocoa replanting project with colleagues in the U.S and expressed the hope that they would be interested.

Bishop Gyamfi commended the cordial relationship between the family and the Catholic Diocese and gave assurance that the link that had brought boreholes in many communities would ensure more development projects.

### **West African child labour still feeds the world's insatiable hunger for chocolate**

By Humphrey Hawksley in San Pedro,

(Ivory Coast)

28 March 2007

Children are being forced to work on cocoa farms in west Africa despite a pledge by the chocolate companies more than five years ago to start eradicating child labour. Travelling deep into the cocoa belt of Ivory Coast - the country that produces half the world's chocolate - children carrying cocoa machetes are a common sight. They are kept out of school and many have untreated wounds on their legs. "I used to go to school," said Marc Yao Kwame, who works with his brother Fabrice on a remote farm. "But my father has no one to work on the farm, so he took me out of school. My mother's a long way from here. I haven't seen her for 10 years - since I was two years old."

In 2001, after an international outcry and a warning from the United States Congress, the global chocolate industry signed an agreement known as the Cocoa protocol. At first they promised to have made serious inroads towards ending the problem by July 2005. But they missed their targets, and Congress gave them three more years. "That deadline came and went and we were very unhappy," said Eliot Engel, the Democrat congressman who initiated the protocol. "They now need to live up to that agreement. If they don't we'll make a decision in 2008. "Personally I would be for implementing some sanctions because I think six years is enough."

The Ivory Coast government says the village of Petit Yammousoukro is a model project for taking children off cocoa farms. The village square is arid dirt and at one end is a school building. It is a mud hut, with a gap in the wall for a window, with 50 children inside. All had been farming cocoa. "We opened this in January," said Georges Atta K Bredou, the village official in charge of the scheme, meaning January this year, five years after the Cocoa protocol was signed. Forty schools were earmarked for this district, but so far only six have been built.

"We haven't seen any of the money," said Thomas Lasme, the general secretary of the Oume Prefecture which is overseeing the pilot projects. "We need everything. Money, training, vehicles to take the children from the plantations, places for the children to stay."

In London, Alison Ward, of the Biscuit Cake, Chocolate and Confectionery Association, said she believed the industry was on target this time to keep its promise. .Meanwhile, Marc, Fabrice and thousands of other children continue to work on the cocoa farms - the impoverished end of a business chain that earns billions of pounds a year. Humphrey Hawksley's report will be broadcast tonight on Newsnight on BBC2 and The World Tonight on Radio 4

### **Controls improve quality of Ivorian cocoa exports**

Wed 28 Mar 2007,

By Ange Aboa

ABIDJAN (Reuters) - Extra quality control checks have reduced moisture and humidity levels in Ivory Coast cocoa exports, industry officials said on Wednesday, in a sign a campaign to improve quality in the No. 1 grower is paying off. A source at the Coffee and Cocoa Bourse (BCC) industry body said the percentage of poor quality beans in batches exported so far this season had fallen to 10-12 percent, from 17-20 percent over recent seasons.

Ivory Coast has stepped up the number of quality controls between field and port as part of a long-term plan to improve quality and reduce the discount between its beans and those from neighbouring Ghana, the world's second biggest cocoa grower. "You feel there are efforts being made by the growers, despite the problems they have each year, to improve cocoa quality," said the commercial director of an international cocoa company in the second port of San Pedro, from where almost 40 percent of the country's cocoa is shipped. "It is a good initiative because based on that they can hope to sell their beans for more," he said.

Cocoa shippers say their buyers pay a premium of 10-15 CFA francs per kg for high quality cocoa, described as "good fermented", as opposed to "fair fermented" cocoa -- an extra 2.5-3.5 percent of average current farmgate prices of just over 400 CFA/kg. Moisture and humidity levels were high in the early stages of the October-March main crop season due to beans being stored in poor conditions during a strike by farmers, the BCC source said. Then in December came the cold seasonal Harmattan wind which, although dry, brings daytime cloud which hinders sun-drying of cocoa and night-time mists which further increase humidity problems with stored cocoa. But since then quality had risen sharply, helped by increased controls by companies contracted to certify quality, as well as more active monitoring by BCC officials of cocoa as it progresses from the farmer's field to ports or factories.

Farmers were also taking better care of their cocoa right from the start, an Abidjan-based exporter said. "It's true this year there are more controls before cocoa is exported than in the past, but what makes the bean exports high quality is above all the work right from the start, in the bush," he said. "The beans arriving with us are more clean and healthy, which makes preparing them for export easier. Because what you have to understand is that if beans are of poor quality in the field, there is not much you can do to improve them," he said. Around 80 percent of Ivory Coast's cocoa exports are in bean form, the rest being semi-finished cocoa products.

### **Child labour warning on choccie**

Wednesday March 28 2007

A BBC report has showed that it's worth thinking twice before tucking into your fave choccies this Easter. It found that in some places children are being used to farm cocoa - the stuff used to make the snack. It means the children miss out on going to school and other important things. Many of them have never had choccie. Experts say the way to make sure that what you eat isn't harming anyone is to look out for the Fairtrade logo, found on products which don't exploit people.

The BBC found that children in Africa are being used to chop down cocoa pods, which is dangerous work. Because chocolate is so cheap, some farmers aren't making enough money to pay people for this labour. But Alison Ward, from one of the british confectionary bodies, said: "Cocoa is a family farming business and the majority of farmers farm responsibly and look after their children." Chocolate-makers claim they're doing what they can to stop child labour, but in some places it's clear our fave sweet food is leaving a bitter after-taste.

## **Cocoa surges, ignores Ivory Coast deal**

Thu Mar 29, 2007

LONDON (Reuters) - London cocoa futures have surged to four-year highs despite a deal on naming rebel leader Guillaume Soro as prime minister of top cocoa grower Ivory Coast that could lead to higher cocoa output and less smuggling. London cocoa futures prices have jumped 30 percent since early December, underpinned by strong demand and concerns about severely dry conditions in parts of the West African cocoa belt. They continued a rally to a four-year peak of 1,081 pounds per ton on Thursday, and U.S. futures were at near four-year highs, despite the news this week that rebel and government negotiators had agreed to name Soro as prime minister. The deal on Soro, under a plan to reunite Ivory Coast, has the potential to lead to increased cocoa output in the country, something typically seen as bearish, a U.S. broker said. "People can concentrate on what they do best over there and take good care of their cocoa trees," the broker added. London benchmark July (LCCN7: Quote, Profile, Research) cocoa futures jumped on speculative buying on Thursday, touching a 1,081 pounds four-year peak and then easing back to 1,078 pounds, up 16.

Ivory Coast President Laurent Gbagbo has said a new government could be in place within days after the deal on Soro. Ivory Coast, a former French colony, has been split between a rebel-held north and government-run south since a 2002-03 war. A string of foreign-brokered peace deals has failed to reunite the country, previously a haven of stability in West Africa.

Cocoa traders said the agreement on Soro had little or no impact on futures prices as supplies had been reaching ports before the news. "The political news is an underlying factor in the market," one dealer said. "When there was unrest in the past (in Ivory Coast), the cocoa eventually came out. Unrest can cause a bullish reaction, but a political deal need not be bearish."

The appointment of Soro, if confirmed, could lead to less smuggling of cocoa and other commodities out of Ivory Coast in the longer term, industry executives said. "Soro as prime minister means that he will be obliged to close the trafficking routes for cocoa, coffee, cotton, cashew nuts and wood," said Adnan Amer, chairman of Saf Cacao based in San Pedro. "The cocoa from Man and Vavoua (in Ivory Coast) will no longer go north but come down to Abidjan or San Pedro, which is a good thing for us," he said. "These products will come here and will be taxed. That has always been our wish. That peace returns and that things are better organised," Amer added.

Other industry executives were more cautious. "If things return to normal with this accord, we will not immediately rush to the north," said the business director of one foreign exporter. "We will wait and monitor the process before we set up shop there. It won't be this season but next if things go to plan." Representatives of Gbagbo and Soro, leader of the New Forces rebels which hold the north of the country, agreed on March 4 at talks brokered by Burkina Faso's President Blaise Compaore to name a new government by an April 8 deadline.

Analysts and some diplomats say the latest peace plan could meet with more success than previous accords because it is the first to be "home grown" -- agreed on by Gbagbo and Soro directly and brokered by a neighbour trusted by both sides.

## **The Focus Report for March 29<sup>th</sup>: Prospective Plantings Report**

Mar 29 2007

### ***Cocoa***

Cocoa is perhaps the most intriguing futures market from a fundamental perspective. This is an industry on the rise from a demand standpoint but has a fundamental history that reads more like a bad version of the movie Braveheart. The bulk of the world's cocoa production is derived from a small spec of a country on the west coast of Africa called the Ivory Coast. Ghana is also a large producer, and together they combine (depending on the source and the crop year) for as much as 80% of the world's supply of cocoa. The main dynamic here is the long and drawn out civil war in the Ivory Coast, combined with French & U.N. intervention and multiple factions warring over political control – basically utter chaos.

After years of price congestion and diminished price volatility the cocoa market has spike as of late, mainly due to concerns over a severe drought in the main growing regions and the out of control spread of the swollen shoot virus. The swollen shoot virus, which defoliates and eventually kills cocoa trees, is widespread throughout the Ivory Coast and is expanding its devastation as farmers are neglecting the need for introducing barrier crops to stop the spread of the disease.

## **Green & Black's opens up new front with extra-dark chocolate**

29-Mar-07

Green & Black's, the upmarket chocolate brand owned by Cadbury, is boosting its premium credentials with the launch of an extra-dark chocolate bar. It will target consumers that want intense flavoured, high cocoa content bars. The 85% Cocoa bar, which will launch on April 24, will tap into the growing market for high cocoa content chocolate and demand from discerning chocolate consumers who also want organic products.

According to the chocolate maker, the key to the product is to develop the taste so it is not bitter despite its high cocoa content. The launch will be supported by a direct marketing campaign through London-based agency Brave. The agency has created packaging containing a complimentary sample, which explains that the bar is "made with even more of our precious organic cocoa." It will be sent out to 100,000 consumers that are known to buy high-content cocoa chocolate to encourage trial of the Green & Black's bar.

Brave says the dark brown packaging aims to be simple to "reflect the pure, simple organic ingredients". The campaign will use the ongoing strapline "It deserves a little respect". There has been a growing trend towards dark chocolate over recent years as it is perceived as a "healthier" than milk chocolate. Cadbury has been increasing its presence in the market with the launch of Flake Dark last summer (MW July 13) and is also relaunching its core Bournville brand, which dominates the mainstream market. Rival Nestle is launching into the market with the launch of boxed-chocolate brand Black Magic into a bar format (MW February 22).

## **Mildly obese adults may take heart in dark chocolate**

By John Fauber

Milwaukee Journal Sentinel

Fri, Mar. 30, 2007

NEW ORLEANS - Feeding chocolate to a bunch of middle-age, overweight people for weeks on end may not be as unhealthy as it seems. Researchers found that six weeks of daily consumption of a dark chocolate cocoa mix significantly improved the blood vessel health of those who participated in the study. The study is the latest in a growing number that link reduced heart disease risk to flavonoids in dark chocolate and other food and beverages, such as red wine, green tea and dark-colored fruits and vegetables. "There are hundreds if not thousands of flavonoids in every plant substance we eat," said James Stein, director of preventive cardiology at the University of Wisconsin School of Medicine and Public Health. "This is a very hot area. This study confirms what other investigators have found."

Flavonoids have been found to relax blood vessels and thereby improve blood flow, inhibit platelets from sticking together in the blood, and have a beneficial antioxidant effect. What still is not known is whether regularly eating dark chocolate, especially with its high sugar and fat content, eventually will lead to an unhealthy weight gain that would erase the beneficial effects of the flavonoids found in the cocoa. Cocoa is one of the most concentrated sources of the flavonoids catechin and epicatechin. Consuming foods such as dark chocolate and red wine can be a double-edged sword, Stein said. "They shouldn't be considered health foods," he said. "They are treats and shouldn't be staples in the diet." If they are used to replace a high-calories food with little or no nutrition, such as soda, then it may be beneficial, he said.

The study involved 39 people with an average age of 52 who, on average, were mildly obese. There were three six-week sessions, and each person consumed a separate preparation in each session: a Hershey dark chocolate cocoa mix with sugar (230 calories); a Hershey mix that was artificially sweetened (45 calories); and a placebo mix made of sweetened whey powder (250 calories). The study, which was funded by Hershey and the U.S. Centers for Disease Control and Prevention, was presented this weekend at the American College of Cardiology meeting in New Orleans.

Doctors used ultrasound to measure blood flow in an artery in the arm, a test that corresponds well to heart disease risk. The artificially sweetened cocoa mix was associated with about a 37 percent improvement in blood flow. The sugared cocoa was associated with a 23 percent improvement, suggesting that sugar actually interferes with the beneficial actions of flavonoids. The placebo mix resulted in a 12 percent reduction in blood flow. "This tells you that it (cocoa) is cardio-protective," said lead author Valentine Njike, a physician and researcher at Yale University School of Medicine.

Njike said the research is the first to evaluate the effect of cocoa on blood flow over a period of weeks in overweight and obese people. He said there was no appreciable weight gain during the course of the study, although he acknowledged that weight gain can be a problem with dark chocolate containing large amounts of fat

and sugar. The study's findings counter an old belief about nutrition, said Robert Rosenson, a professor of medicine at the University of Michigan Medical Center. "Many people feel that in order to get health benefits, they have to eat foods that are unpalatable," said Rosenson, who was not a part of the study. He noted that the biggest effect was found with the cocoa that did not have sugar. And he said that other research indicates that milk chocolate does not have beneficial effect.

Rosenson also said that the beneficial blood flow effect of cocoa usually diminishes within six hours, meaning that it might have to be consumed several times a day to obtain a continuous improvement. For that reason and because of the concern about calories, the ultimate answer eventually may come in the form of a so-called biopharmaceutical, a pill that contains concentrated amounts of the desired flavonoids and no fat or sugar, he said.

## **TIT BITS**

*(Source: Business Recorder – [www.brecord](http://www.brecord))*

### **London cocoa hits 3-1/2-year high**

LONDON (March 29, 2007): London cocoa futures set a fresh 3-1/2-year high on Wednesday and dealers saw no direct market impact from news of a deal to name a rebel leader as prime minister of top cocoa grower Ivory Coast. July settled up 16 pounds to 1,062 pounds in volume of 2,829 lots, after moving between 1,043 and 1,067.

### **New York cocoa slips after five firm days**

NEW YORK (March 29, 2007): The US cocoa futures slipped to close down 1.7 percent Tuesday, taking a rest following five straight sessions of firm settlements at levels last seen nearly four years ago, traders said.

### **London cocoa near four-year high**

LONDON (March 31, 2007): London cocoa futures closed near four-year high on Friday on worries over damage to West African mid crops from dry weather, and robust global demand.

### **Cocoa surges, ignores Ivory Coast deal**

LONDON (March 30, 2007): London cocoa futures have surged to four-year highs despite a deal on naming rebel leader Guillaume Soro as prime minister of top cocoa grower Ivory Coast that could lead to higher cocoa output and less smuggling.

### **New York cocoa settles higher**

NEW YORK (March 30, 2007): US cocoa futures closed up 1.7 percent on Wednesday, sustaining high levels last seen nearly four years ago and recovering from the previous day's losses on speculative buying, traders said.

### **Indonesia revises up cocoa exports**

JAKARTA (March 30, 2007): Indonesia has revised up figures on cocoa bean exports from its main growing area on Sulawesi island as some shipments were previously not counted.

### **Cocoa arrivals at Ivory Coast's port**

ABIDJAN (March 31, 2007): cocoa arrivals at Ivory Coast's port of San Pedro reached 372,356 tonnes March 25, 2007, according to data from the Coffee and cocoa Bourse (BCC) obtained by Reuters on Thursday.

### **New York cocoa rallies**

NEW YORK (March 31, 2007): US cocoa futures closed higher on Thursday in a sustained rally buoyed by fund and speculative buying, keeping prices at nearly four-year-high levels, traders said.

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