



# COPAL COCOA *Info*

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 241

23<sup>rd</sup> – 27<sup>th</sup> July 2007

Cocoa Producers' Alliance

## ICCO Daily Cocoa Prices

	ICCO daily price (SDRs/tonne)	ICCO daily price (US\$/tonne)	London futures (£/tonne)	New York Futures (US\$/tonne)
23 <sup>rd</sup> July	1414.86	2172.92	1090.67	2109.00
24 <sup>th</sup> July	1424.36	2188.89	1103.00	2111.00
25 <sup>th</sup> July	1046.47	2156.11	1082.00	2101.00
26 <sup>th</sup> July	1373.15	2104.23	1056.00	2054.00
27 <sup>th</sup> July	1328.70	2032.81	1037.00	1970.00
<b>Average</b>	<b>1318.00</b>	<b>2131.00</b>	<b>1074.00</b>	<b>2069.00</b>

*Have you had your cocoa today? Have cocoa for health and vitality!*

### In the News (from Newspapers worldwide)

#### Health and Nutrition

- ✓ Chocolate choices are multiplying
- ✓ Chocolate - Jo-Ann Heslin on the Pros and Cons
- ✓ Chocolate - its now healthier for you than ever before!
- ✓ Drink cocoa beverage, your life may depend on it

#### Production & Quality

- ✓ Cameroon to produce 200,000 tons of cocoa in 2008

#### Business & Economy

- ✓ U.S. Q2 2007 Cocoa Grind Falls 8.84 pct From Year Ago
- ✓ Cocoa Demand to Exceed 4 Million Metric Tons By 2010, According to a New Report by Global Industry Analysts, Inc.
- ✓ Barry Callebaut Expands its Operations in Ivory Coast
- ✓ Adding value to our exports without partisanship

- ✓ USA: Harry & David Announces Ohio Expansion
- ✓ DJ Ivory Coast Cocoa Prices Strong But Little Cocoa For Sale
- ✓ Asian Cocoa-Chocolate Makers Shop Around, Floods a Worry
- ✓ DJ Asian Cocoa: Prices Mixed; Wet Weather Threatens Supply
- ✓ Softs - Cocoa steady as market monitors potential higher crops in West Africa
- ✓ Cocoa demand on the up

#### Processing & Manufacturing

- ✓ Cocoa Supply Woes Cut Indonesian Grinding Capacity
- ✓ Cocoa grinding seen down in Indonesia

#### Others

- ✓ Rubber puts a spring in Ivorian cocoa farmers' step
- ✓ Ivory Coast Rubber Cultivation Costs vs Cocoa
- ✓ FDA to examine nutrition symbols

### INSIDE THIS ISSUE:

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

COCOA PRODUCERS' ALLIANCE, NATIONAL ASSEMBLY COMPLEX TAFAWA BALEWA SQUARE,  
P.O. BOX 1718, LAGOS, NIGERIA. TEL: +234(0)1-263-5574 FAX: +234(0)1-263-5684

Email: [econs@copal-cpa.org](mailto:econs@copal-cpa.org) Website: [www.copal-cpa.org](http://www.copal-cpa.org)

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

**Monday 23rd July 2007**

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep 2007	1095	1083	-18	1097	1081	3885
Dec 2007	1100	1092	-14	1101	1089	3265
Mar 2007	1105	1097	-14	1106S	1094S	652
May 2008	1116	1105	-14	1116	1104S	198
Jul 2008	1113	1114	-13	1113S	1113S	1
Sep 2008	1125	1121	-13	1125	1119S	19
Dec 2008	1126	1128	-13	1126S	1126S	10
Mar 2009		1134	-13			0
May 2009		1146	-13			0
Jul 2009		1156	-13			0
<b>Totals</b>		<b>1118</b>				<b>8,030</b>

**Tuesday 24th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	1081	1093	10	1097	1064	7522
Dec 2007	1090	1105	13	1109	1075	5760
Mar 2007	1095	1111	14	1114	1083	1799
May 2008	1099	1119	14	1120S	1091S	1020
Jul 2008	1103	1127	13	1127	1100	208
Sep 2008	1118	1134	13	1133S	1106S	87
Dec 2008	1113	1141	13	1144	1113S	11
Mar 2009		1148	14			0
May 2009		1160	14			0
Jul 2009		1170	14			0
<b>Totals</b>		<b>1131</b>				<b>16,407</b>

**Wednesday 25th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	1089	1071	-22	1093	1071	3014
Dec 2007	1098	1084	-21	1104	1084	5633
Mar 2007	1100	1091	-20	1107	1091	1380
May 2008	1114	1099	-20	1114	1098S	752
Jul 2008	1107	1107	-20	1107S	1107S	1
Sep 2008	1127	1116	-18	1130	1117S	706
Dec 2008						

**Thursday 26th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	1069	1042	-29	1079	1035	7842
Dec 2007	1086	1059	-25	1091	1051	7594
Mar 2007	1087	1067	-24	1098	1060	2464
May 2008	1100	1076	-23	1101	1074	794
Jul 2008	1103	1084	-23	1107S	1089	521
Sep 2008	1119	1092	-24	1119	1093S	72
Dec 2008	1125	1100	-26	1129	1099	1014
Mar 2009		1109	-25			0
May 2009		1121	-25			0
Jul 2009		1135	-21			0
<b>Totals</b>		<b>1089</b>				<b>20,301</b>

**Friday 27th July 2007**

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	1035	1022	-20	1044	992	11,682
Dec 2007	1063	1040	-19	1063	1011	12,335
Mar 2007	1067	1049	-18	1067	1022	5,559
May 2008	1072	1057	-19	1072	1030	1,003
Jul 2008	1084	1065	-19	1084	1040S	543
Sep 2008	1087	1074	-18	1087	1051S	163
Dec 2008	1095	1082	-18	1097	1061S	476
Mar 2009	1111	1091	-18	1111	1100	10
May 2009		1103	-18			0
Jul 2009		1117	-18			0
<b>Totals</b>		<b>1070</b>				<b>31,771</b>

<b>Average for the week</b>	<b>1079</b>					<b>17654</b>
<b>Total for the week</b>						<b>88,271</b>

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

<b>Monday</b>	<b>23rd July</b>	<b>2007</b>					
<b>Month</b>	<b>Open</b>	<b>Price</b>	<b>Change</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>	
Sep 2007	2074 2075	2067	-32	2086	2056		

**Thursday 26th July 2007**

# News

## Health and Nutrition

Chocolate choices are multiplying

by Rin Simpson, Western Mail, Jul 23 2007

THE man from Milk Tray was once enough to make any chocoholic's heart race. But today it appears only a bar of organic, Fair Trade, 75% cocoa chocolate made from pure Ecuadorian beans will do. Where chocolate lovers used to fall into three simple categories – dark, milk and white – there is now a new breed of connoisseur who expects as much from their chocolate as they would from a vintage bottle of wine.

The trend has prompted confectioners this summer to work a lot harder for our attention, with ad campaigns promising a lot more than just chocolate – the cocoa content and country of origin have to make a big impact too. They are taking full advantage of the scientists' new view that dark chocolate and its high cocoa content is better for our health and wellbeing than milk or white chocolate.

Vicky Perks, nutritionist for Beanfreaks health food chain, said, "The Aztecs regarded cocoa as the nourishment of the gods and used it as a tonic, an elixir, like the fountain of youth. Only the most powerful warriors and the priests were allowed it. "With high-quality chocolate you're actually getting the cocoa rather than the fillers – it's the cocoa that is the expensive bit, the rest is very cheap. So it's worth paying for the high-quality chocolate." It means the number of dark chocolate products on the market has sky-rocketed. There are new dark versions of Flake, KitKat and Aero.

Lindt's Excellence collection has both a dark range – with a choice of 70% , 85% or even 99% cocoa – and an origins range, with bars from Madagascar, Ecuador and Cuba. And even Magnum has been quick to follow suit by launching an Ecuador Dark ice- cream, with 62% cocoa solids and beans from South America.

Alison Lindsay, owner of The Tipyn Bach Chocolate Company in the Conwy Valley, said, "People appreciate fine wines, now they're appreciating finer chocolate. "People are fed up with having sub-standard chocolates which have lots of additives they don't need. Some chocolate companies put vegetable fat in their chocolate to make it go further and some put gluten in, wheat products, when there's no need for that. "So people are going for purer tastes and stronger tastes, different flavours. There's not just one flavour in chocolate, there's probably six or seven – there's roast and bitterness and sweetness, fruitiness. And different beans give different tastes, very much like different grapes in wine."

It is this specialist, luxury element advertisers are tapping into, says Paul James, managing director of Cardiff-based Stepping Stones Marketing Solutions. "If the company is saying that its product is high in cocoa content that has to be a positive message to encourage people to buy," he said. "Any company that has got that high cocoa will want to push it because they'll be able to sell it as a high-quality product. It becomes a premium product and hence the price will go up because of that quality stance they're taking."

But quality chocolate isn't just about cocoa content, experts warn. Tracey Kindred is co-owner of Heavenly in Llandeilo, Carmarthenshire, which sells a range of luxury and handmade chocolates. She said, "Just because a chocolate has a high cocoa content doesn't mean it's the best chocolate. Where they buy their beans is important, the grade of the bean may not always be the best bean. "Check the label and see what's been added, that's a good indication of the quality of the chocolate. For example, never buy anything with artificial vanilla or 'vanillin' – you know you're not getting a good-quality chocolate if they're prepared to use artificial flavours. "You can't get good chocolate cheap – it's like buying a good- quality wine or champagne."

Chocolate - Jo-Ann Heslin on the Pros and Cons

By Jo-Ann Heslin, MA, RD, CDN, Food and Nutrition Columnist - HealthNewsDigest.com, Jul 23, 2007

### IT'S SIMPLE – EAT CHOCOLATE

(HealthNewsDigest.com) - This has been the primary message of many recent news reports – just eat chocolate and lower your blood pressure. And, in addition to protecting you against heart disease, chocolate may be protective against diabetes and may improve your mood. Can a chocolate bar truly do all that? It sure is tempting to believe. This recent research offers a good opportunity to examine information so you can use it to your advantage. (Jo-Ann Heslin, MA, RD, CDN, Food and Nutrition Columnist - HealthNewsDigest.com) Let's start

by giving you an end point. If you have a cup of cocoa for breakfast, green tea for lunch, and a glass of red wine for dinner you've given yourself a nutrition advantage for the day. Add in an array of fruits and vegetables and a small piece of rich dark chocolate, and you qualify for membership in the "healthy eaters club." Why? All these food are rich in antioxidants, those health-promoting substances that scavenge up nasty free radicals and protect your body from harm. Plant-based foods are rich in the antioxidant group called flavonoids. There are over 4,000 flavonoid compounds and cranberries, apples, peanuts, chocolate, onions, tea and red wine are particularly rich sources.

Flavonoids give chocolate its pungent taste, but commercial chocolates vary widely in flavonoid content. The more chocolate is processed the more flavonoids are lost. Chocolate with a high cocoa content, dark chocolate and cocoa powder has the most; milk chocolate, white chocolate, chocolate syrup, and chocolate-containing foods, like cake, have the least. Many brands of dark chocolate proudly display the percentage of cacao on the label. That is the bar's actual content from the cacao bean. It is the sum of cocoa butter and cacao solids. The rest of the bar is almost entirely sugar plus a few minor ingredients. If a bar is 57% cacao it will have approximately 43% sugar. A typical milk chocolate bar has about 10% cacao, but a serious dark chocolate, varietal brand might be closer to 85%. The higher the percentage of cacao the more pungent and bitter the chocolate taste and the higher the flavonoid content.

Fruits and vegetables, the other group of flavonoid-rich foods, are virtually fat-free, as is cocoa powder. But an ounce and a half of chocolate, the typical candy bar size, can have 8 or more grams of fat. That's why relying on chocolate as a major source of flavonoids can have a downside – the calories add up quickly. The good news is that the type of fat found in chocolate is not all bad. Cocoa butter is made up of equal amounts of oleic acid (a heart-healthy monounsaturated fat also found in olive oil), stearic acid and palmitic acid, both of which are saturated vegetable fats. Stearic acid, even though it is a saturated fat, has a neutral effect on cholesterol, neither

amount of antioxidants in our diet helps protect against cardiovascular health problems, early ageing, certain cancers and the development of diabetes type 2. It's also believed to improve brain function and our immune system.

Here are the facts:

9g of Delvaux-ACTICOA™ dark chocolate; just 2 small pieces, delivers a little over the recommended daily allowance of antioxidants. This dark, healthier chocolate contains a higher level of antioxidants than is available in equivalent amounts of red wine or green tea. It actually contains more than twice as many antioxidants as standard dark chocolate. The Delvaux-ACTICOA™ milk chocolate contains almost as many antioxidants as standard dark chocolate and 2.5 times the amount of antioxidants found in standard milk chocolate. Need we say anymore? Indulge yourself at [www.delvaux-acticoa.com](http://www.delvaux-acticoa.com)

Drink cocoa beverage, your life may depend on it  
Nigerian Tribune, Dele Aderibigbe, 26th July, 2007

Cocoa is a cash and food crop, with many by-products. One of the by-products is cocoa beverage, which, according to scientists can ward off certain ailments and diseases

Tea, according to science is refreshing to the body system, capable of releasing new bouts of energy to the drinker, and enabling him/her to go the extra mile in his/her endeavour. However, only a few people know that the real 'koko' of tea is the 'cocoa' variant, which is indicated as being capable of also lowering the blood pressure and thus acting as life elixir. Drink hot tea today. Whether as an energy stimulant (boost coffee), or for relaxation ('bongo tea' as a good example) or as food supplement-cocoa beverage, your

work or life may in deed depend on it! Early African history indicates that the Tuaregs and the Sanhaja Berbers were the first groups of people to recognize the importance of a hot cup of tea. The North African Arab traders had ceaselessly marvelled at the strength of their guides who never showed signs of fatigue as they took them through the hot Sahara desert routes, in the course of the legendary trans-Sahara trade.

The Tuaregs, even with several of them totally blind, effectively acted as guides to the North African traders, never asking for rest, until the Arab traders were unable to move further as a result of fatigue. Each time they got tired, the Arab traders found succour in drinking cold water. Ironically, while the hot tea-drinking Tuaregs were reportedly always ready to continue the journey, the cold water-drinking Arabian traders reportedly always felt more tired and sleepy!

But, history records that at every little stop, the Tuaregs, just like their Sanhaja counterparts, would boil a small pot of water, sash it with some dried, ground or powdery substances, and drink it hot! Of course, that was the beginning of what today is known as the 'saish tea'! History, further records that the Arabs' marvel soon gave way to 'curiosity' that in turn ended up with the study of what their guides drank regularly. Soon, every one began to drink the Tuaregs' hot concoctions, with little modifications here and there.

A little while later, sweeteners were introduced to the concoctions, and the adventure has continued unabated until today! As the groups crossed the hot desert in the course of the trans-Saharan trades, the individuals' systems, particularly the stomach areas became heated up. When a Tuareg drank his hot tea, he unwittingly poured liquid whose temperature is higher than that of the 'tummy' into the stomach; this makes the tummy gain more heat, accommodate the hot liquid, and thus prevent dehydration.

On the other hand, the man that drinks cold water under the same situation, would only have sucVkhVjh%0 7f-Pkdh-B0S-u7''kP%



Australia and other parts of the world featured prominently, Dr. Owoeye explained that coffee contains a stimulant mospotine, which is capable of affecting the Cyclic-AMP, an enzyme.

And in differentiating between teas, coffee and the cocoa beverage, the medical expert explained that coffee could stimulate and keep one awake. In addition, it could also increase the rate at which the heart beats. However, while the common tea and the coffee may do the same job of stimulating memory and prevent the breakdown of what he indicated as the Cyclic-AMP, it is nonetheless considered milder and preferred by those who may want to sleep normally.

Dr. Owoeye then cautions: "Coffee has something to do with the heart. Now, anything that can affect the heart, you should know, it could also have negative impact on blood pressure," remarking that may be one of the core reasons why those suffering from hypertension are often advised to do away with cigarettes, alcohol and such stimulants. "Recent research has shown that coffee contains a substance that can enhance memory," he explained, noting that a substance in coffee actually acts on a PD substance (Phosphor Diastarate, an enzyme. Cocoa as a beverage on the other hand however soothes and relaxes the system, thereby making sleep a much better idea.

Coffee is the most popular drink of the Austrian people. The Austrians consume 122 litres of mocha variant per head a year or more than three cups a day. That means even for a small country like Austria (7.5 million inhabitants), more than 9.15 billion cups of coffee are taken per annum! So, drink coffee. But then, drink more cocoa beverage. Your work could depend on the coffee; but your life could depend on the cocoa beverage. And come to think of it, which one is more important – your work or your life? The choice is yours!

## Production & Quality

Ivorian main crop cocoa could flow from early Sept  
Tue 24 Jul 2007, (Reuters), By Ange Aboa

SAN PEDRO, Ivory Coast - The Oct-March main crop harvest in world top cocoa grower Ivory Coast could start a month early after good rains helped trees produce large numbers of pods, farmers and exporters said on Tuesday. Plantations in the southwest of the country have large numbers of flowers and many lightbulb-sized pods, some of which will be ripe for harvesting in four to six weeks, growers say. "There are lots of pods on the trees and between now and the end of August we're going to start gathering the ripe ones," said farmer Norbert Amani Kouakou from Poro, a village around 7 km north of the southwestern port town of San Pedro. "The rain has really helped us a lot because we haven't used much fertiliser," he said.

The expected good main crop harvest should come as a relief to many farmers who produced only small quantities during the current April-September mid crop, after drought-like conditions earlier this year slashed production in all main growing zones. Ivory Coast's average annual cocoa output is around 1.3 million tonnes, around 1 million of which is produced in the main crop. The season officially starts on Oct. 1 but exporters expect main crop beans, which are chunkier and preferred by processors, to begin arriving at ports this year by early September. "The first new season beans in the region will begin to be prepared towards the last week of August. We're expecting the first beans from the first week of September," said a buyer for a European exporter based in San Pedro.

A buyer for another exporter in San Pedro said he expected arrivals to rise sharply in September from the current trickle. Shippers put deliveries last week at around 6,000 tonnes but they can reach 50,000 a week or more when the main crop peaks. "For September, we can hope to have at least 100,000 tonnes ... when normally we don't have more than 25,000 tonnes. We should have a lot more in October and November," he said. "There were already a lot of pods developing on the trees because of the rains in June but with the rains this month, there will definitely be even more in the main crop."

Rains have been regular in all cocoa zones since the end of March but some farmers are hoping showers will continue until mid-August to ensure an adequate supply of moisture to sustain small pods and flowers still appearing. "Each time it rains, new flowers bloom. All over my field there are pods, even on the old trees. It's going to be fine," said Marc Kobenan, who farms cocoa on his 7 hectare plantation in the southern central village of Petit Bondoukou.

Cameroon to produce 200,000 tons of cocoa in 2008  
African Press Agency, 25-07-2007

Cameroon's cocoa production, which currently stands at 170,000 tonnes, could hit the 180,000-tonne mark next year and the government's targeted 200,000 tonnes in 2010 sources said here Wednesday. "We are close to

employs over 700 people worldwide and publishes more than 880 full-scale research reports each year. Additionally, the company also offers a range of over 60,000 smaller research products including company reports, market trend reports, and industry reports encompassing all major industries worldwide.

Global Industry Analysts, Inc., Telephone 408-528-9966, Fax 408-528-9977, Email [press\(at\)StrategyR.com](mailto:press(at)StrategyR.com)  
Web Site <http://www.StrategyR.com/>

#### Barry Callebaut Expands its Operations in Ivory Coast

Source: Barry Callebaut AG, 24/07/2007

Zurich, Switzerland, July 24 – Barry Callebaut, the world's leading manufacturer of high-quality cocoa and chocolate products, plans to increase its cocoa processing operations by more than 50% in Ivory Coast over the next two years to respond to an increase in demand for cocoa liquor as more and more previously fully-integrated food companies outsource their primary cocoa liquor and chocolate needs. Barry Callebaut is well positioned to further benefit from this trend and is therefore securing future supplies by expanding its operations in Ivory Coast, the world's largest cocoa growing nation.

As part of the capacity expansion, Barry Callebaut will double the amount of cocoa beans it buys “on the ground” in Ivory Coast rather than over the commodity exchange. Direct bean sourcing provides the company with greater access to quality cocoa beans, which is reflected in the superior taste of the company’s cocoa and chocolate products.

Patrick De Maeseneire, CEO of Barry Callebaut, says: “Barry Callebaut has won three large supply contracts in the last six months, with Nestlé, Hershey and Cadbury. To respond to this increased demand for cocoa products we need to secure our cocoa bean supply, this is why we are expanding our operations in Ivory Coast. In parallel to the outsourcing trend, we also see rising consumer demand for origin chocolate. We will therefore also increase the amount of beans we source directly from farmers and cooperatives. This gives us greater control over the quality.”

Barry Callebaut has four factories in Ivory Coast, and employs some 500 local staff in Abidjan and in San Pedro. The planned increased direct cocoa sourcing and processing activities in Ivory Coast will create around 60 new jobs.

#### New Medical Center for cocoa farming communities

Ivory Coast is the world's largest cocoa producer. Cocoa is grown on about 1 million small family-owned cocoa farms. To help the cocoa farmers improve the quality and quantity of their crop, Barry Callebaut launched the “Partenaire de Qualité” program in 2005. The program trains cocoa farmers in farming methods, enabling them to produce more and better-quality cocoa beans and to increase their income, and also sensitizes them for working conditions. As part of this program, Barry Callebaut is now supporting the construction of a medical center in Goh, a village 60 km southwest of San Pedro, where Barry Callebaut has a production facility.

With annual sales of more than CHF 4 billion (EUR 2.7 billion) for fiscal year 2005/06, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa, chocolate and confectionery products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 23 countries, operates more than 30 production facilities and employs approximately 8,000 people. The company serves the entire food industry, from food manufacturers to professional users of chocolate (such as chocolatiers, pastry chefs or bakers), to global retailers. It also provides a comprehensive range of services in the fields of product development, processing, training and marketing.

#### Adding value to our exports without partisanship

The Statesman, 24/07/2007

Last week, Government's drive towards achieving value addition for Ghana's raw material exports received a big boost with the commencement of work on a \$70 million cocoa processing investment by Cargill, a global leader in the cocoa and chocolate supply chain. The state-of-the-art plant at the Tema Free Zone Enclave is to process 65,000 metric tonnes of cocoa annually into liquor, butter and powder.

President John Agyekum Kufuor, who was on hand to perform the ceremony to mark the start of construction work on the project, said it was a manifestation of the growing confidence in Ghana's economy. "Additionally, it testifies to the success of the Government's policies and measures, which have put the economy on the growth path." The completion of the plant, scheduled for next year, would bring the number of cocoa processing

facilities in the country to five. Ghana has projected to process 350,000 tonnes of its cocoa by 2008. We are still quite some way out of achieving this target.

Whilst commending Government for creating the enabling environment for the establishment of the plant, which can only inure to the benefit of the entire citizenry, we believe it is long overdue to focus attention on another matter that has been conveniently swept under the political carpet for far too long: the \$10 million cocoa processing factory allegedly owned partly by Mr and Mrs Rawlings, but built with state funds, with Mrs Rawlings' 31st December Women's Movement fronting for the couple, at Tema.

Two years before the NDC handed over power, Government obtained from the Chinese government a loan equivalent to about \$18 million, through the Chinese Exim Bank. This was a concessionary project loan for on-lending to finance industries in Ghana. The NDC selected three projects involving gold mining, fishing ropes and nets and cocoa processing.

But, like many government-guaranteed loans under the NDC that fell victim to crony capitalism, almost half of the total amount, \$8.8m, was allocated to Calf Cocoa International Company. This company is a jointly owned by Caridem Development Company and Chinese investors (who control 55%). Caridem is 100% owned by a 'charity' organisation controlled by Mrs Konadu Agyeman Rawlings, 31st December Women's Movement.

Between April 2000 and March 2003, records available show that a total of \$6.9m had been disbursed to Calf Cocoa International through their bankers, the National Investment bank, Accra. While a fraction of this amount is allegedly unaccounted for, the bulk was used in acquiring the building, machinery plant and equipment for the cocoa processing factory. This leaves an undrawn balance of \$1.8m, which a source at the Finance Ministry says, is still with the Exim Bank of China.

Government says it cannot disburse the remainder of the funds because it is not satisfied by the capacity of Caridem to pay off the loan. However, a source at the Ministry of Finance has told this paper that all that is left for the owners of the company to do is find working capital to buy cocoa seeds. "And nobody is stopping them from finding money elsewhere to continue."

Government is investigating how the 31st December Women's Movement came about the nearly \$600,000 initial equity investment made into the company, since the amount is not supported by the NGO's statement of accounts. But, while we may have ethical issues with the means through which funds for the construction of the factory were obtained, and who actually owns it, the factory is completed and, indeed, sources close to Mr Rawlings have confirmed to The Statesman that "dry test runs" have been done on the plant. For a government that has job creation as a key plank of its campaign message, the continued neglect of this job creator is uncharacteristic.

As a party that believes in the private sector and has a far higher appreciation for democracy, the NPP should be seen to be above some of these things. Part of the Rawlingses' constant refrain, both home and abroad, is that the NPP government is 'deliberately frustrating [our] efforts to create jobs in the country because of politics.' Regardless, we believe it is time Government moved on beyond this seeming spat. If we can welcome an American company to invest in our domestic cocoa-processing project, then we should not allow control of a similar plant by local 'investors' to be frustrated by partisan considerations.

In any case, the NPP has already paid over 80% of the amount required to get the project off the ground. As the saying goes, 'in for a penny, in for a pound.' Once we have committed national resources to its construction, we should not allow certain partisan technicalities to frustrate the project. Mrs Rawlings is certainly not helping the project. A legitimate question is: what has been stopping her from throwing a net wider for the extra funding

e7f-kV4n7f khhpj'Q"" d%da7fVgjtV6Bhje7dk%drP4B9%07fBBe-kdlylq'pfdVokf0h7f'0kBR70hPPk%a"VdUeTVhVVKBP%PJ0eBOKR%dBj077fdhPjCa7V

additional 4 million pounds of Moose Munch(R) Confection and 3 million pounds of chocolate enrobed fruit annually," said Bill Williams, President & CEO of Harry & David. He went on to say, "Our Ohio distribution center is a key activity hub for us; last year we shipped more than 3.6 million gifts, which is 1 million more than we sent from our Medford, Oregon distribution center."

The Ohio expansion is expected to add approximately 160 new full-time jobs with an annual payroll of approximately \$4 million. Construction is expected to be completed by Fall of 2008. In 1997 the Company opened a \$34 million regional distribution and call center at the same location.

#### DJ Ivory Coast Cocoa Prices Strong But Little Cocoa For Sale 26/07/2007

ABIDJAN (Dow Jones)--The average price paid for cocoa beans at Ivory Coast's farmgates continues to be well above the indicative farmgate price but farmers have little cocoa for sale as harvesting is in a seasonal lull, buyers and exporters said on Thursday.

Data from the BCC Coffee and Cocoa marketing body showed that that no cocoa changed hands last week in eight of the 15 cocoa growing areas monitored by the BCC. In seven other areas prices were mainly up as buyers scrambled for the little bit of cocoa on offer. "We have closed down until the end of the month," said buyer Traore Moussa, talking by telephone from Gagnoa, in the center-west. He said supply would gradually increase in the first half of August and that cocoa would really start flowing again around Aug. 20. Another buyer, who gave his name as Ali, said he had gone on leave as it was too costly to go around farms "to collect a few bags." Industry estimates obtained by Dow Jones Newswires show last week only 6,500 metric tons arrived from the farms at the ports, as compared with 65,000 tons in peak weeks in November-January. An exporter in the south western port of San Pedro said he was bored by slow business, another exporter said he had stopped buying to allow for maintenance of cocoa cleaning and bagging equipment.

#### Asian Cocoa-Chocolate Makers Shop Around, Floods a Worry Source: Reuters, 26/07/2007

Singapore - Chocolate makers are snapping up cocoa to meet rising demand in the summer holiday buying season while the deadly floods in Indonesia is making Asia's grinders anxious about supplies over the longer term. The ratios for butter, a key ingredient for chocolate, were steady from last week at 2.60 to 2.64 times the London futures price for nearby shipment on Thursday. Butter prices are determined by multiplying ratios with related London contracts. "The demand for butter is hot and there's a tight supply for nearby. I think desperate buyers will be willing to buy butter at 2.64 to 2.65 times," said a dealer in Singapore.

The second position in London futures, December, ended 21 pounds a tonne lower at 1,084 pounds on Wednesday in a technical correction, having rallied to a four-year high of 1,146 pound in early July on crop worries in the Ivory Coast, the world's leading producer. Dealers said a move by grinders to slash output in order to reduce powder stocks had started to bear fruit, creating a tighter supply for cocoa products. When processing beans, grinders also get cocoa cake, which is later pressed into powder and used in confectionary, beverages and ice cream. Sales of powder had been slow in recent months because consumers were aware of the high stocks held by grinders.

The price of powder was steady this week at \$1,000 a tonne on a free on board basis but higher than \$950 quoted last month. "The demand for powder is there. It's growing and I think buyers are quite aggressive," dealer in Singapore. "On the bean side, supply from Sulawesi keeps coming in, and I don't think the floods have any impact on shipments so far. Grinders' warehouses are full," he said.

Indonesia, the world's third-largest cocoa producer, sells beans to grinders in Malaysia, Singapore, China, Europe, Brazil and the United States. The Indonesia Cocoa Association said on Wednesday the country's cocoa output could fall to around 530,000 tonnes in 2007 from 590,000 tonnes last year because of the bad weather in Central Sulawesi, a key growing area. Central Sulawesi province, along with South and Southeast Sulawesi provinces, account for about 75 percent of the country's total cocoa output.

Days of heavy rain caused landslides and floods up to three metres high, submerging hundreds of homes in Central Sulawesi and killing around 60 people. "We've been offered beans from Sulawesi at \$150 a tonne under New York. I think that's expensive. We may want to buy at \$180," said a grinder in Malaysia, which is Asia's

largest grinder. "Butter buyers have been making inquiries in the past two days but I haven't secured any deals. We may expect something to happen in the next two weeks," he said.

The New York Board of Trade key September contract fell 2 percent, or \$41 to \$2,059 per on Wednesday, having rallied on Tuesday on talk of security concerns in Ivory Coast.

#### DJ Asian Cocoa: Prices Mixed; Wet Weather Threatens Supply

Dow Jones Newswires -By Fawziah Selamat, 26/07/2007

JAKARTA (Dow Jones)--Asian physical cocoa prices were mixed in the week to Thursday, with Malaysian cocoa prices falling on losses in international futures, and Indonesian prices firm on supply concerns due to fresh flooding and landslides, traders said. Offers for Malaysia's SMC 1B cocoa beans were quoted at MYR7,107 a metric ton Thursday, down from MYR7,200/ton last week, tracking losses on the London International Financial Futures and Options Exchange, where the bulk of Malaysian beans are traded. Wednesday, the most active September contract on Liffe was down GBP12 at GBP1,081/ton.

Offers for Indonesia's Sulawesi fair-average quality cocoa beans remained unchanged on week at IDR17,500 a kilogram Thursday, even as cocoa futures on the New York Board of Trade, a key destination for Indonesian beans, fell on price correction and reports that the cocoa crop in Ghana may be improving. The most active September contract fell \$41 to settle at \$2,095/ton. Days of heavy downpour in Sulawesi, Indonesia, have caused landslides and floods of up to three meters, submerging hundreds of homes. At least 60 people have died as a result of the unusually severe flooding, with central and southern Sulawesi being the worst-hit areas. The central, south and southeast provinces of Sulawesi account for 75% of Indonesia's total cocoa output. "The rains are going to delay the drying process of the beans and there is a risk of the beans turning black and moldy because of the excessive rainfall," said an Indonesian trader based in Sulawesi. "We're looking at shipments of new cocoa beans being delayed by as long as two weeks as the beans need to be dried first."

Indonesia's cocoa output is already expected to fall by 17% to 480,000 tons this year as a result of erratic weather over the past year. Indonesia is the world's third-largest cocoa producer. "It's supposed to be the dry season now, but we're being inundated by rains instead. There is bound to be an impact but it's still too early to tell how much damage has been done," the Indonesian trader said. The unexpected rains might also have an adverse effect on mid-crop production, which starts in November or December, the trader added.

#### Softs - Cocoa steady as market monitors potential higher crops in West Africa

AFX News Limited, 07.26.07

LONDON (Thomson Financial) - Cocoa was steady having traded lower yesterday on predictions of a bigger West African crop but traders kept a close eye on political developments in key producer the Ivory Coast. Prices remain at higher levels, however, with a tight supply outlook keeping cocoa on the Euronext Liffe just 6 pct off a four year high struck earlier this month. 'Overall, price activity over the past few sessions has been wide ranging but sideways in nature,' said Sucden analyst Stephanie Garner.

'(Cocoa's currently) very much dominated by reactions to news reports or rumours with little in the way of confirmation hence the price re-adjustment that follows the next and following trading sessions,' she added. At 2.00 pm on the Euronext Liffe, cocoa for September delivery was down at 1,070 stg a tonne against 1,071 stg at the close yesterday. Cocoa rose earlier this week on news the Ivory Coast army had been put on full alert ahead of the president Laurent Gbagbo's first visit to the rebel held North. The military was alerted because last month, rockets were fired at prime minister Guillaume Soro's plane when he was flying in the same northern region.

However, while this news provided a brief boost to cocoa, political risks in the Ivory Coast had already been priced into the market, causing prices to consolidate. Prices have since been under pressure by reports of rainfall in West Africa. 'When it rains during the mini-dry season it tends to be good for crops,' said Fortis analyst Jonathan Parkman. Some traders predict that the improving crop outlook could push prices lower, unless a further supply threat emerges in one of the key west African producers. In other softs traded on Liffe, Robusta coffee for September delivery was down at 1,826 usd a tonne against 1,836 usd, while No 5 white sugar for October delivery rose to 314.20 usd a tonne against 311.30 usd.

Cocoa demand on the up  
[www.confectionerynews.com/](http://www.confectionerynews.com/)

By Charlotte Eyre

27/07/2007 - Demand for cocoa is on the up, registering compound growth of 2.7 per cent over the next three years, and most of it will come from Africa, according to a new report. Global Industry Analysts predicts that the market will exceed four million tonnes by 2010, while cocoa production is becoming more concentrated in one continent. The trend means that manufacturers are becoming more dependent on countries such as Ghana for supplies. Such an increase in concentration could cause supply problems for processors, especially as the region is known for its political problems, which in the p

anticipated a recovery after the government scrapped a 10 percent value-added tax on some key commodities in a bid to boost domestic processing industries early this year.

The tax, which was imposed in 2000, had led to shortages of raw material for cocoa grinders as dealers preferred to sell cocoa beans overseas to avoid the tax. Aside from an expected shortfall in domestic output, lower output from top producers, Ivory Coast and Ghana, had encouraged overseas demand for Indonesian beans, Jasman said. The London-based International Cocoa Organization estimated in June the global cocoa deficit at 100,000-125,000 tonnes in the 2006/2007 (September-October) as erratic weather hampered crops in West Africa countries and in Indonesia.

Jasman said Indonesia's exports of cocoa products were likely to be flat from last year as -- aside from lacking supplies of beans -- grinders also faced higher import duties for cocoa products in key buyers such as Europe. Europe does not apply duty on imports of cocoa beans, but imposes 7.7 percent import duty for cocoa butter and 8 percent duty for imports of cocoa powder. "That prompted them to buy cocoa beans because its more profitable than cocoa products which are subject to hefty duties. Because of this, our industry can't grow," Jasman said.

Indonesia exported 490,777 tonnes of cocoa beans, 49,503 tonnes of cocoa butter and 33,764 tonnes of cocoa powder in 2006. Jasman said local grinders were still struggling to secure domestically high-quality fermented cocoa beans needed to produce a high quality cocoa powder, prompting grinders to import around 35,000 tonnes of cocoa beans from Africa, he said. Only about 25 percent of Indonesia's cocoa bean output is fermented, a process which is time consuming but enhances the flavour of the beans.

In 2005, Indonesia imported 30,291 tonnes of fermented beans from Africa. When processing beans, grinders get butter and cake, which is later pressed into powder, used in biscuits, beverages and ice cream as well as coating in chocolate. Butter is used to make spreads in soaps and cosmetics.

Cocoa grinding seen down in Indonesia  
Reuters, July 26 2007

JAKARTA -: Indonesian cocoa grinders are likely to continue operating at half capacity due to an expected shortfall in supplies of local cocoa beans and strong overseas demand, an industry official said on Wednesday.



Chinese demand drove a more than four-fold rise in benchmark Tokyo rubber futures prices from a 30-year low in 2001 to a 26-year high in 2006, pushing up potential farm earnings. "In Abengourou today everyone wants to do rubber. You earn nothing with cocoa and it produces in seasons so you always have to wait until the next one," said Herve Eponon Amanvo. He is financial director of the GEPDH, a new business in the eastern town of Abengourou supplying and planting rubber trees for 720,000 CFA francs (\$1,518) per hectare -- including maintenance and specialist advice for the first three years. "It costs a lot to set up a rubber farm. Some farmers want to do it but they don't have the means. We don't demand the 720,000 CFA straight away. We ask for 240,000 CFA up front then a monthly payment for three years," he said.

Amanvo said mature trees could earn as much as 300,000 CFA (\$631) per hectare each month. But some farmers say they earn only half that, and the African Rubber Plantation Company (SAPH), which is dominant in this eastern region, puts average revenues at a much lower 875,000 CFA a year per hectare.

### RISING OUTPUT

Belgian rubber trader Sogescol, a leading buyer here, says Ivorian rubber is sent all over the world, often ending up as tires produced by Michelin and Goodyear. Ivory Coast's rubber plantations have nearly doubled to 120,000 ha since 1990.

It overtook Nigeria as Africa's top rubber grower and seventh in the world last year with output of 184,000 tonnes and aims to quadruple production to around 600,000 tonnes by 2015 -- still way behind top growers Thailand, Indonesia and Malaysia.

Abengourou's regional council subsidizes planting of rubber farms as ageing cocoa trees in the east become less productive. Even so, investing in rubber is not risk-free. Diseases like the fungal white root can destroy an entire plantation if not tackled early. And output of rubber, like cocoa, is sensitive to rainfall. "There are a lot of diseases. They need a lot of care," said Marcel Koffi Adiane, who planted 7 ha of rubber trees in 1999 and started production in 2005. He said he had already lost about 20 trees to white root disease, but it had not spread. Like many farmers switching production, he planted rubber on half his land and continued growing cocoa on the rest during the six-year wait for the new trees to become productive. "I'm taking out some cocoa trees. My father planted them; they are more than 50 years old," said Adiane, 46, as a farm hand collected lumps of latex resembling mozzarella cheese from bowls tied to tree trunks, tipping them into a wobbling sack.

Adiane sells his rubber to SAPH, which sends the month's farm gate price, now 360 CFA/kg, via text message to farmers and organizes training seminars to help them optimize output. For a 6 CFA franc/kg maintenance fee, SAPH's monitors also come to check Adiane's workers are bleeding his trees correctly, drawing symbols on the bark in yellow crayon to flag damaging incisions that are too deep or go the wrong direction. Adiane said he would continue to grow cocoa on some of his land, but he hopes to retire by the age of 50, and the financial rewards make rubber far more appealing. "Cocoa farmers are struggling to make ends meet. Rubber farmers can earn two or three times more. I know one farmer here who has been to visit Europe. They can afford it," he said.

### Ivory Coast Rubber Cultivation Costs vs Cocoa

Source: Reuters, 25/07/2007

July 25 - Farmers of cocoa and other crops in world top cocoa grower Ivory Coast are increasingly turning to rubber cultivation which they say is more lucrative, due in part to a sharp rise in world rubber prices since 2001. Following is a comparison of the typical costs and earnings from healthy, well maintained rubber and cocoa plantations.

Costs are in CFA francs unless stated. Costs and revenues can vary according to soil fertility and rainfall, the age of the trees and the prevalence of disease or pests.

FDA to examine nutrition symbols

[www.foodnavigator-usa.com/news/](http://www.foodnavigator-usa.com/news/)

By Lorraine Heller

7/23/2007 - The US Food and Drug Administration (FDA)

The regulatory agency is inviting comments in advance of a hearing due to take place on September 10 and 11, 2007.

The use of symbols on food labels has emerged in recent years as a way for manufacturers to promote the nutrient content of their products. Such marks or symbols aim to distinguish products by providing consumers with easily understandable nutrition information.

But according to FDA, although such marks aim to indicate that the food product bearing them is a healthful choice, each symbol program has different nutrient requirements.

"The selected nutrients and the nutrient levels required for eligibility vary among the different symbol programs in use. With the increasingly widespread availability of these symbols from manufacturers, retailers, and third party organizations, it is possible that eligible food products could bear multiple nutrition symbols," said the regulatory agency.

In a notice published in the Federal Register on Friday, FDA set out a number of issues for discussion in the forthcoming hearing, asking for scientific information in support of data submitted.

Questions posed by the agency include the product categories where such symbols are used, and the nutritional criteria included in existing symbol systems, as well as whether the symbols are presented in combination with front-of-package claims such as 'low fat' or 'good source of calcium'.

In addition, FDA asks if there are programs to educate consumers to understand the nutrition symbols, or if all information is contained in the symbols themselves.

The agency is also interested in consumer research conducted to help in the development of symbols, as well as consumer attitudes towards the symbols and attitudes towards products carrying the symbols compared to those that do not carry them.

Another area of examination is the extent to which the symbols are effective in promoting purchases, and whether their use has directly resulted in increased product or brand sales.

The economic impact of such systems is also due to be examined, including the cost of product development or reformulation, and the costs of putting the symbols on packages.

To view the full notice in the Federal Register, [click here](#).

Copyright - Unless otherwise stated all contents of this web site are © 2000/2007 – Decision News Media SAS – All Rights Reserved. For permission to reproduce any contents of this web site, please email our Syndication department: contact our Syndication department. Full details for the use of materials on this site can be found in the Terms & Conditions.

## **TIT BITS**

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

### London cocoa slides

LONDON (July 24, 2007): London cocoa futures slid on Monday as weather reports from the world's biggest grower Ivory Coast showed good rainfall for crops while robusta coffee and sugar futures both closed lower, traders said. cocoa peaked at four-year highs earlier this month but has since drifted lower as fears over lower production in West Africa have gradually eased.

### Ivorian cocoa arrivals seen down

ABIDJAN (July 24, 2007): cocoa arrivals at ports in Ivory Coast from October 1 to July 22 reached around 1,160,000 tonnes compared with 1,306,092 tonnes in the same period a year earlier, according to an estimate by exporters on Monday. Exporters estimated around 6,000 tonnes were received at the West African country's two ports from July 15-22, compared with 7,146 tonnes in the same period a year earlier.

### London cocoa springs back

LONDON (July 25, 2007): London cocoa bounced off early lows to close higher on Tuesday as industry buyers took advantage of cheaper prices, while coffee sagged and sugar futures remained rangebound, traders said. cocoa prices fell early, breaking down through initial support at 1,089 pounds, basis December, as sterling hit a 26-year high against the dollar.

### Callebaut to raise cocoa capacity in Ivory Coast

ZURICH (July 25, 2007): Barry Callebaut, the world's biggest chocolate maker, said it would increase its cocoa processing capacities in the Ivory Coast after securing a series of large outsourcing deals, sending its shares higher.

### New York cocoa settles lower

NEW YORK (July 25, 2007): US open-outcry cocoa fell on Monday, closing at a one-week low in thin trade that featured September/December switching and pressure from favourable crop weather in top producer Ivory Coast. traders said. "Basically the market moved down on pretty light volume," one trader said.

### London cocoa falls, sugar dips

LONDON (July 26, 2007): London cocoa futures fell on Wednesday after a rally linked to perceived political tensions in the Ivory Coast was seen as overdone, while sugar dipped on news of Indian sales and coffee was unchanged, traders said.

### Cocoa grinding seen down in Indonesia

JAKARTA (July 26, 2007): Indonesian cocoa grinders are likely to continue operating at half capacity due to an expected shortfall in supplies of local cocoa beans and strong overseas demand, an industry official said on Wednesday. Indonesia, Asia's second-largest cocoa grinder after Malaysia, has 12 grinders with a capacity to process 300,000 tonnes of cocoa beans.

### New York cocoa rallies

NEW YORK (July 26, 2007): US open-outcry cocoa rallied to close higher on Tuesday as talk of possible renewed tension in top producer Ivory Coast buoyed prices closer to recent levels which approached 4-1/2 year highs, traders said.

### London coffee and cocoa tumble

LONDON (July 27, 2007): London cocoa and coffee futures broke out of recent ranges on Thursday and tumbled around two percent in late trade on profit-taking by funds, disappointed at the markets' failure to break higher, traders said.

### New York cocoa corrects lower

NEW YORK (July 27, 2007): US open-outcry cocoa corrected lower on Wednesday, on fund long-liquidation and pressure from the lower sterling, following on Tuesday's rally that had been spurred by talk of security concerns in top producer Ivory Coast, traders said. "It was very quiet, dip and then funds bought to \$2,090. We sat at \$2,080 and then a late slide," one broker said.

ORDER FORM

14<sup>th</sup> INTERNATIONAL COCOA RESEARCH  
CONFERENCE PROCEEDINGS

	<u>Unit Price</u>
1. Hard Copy (2 Volumes)	\$150.00 plus postage
2. CD-ROM	\$ 50.00 plus postage

Order by Fax or email

Fax: +234 1 263 5684

Mail: cnanga@copal-cpa.org

.....  
**Fax Order Sheet**  
**No. +234 1 263 5684**

**14<sup>th</sup> International Cocoa Research Conference Proceedings**  
(Please indicate preferred copy)

	<u>Quantity</u>	<u>Amount</u>
<input type="checkbox"/> Hard Copy	.....	.....
<input type="checkbox"/> CD-ROM	.....	.....
	Total:.....	

Mailing address:

.....  
.....  
.....

E-mail:.....

Date:..... Signature:.....