



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 245

20th – 24th August 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)
20 th August	1204.27	1835.69	954.67	1786.33
21 st August	1199.61	1830.23	954.33	1780.33
22 nd August	1199.62	1828.95	950.33	1776.00
23 rd August	1217.06	1859.00	965.33	1794.33
24 th August	1220.87	1867.21	963.67	1807.67
Average	1208.00	1844.00	958.00	1789.00

Up-coming Events

- African Cocoa Summit
3rd - 5th September 2007, Accra, Ghana
- Round Table of a Sustainable Cocoa Economy
3rd – 6th October 2007, Accra, Ghana
- ICCO Council
10th – 14th September 2007, London, UK
- General Assembly and Council of Ministers Meetings
8th - 12th 2007, Accra, Ghana

PROMOTION OF THE CONSUMPTION OF COCOA AND COCOA PRODUCTS BY COPAL DURING THE AFRICAN CUP OF NATIONS 2008 (page 19)

In the News (from Newspapers worldwide)

<p>Health and Nutrition</p> <ul style="list-style-type: none"> ✓ Cocoa has flavor, flavonoids ✓ Dark chocolate flavonoids reduce high blood pressure <p>Production & Quality</p> <ul style="list-style-type: none"> ✓ Cameroon: Trade Minister Opts for Quality Cocoa <p>Business & Economy</p> <ul style="list-style-type: none"> ✓ Is nothing sacred? ✓ Lindt & Spruengli H1 profit rises to 23 mln Sfr ✓ Price of chocolate set to rise ✓ Agriculture Development Bank Goes Operational This Year ✓ Cocoa cravings fulfilled richly ✓ Lindt plans price increase to cover raw materials 	<ul style="list-style-type: none"> ✓ Cocoa prices may stabilise, says ICCO ✓ ADM Reorganizes Operations ✓ New vending machine hot chocolate makes beauty claims ✓ Chocolate maker is the power behind the wrappers <p>Processing & Manufacturing</p> <ul style="list-style-type: none"> ✓ Starbucks plans to venture into chocolate field ✓ Cocoa makers head for Sweden <p>Labour issues</p> <ul style="list-style-type: none"> ✓ Like Wages for Chocolate <p>Others</p> <ul style="list-style-type: none"> ✓ Tinkering with chocolate 	<p>INSIDE THIS ISSUE:</p> <ul style="list-style-type: none"> ✓ ICCO DAILY COCOA PRICES ✓ UP-COMING EVENTS ✓ LONDON & NEW YORK FUTURES MARKETS UPDATE ✓ SPOT PRICES ✓ NEWS ✓ TIT- BITS ✓ COCOA EXHIBITION ✓ ORDER FORM -14TH INTERNATIONAL COCOA RESEARCH
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**International Financial Futures and Options Exchange (LIFFE)
London Futures Market – Summary of Trading Activities
(£ per tonne)**

Monday 20th August 2007

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Sep 2007	933	917	-10	938	915	1569
Dec 2007	958	938	-15	963	936	4212
Mar 2007	977	957	-13	979	956	2584
May 2008	985	969	-12	985	968	1172
Jul 2008	997	980	-12	997	978	460
Sep 2008	998	991	-12	998	991	594
Dec 2008	1010	1002	-11	1010	1002S	293
Mar 2009	1011	1011	-11	1011S	1011S	5
May 2009		1023	-11			0
Jul 2009		1036	-11			0
Totals		982				10,889

Tuesday 21st August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	919	916	-1	925	915	1900
Dec 2007	938	938	0	945	936	4151
Mar 2007	959	957	0	963	955	1905
May 2008	973	968	-1	973	966	264
Jul 2008	983	979	-1	984	978	210
Sep 2008	990	991	0	990	990	23
Dec 2008		1002	0			0
Mar 2009		1011	0			0
May 2009		1023	0			0
Jul 2009		1036	0			0
Totals		982				8,453

Wednesday 22nd August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	920	908	-8	920	907	1192
Dec 2007	940	935	-3	945	933	3655
Mar 2007	960	953	-4	962	951	1785
May 2008	972	963	-5	972	964	280
Jul 2008	980	975	-4	982	975	324
Sep 2008	992	987	-4	992	986	78
Dec 2008	1004	997	-5	1004	998	237
Mar 2009	1020	1007	-4	1020	1020	10
May 2009		1019	-4			0
Jul 2009		1032	-4			0
Totals		978				7,561

Thursday 23rd August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	908	923	15	924S	907	1046
Dec 2007	935	950	15	954	933	3747
Mar 2007	954	968	15	970	951	1818
May 2008	965	978	15	980	963	188
Jul 2008	975	990	15	990	974	197
Sep 2008	987	1000	13	989S	984	110
Dec 2008	1000	1010	13	1000	994	79
Mar 2009		1020	13			0
May 2009		1032	13			0
Jul 2009		1045	13			0
Totals		992				7,185

Friday 24th August 2007

Month	Opening Trans	Settle	Change	High	Low	Volume
Sep 2007	923	921	-2	937	909	2,501
Dec 2007	950	948	-2	964	936	4,176
Mar 2007	968	966	-2	981	954	1,736
May 2008	974	977	-1	991	970	670
Jul 2008	985	987	-3	993S	980	64
Sep 2008		997	-3			0
Dec 2008	1016	1005	-5	1016	1000	42
Mar 2009		1015	-5			0
May 2009		1027	-5			0
Jul 2009		1040	-5			0
Totals		988				9,189

Average for the week		1000				8655
Total for the week						43,277

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

Monday 20th August 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1809 0	1773	-2	1815	1775	1146
Dec 2007	1787 1790	1759	-20	1791	1757	7100
Mar 2008	1811 0	1780	-19	1811	1789	2114
May 2008	0 0	1794	-19	0	0	185
Jul 2008	0 0	1810	-19	0	0	2
Sep 2008	0 0	1825	-20	0	0	6
Dec 2008	0 0	1850	-21	0	0	71
Mar 2009	0 0	1872	-26	0	0	0
May 2009	0 0	1884	-28	0	0	0
Jul 2009	0 0	1898	-28	0	0	0
Totals		1825				10624

Tuesday 21st August 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1782 0	1793	20	1795	1782	168
Dec 2007	1765 1770	1759	0	1780	1755	5986
Mar 2008	1785 ^B 1792 ^A	1780	0	0	0	2503
May 2008	1795 ^B 0	1795	1	0	0	202
Jul 2008	0 0	1810	0	0	0	124
Sep 2008	0 0	1825	0	0	0	29
Dec 2008	0 0	1850	0	0	0	103
Mar 2009	0 0	1874	2	0	0	0
May 2009	0 0	1888	4	0	0	0
Jul 2009	0 0	1902	4	0	0	0
Totals		1828				9115

Wednesday 22nd August 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1744 ^B 0	1774	-19	1780	1763	34
Dec 2007	1772 0	1754	-5	1775	1753	6519
Mar 2008	0 0	1775	-5	1782	1780	897
May 2008	0 0	1790	-5	0	0	322
Jul 2008	0 0	1805	-5	0	0	15
Sep 2008	0 0	1820	-5	0	0	17
Dec 2008	0 0	1845	-5	0	0	273
Mar 2009	0 0	1866	-8	0	0	0
May 2009	0 0	1880	-8	0	0	0
Jul 2009	0 0	1894	-8	0	0	0
Totals		1820				8077

Thursday 23rd August 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1750 ^B 1815 ^A	1823	49	1820	1802	22
Dec 2007	1772 0	1792	38	1795	1758	6151
Mar 2008	1790 ^B 1796 ^A	1813	38	1802	1802	956
May 2008	0 0	1826	36	0	0	320
Jul 2008	0 0	1841	36	0	0	105
Sep 2008	0 0	1857	37	0	0	12
Dec 2008	0 0	1883	38	0	0	307
Mar 2009	0 0	1906	40	0	0	0
May 2009	0 0	1920	40	0	0	0
Jul 2009	0 0	1934	40	0	0	0
Totals		1860				7873

Friday 24th August 2007

Month	Open	Price	Change	High	Low	Volume
Sep 2007	1820 0	1841	18	1850	1814	53
Dec 2007	1796 1805	1798	6	1805	1772	9091
Mar 2008	1822 1825	1820	7	1825	1802	1208
May 2008	0 0	1835	9	0	0	244
Jul 2008	0 0	1850	9	0	0	4
Sep 2008	0 0	1865	8	0	0	5
Dec 2008	0 0	1890	7	1888	1888	2297
Mar 2009	0 0	1917	11	0	0	509
May 2009	0 0	1932	12	0	0	0
Jul 2009	0 0	1946	12	0	0	0
Totals						13411

Average for the week		1869				12275
Total for the week						49,100

Spot Prices (US\$ per tonne)

	20 th August	21 st August	22 nd August	23 rd August	24 th August
Main Crop Ghana, Grade 1	2237	2237	2232	2270	2276
Main Crop Ivory Coast, Grade 1	2117	2117	2112	2150	2156
Main Crop Nigerian, 1	2081	2081	2076	2114	2120
Superior Arriba	2509	2509	2504	2542	2548
Sanchez f.a.q.	2101	2101	2096	2134	2140
Malaysian 110	1772	1772	1767	1805	1811
Sulawesi f.a.q.	1932	1932	1927	1965	1971
Ecuador Cocoa Liquor	3172	3172	3163	3232	3242
Pure Prime Press African Type Cocoa Butter	5213	5213	5198	5310	5328
10/12% Natural Cocoa Press Cake	833	833	830	848	851

Source: Cocoa Merchants' Association

News

Health and Nutrition

Cocoa has flavor, flavonoids

21-08-2007

By Gerald W. Deas, M.D.

I bet you didn't realize that when you drink a soothing cup of flavorful cocoa, that you are actually protecting your heart with an antioxidant known as flavonoid. This nutrient has been found to be highly concentrated in dark chocolate. The darkest chocolate has the greatest amount of this substance. It has been recently found that flavonoid causes the lining of blood vessels to produce a gas known as nitric oxide (NO) which D. Robert Furchgott of SUNY Downstate Medical Center described in 1980 for which he and two other scientists received the Nobel prize.

Nitric oxide causes arteries to increase in size, thus, increasing blood flow throughout the body. It also has been found to reduce high blood pressure as well as increases the sensitivity of insulin which controls diabetes. Cocoa is only one of the flavonoid antioxidants that can achieve this. Foods such as onions, kale, green beans, broccoli, celery, red wine, tomatoes, apple with skin and grape juice are loaded with this nutrient.

It is interesting that chocolate has been associated with the heart on Valentine's Day. I am sure that those who started this tradition were not aware that the heart and soul of their loved one would be protected.

For many years, researchers have wondered how the French could ingest large quantities of trans fats and have less heart attacks than Americans. When one looks at the diet of the French people, it includes a great deal of vegetables and an ample amount of wine. It is in these foods that flavonoid is highly concentrated. Flavonoid containing foods also have been found to inhibit the growth of cancer cells and liver disorders. Enjoy the flavor and health protective qualities of flavonoid containing foods.

Dark chocolate flavonoids reduce high blood pressure

NewsTarget.com (FINDITT)

TUCSON, Ariz.

22/ Aug., 2007

Cocoa reduces high blood pressure but tea does not, according to a study published in the Archives of Internal Medicine. Researchers from the University Hospital of Cologne in Germany compared the results of 10 different studies, five examining the effects of cocoa on blood pressure, and five examining the effects of tea. Both cocoa and tea are high in plant compounds called flavonoids, which prior studies have linked to reduced cholesterol levels and blood clotting risk.

In the five cocoa studies, conducted between 1966 and 2006, consumption of cocoa caused a lowering of blood pressure by an average of 4.7/2.8 mm Hg. In the five tea studies, no significant change was observed. The conclusion of this article appears on NewsTarget.com, the independent natural health news source for consumers. This article, along with other uncensored news on important consumer health topics, can be found at:

About NewsTarget

Read by over 500,000 unique readers monthly, NewsTarget is a progressive, independent natural health news site that teaches consumers how to improve their health through foods, herbs, exercise and natural therapies. The site also warns consumers about the dangers of processed foods, pharmaceuticals, chemotherapy, environmental toxins and the failure of government regulators like the FDA.

Production & Quality

Cameroon: Trade Minister Opts for Quality Cocoa

Cameroon Tribune (Yaoundé)

Martin Akuro Akwa

20 August 2007

Trade Minister Luc Magloire Mbarga Atangana has called on cocoa farmers to increase production and the quality of cocoa in order to sell at higher prices. The Minister was speaking in Kumba 16th August while launching the 2007/2008 cocoa season which ends on 31st July 2008 with an expected tonnage rise to 191,000 as against 183,000 in 2006/2007. But this trend can only continue favourably when we produce more and better cocoa while respecting packaging standards and organizing producers into big groups to negotiate for better produce prices, Minister Luc Magloire Mbarga Atangana, said. Mal-practices of door-to-door buying and selling of cocoa especially humid cocoa must be stamped out for this makes farmers not to have fair prices thereby losing bonus for excellent quality.

For the Minister of State in Charge of Agriculture and Rural Development, Jean Nkuete, the machine for the improvement of agricultural production is in process. The Ministry has a programme for the development of cocoa and coffee. Studies are underway for the reduction of fertilizer prices and the re-launch of cooperative societies. The recreation of the National Civic Service for Participation in Development is in process.

Commercial banks are being told to fund agricultural projects while waiting for the creation of an agricultural bank whose money will be strictly for sponsoring agricultural projects. No franc from the bank will be used for any other purpose but for agriculture. Before the ministers' speeches, the General Manager of Coffee and Cocoa Board, Ndoping Michael described 2006/2007 cocoa season as positive. There was a rise from 4.5% in the previous season to 4.9% with high prices recorded and increased consumption.

Business & Economy

Is nothing sacred?

Chocolatiers gag on threat of vegetable oil

BY JIM MOORE REPUBLICAN-AMERICAN

August 19, 2007

A proposal that could change the ingredients in many foods has chocolate lovers worried. "Chocolate is chocolate," said Maria Sanchez, owner of Sweet Maria's bakery on Manor Avenue in Waterbury. "It's not something to be played with."

Word that the federal government is considering rule changes which could one day affect how chocolate and hundreds of other food products from macaroni to mayonnaise are made touched a nerve. The FDA has, to date, received more than 35,000 emails regarding a petition filed in October by a dozen industry trade groups led by the Grocery Manufacturers Association. Most focused on chocolate. While the petition itself makes no mention of chocolate, an example given in the appendix proposes allowing candy makers and bakers to use vegetable oils other than cocoa butter in chocolate, and still market it as chocolate.

Lindt & Spruengli H1 profit rises to 23 mln Sfr

Tue Aug 21, 2007

Katie Reid

ZURICH, (Reuters) - Swiss chocolate maker Lindt & Spruengli (LISP.S: Quote, Profile, Research) posted a forecast-beating rise in first-half net profit on Tuesday to 23 million Swiss francs (\$19.07 million), on strong sales in Europe, and signalled price hikes. "In view of the massive increase in commodity prices of recent months -- particularly of the flavour cocoa so important for Lindt & Spruengli -- adjustments to the prices of our products are increasingly more likely," the group said.

Lindt & Spruengli, like other food companies, is facing soaring prices for ingredients such as cocoa and milk. The group, which makes a broad range of products including Lindor pralines, Kirsch batons and gold-wrapped Easter bunnies, said it was sticking to its medium to long-term target of sales growth of between 6 percent and 8 percent. It expects a sales increase of 10 percent or slightly more in 2007. "As in previous years, Lindt & Spruengli is striving for a long-term increase in operating profit margin (EBIT) of approximately 20 to 40 base points compared with the same period for the previous year," the group said. "It is confident of reaching this objective again in 2007," it said.

Lindt & Spruengli has benefited from increased consumer spending on indulgence foods such as chocolates and has tapped into a growing demand for premium chocolate and dark chocolate. Operating profit before taxes rose to 32.7 million francs in the first six months on sales up 13.5 percent in local currencies at 1.138 billion francs. Its shares trade at about 25 times estimated 2008 earnings, while rival Swiss chocolate maker Barry Callebaut

(BARN.S: Quote, Profile, Research) is trading at around 17 times, according to Reuters data. The average estimate in a Reuters survey of nine analysts was for first-half net profit to rise to 15.3 million francs.

Price of chocolate set to rise

Guardian Unlimited
Graeme Wearden
August 21, 2007



Lindt chocolate. Photograph

Lindt and Sprüngli warned today that the price of chocolate is likely to rise in the months ahead. The Swiss chocolate maker explained that the recent increases in the cost of materials such as cocoa, cocoa butter and milk would have to be passed onto consumers. "In view of the massive increase in commodity prices of recent months - particularly of the cocoa so important for Lindt & Sprüngli - adjustments to the prices of products are increasingly more likely," Lindt said in its half-year results.

This echoes a similar warning earlier this month from Cadbury, which blamed a steep rise in the cost of milk. Lindt, whose luxury products include truffles, dark chocolate bars and gold-wrapped Easter bunnies, claimed that its consumers would swallow a price rise. It said today it had more than doubled its pre-tax profits in the first six months of 2007 to 32.7m Swiss francs (£13.7m), from 14.1m Swiss francs in the first half of 2006. Sales were up by 15.7% to 1.14bn Swiss francs.

Agriculture Development Bank Goes Operational This Year

The Post
Bamenda
Olive Ejang Tebug Ngoh
21-08-2007

The Minister of Agriculture and Rural Development, Jean Kuete, has promised the creation of an Agricultural Development Bank in Cameroon before the end of this year. Kuete was speaking in Kumba on August 16, during the launching of the 2007/2008 cocoa season. Addressing several worries from cocoa farmers ranging from production to selling of cocoa, Kuete said the government has done a lot to revitalize the cocoa sector. He enumerated the supply of fertilizers to farmers, provision of seedlings through subsidisation and the provision of farm equipment to farmers since the beginning of this year.

The Minister told the population that the Ministry presented a project to the government to revitalize cocoa and coffee sector in Cameroon. To this effect, Kuete said FCFA 1.4 billion has been allocated to help cocoa and coffee farmers in the country. He told the cocoa farmers to work extremely hard for high quality and quantity, since their target is 200,000 tons of cocoa this season.

For his part, the Minister of Commerce, Luc Magloire Mbarga Atangana, said the choice of Kumba for the launching of this year's cocoa season was not by mistake. He said that in the 2007/2008 marketing season, cocoa farmers should strive for increased production of cocoa for better prices and improve standards of living. Atangana called on public authorities to ensure total control of the cocoa sector despite liberalisation. He said serious sanctions await those who shall go against the law and ethics of the sector. He called on produce buyers to stop exploiting farmers by buying at good prices for all to enjoy the fallouts of the sector.

Earlier on, the President of Southwest Cocoa and Coffee Producers, James Musima Lobe, said since the liberalisation of the cocoa and coffee sector by the government, there has been stagnation in production, and anarchy and indiscipline in commercialisation. Comparing with some countries, which came behind Cameroon in cocoa production, Lobe said Ivory Coast of yesteryear produces approximately 1,200,000 tons, Ghana 450,000 tons, Nigeria, between 150,000 to 200,000 tons while Cameroon marks time with 150,000 to 170,000 tons.

Lobe told the ministers that the ageing population of Cameroon farmers alongside their farms, rural exodus by the youths due to lack of credit schemes to boost the sector are responsible for the backdrop. Lobe insisted that cocoa production in Cameroon could only increase if the farmers are supplied with high yielding hybrid varieties of seedlings, sufficient quantities of pesticides and fungicides, implementation of phytosanitary treatment of farms and a serious control of poor quality produce in the Southwest Province.

He also disclosed that since the disappearance of National Fund For Rural Development, FONADER, farmers have not had any reasonable credit scheme because banks are not interested in farming projects. He suggested that periodic markets for the sale of cocoa as instituted by a ministerial order recently is yet to be implemented because of bad roads. Lobe also appealed that cooperatives be empowered in order to breathe in the hostile competition.

Cocoa cravings fulfilled richly

The Associated Press

August 21, 2007

Americans appear increasingly willing to pay a premium to satisfy their chocolate cravings. Sales of premium chocolate continue to account for a growing percentage of the overall \$16 billion chocolate industry, a figure that is expect to reach \$18 billion by 2011, according to market research firm Packaged Facts.

By then, premium chocolate is expected to represent 25 percent of the market and produce \$4.5 billion in sales, the firm says. That's up from 17 percent of the market last year, and 13 percent in 2002. "Even in categories such as gift-box chocolates, which saw a notable decline in the last year, brands such as Ghirardelli and Lindt that are targeting a more hip and upscale clientele are seeing tremendous success," says Tatjana Meerman, publisher of Packaged Facts.

Lindt plans price increase to cover raw materials

ConfectioneryNews.com, France

By Karen Willmer

22/08/2007

Lindt will increase product prices in order to cover the rising raw material costs, the company said yesterday. Despite price increases for the raw materials, Lindt has said there was no overall negative effect on costs. However, it said price increases are likely in order to cover further costs. "Lindt and Sprungli firmly believes that a price increase would be accepted by consumers because of Lindt's exclusive positioning in the premium chocolate segment and the unconditional product quality," the company said yesterday in its semi-annual report.

In the six months to June 30, Lindt said its focus on the premier chocolate market and the increasing demand for luxury products has helped sales increase 15.7 per cent to CHF1.1bn (€0.7bn). The company said the increase in consumer wealth and spending following a drop in unemployment figures in Europe has helped sales in the premium chocolate market. Lindt said successful product segments include those with dark premium chocolates, taking advantage of the trend for chocolate with a high percentage of cocoa.

This follows recent research indicating the health benefits of chocolate with a high percentage of cocoa, including for the cardiovascular system. "In the pralines segment, Lindor balls continue their impressive success following the introduction of novel specialities such as a dark chocolate variant with 60 per cent cocoa, and are one of the most successful and best-known Lindt products worldwide," the company said. Lindt also noted growth of 16.2 per cent within the joint Europe and Middle East segments, with sales of CHF800.6m. Sales within individual countries above the market growth average, the company said.

Lindt said sales growth was at a high double-digit level in the UK and were good in expanding markets such as Poland and Sweden. Sales for all four North and Latin America companies grew 14.5 per cent to CHF245.3m. This is partly due to the fast growth of the premium chocolate segment within USA and Canada due to an improved standard of living, helping sales of new products within this segment as well as products with a high cocoa content. These segments remain a focus for the company and it will invest in these areas for the future, Lindt said.

Cocoa prices may stabilise, says ICCO

ConfectioneryNews.com, France

By Karen Willmer

22/08/2007 - A positive outlook for the chocolate industry as cocoa prices could be stabilising, the International Cocoa Organisation (ICCO) said in its July review. Despite the recent record high prices for cocoa, the ICCO said this week that the potentially strong crop yields in West Africa for the 2007/08 season has helped ease this price pressure.

Many large manufacturers, including Cadbury and Kraft, have recently claimed that high input costs have caused affected margins in recent months. However, July prices were still \$136 per tonne (€100) above those of June, averaging \$2,153 (€1,590) per tonne. "The developments in the cocoa market occurring during the month of July were quite interesting," the ICCO said in the report. "After the record levels reached in recent months, market participants are now wondering if the cocoa markets have entered a new phase characterised by lower cocoa prices."

Bad weather patterns have already affected crops for the 2006/07 season, and the ICCO predicts a "significant production deficit". This has already been putting price pressures on raw materials for the chocolate industry, however the ICCO now says the future may be more positive as manufacturers and processors are beginning to trust the market more. "The level of forward fixed price coverage of cocoa processors and chocolate manufacturers, which was estimated to be relatively low in the preceding months, has improved, putting less pressure on the upward side," said the ICCO.

The outlook for West African crops in the coming season improved during July due to heavier rains, and so this could help encouraged the future stabilisation of prices, claimed the ICCO. However, the report does note that there is "no clear evidence yet that the 2007/08 growing season will experience a production surplus".

ADM Reorganizes Operations

New Corporate Structure Aligns Operations for Enhanced Performance

PRNewswire

Aug. 22, 2007

DECATUR, Ill -- Archer Daniels Midland Company chairman, chief executive officer and president, Patricia Woertz today announced an organizational restructure of the Company, designed to enhance ADM's operating efficiency and provide clearer lines of responsibility for long-term success. The reorganization creates a single operations group, responsible for the Company's origination, merchandising, processing and marketing functions. "The reorganization represents the next step in our process to position ADM for continued success. We have defined our longer-term strategy and areas of focus; now we are aligning our organization and leadership to execute our business plans," said Woertz.

Effective today:

- John Rice, executive vice president, will lead the new Commercial & Production division, with responsibility for global origination, merchandising, processing and marketing across ADM's major business lines.
- David Smith, executive vice president, secretary and general counsel, will take on additional responsibility for Natural Health and Nutrition, Aviation and Internal Audit.
- Steve Mills, senior vice president, Strategic Planning, will assume additional responsibility for Specialty Food Ingredients, ADM Investor Services and Hickory Point Bank.

In addition, Projects and Engineering will report jointly to Michael Pacheco, vice president and chief technology officer, and John Rice. Marketing communications will report to Victoria Podesta, vice president, Corporate Communications. Bill Camp, executive vice president, will assume responsibility for Asia Strategy. And Lew Batchelder, senior vice president, will be relocating to Hamburg, Germany, as a member of the management board of Alfred C. Toepfer International G.m.b.H., a global commodity trading firm majority-owned by ADM.

The reorganization will not only streamline operations for enhanced performance, it will also provide development opportunities for managers throughout the Company. "Installing a reporting structure that supports our business strategy is a vitally important move," said Woertz. "Equally important is the creation of an organization that provides development and growth opportunities for our future leaders. This will help ADM retain top talent and ensure our leaders are well prepared for the many, diverse challenges and opportunities our future will present."

About 30 individuals will have new reporting relationships or increased responsibilities, including the following promotions.

Reporting to John Rice:

- Mark Zenuk, vice president, Global Oilseeds
- Mark Bemis, vice president, Cocoa, Malt and Milling
- Craig Huss, vice president, Transportation and Grain
- Kevin Moore, production vice president, BioProducts and Industrials
- Gary Towne, manager, Global Risk

Reporting to David Smith:

- Stu Funderburg, assistant general counsel

The reorganization will require some positions and responsibilities to be reconfigured, and a limited number of managerial positions to be eliminated. ADM will be offering transition incentives to individuals whose positions are affected.

Biographical Information

John Rice joined ADM in 1976 as a tax accountant. From 1978-1993 he held positions in merchandising and merchandising management. In 1993, he was elected vice president by the board of directors. Since then, Rice has held various senior management positions within the processing divisions, including president, North American Oilseeds and Food Oils, and senior vice president, Global Corn Processing, BioProducts and Food. In February of 2005, he was elected executive vice president with responsibility for Global Marketing and Risk Management.

David Smith has served in the ADM law department for over 25 years. As the executive vice president, secretary and general counsel for the Company, he has direct global responsibility for ADM's legal affairs. Smith also oversees Corporate Security and Services, Insurance, and the Office of Compliance and Ethics.

Steve Mills joined ADM in 1979, and has served in various senior treasury and accounting roles. He was named controller in 1994, and elected a vice president in 2000. He was appointed group vice president in 2002. Mills was named senior vice president, Strategic Planning for ADM in 2006. In this role, he leads the Company's long- and short-term strategy setting process. Steve is also responsible for information technology, business development, merger and acquisition coordination, and competitive intelligence analysis.

Mark Zenuk joined ADM in 2000. In 2005, he was elected vice president and managing director, Europe and Asia. Mark has served in a variety of management roles including vice president, Moormans/ADM-Animal Health and Nutrition; vice president, North American Oils and Fats; and division senior vice president, North American and European Oils, Fats and Biodiesel.

Mark Bemis joined ADM in 1983. During his tenure, Mark served in merchandising management positions in the oilseeds group. In 1999, he was named vice president and general manager, ADM Cocoa North America. In 2001, he was named president, ADM Cocoa; and in 2005, he was elected a vice president of ADM.

Craig Huss joined ADM in 1976 and has held various positions in grain elevator, processing and merchandising management. In 1999, he was named president, ADM Transportation; and in 2001, he was elected a vice president of the Company.

Kevin Moore joined ADM in 1990 and has held various manufacturing management positions for ADM. In 2006, he was named vice president and technical director for the BioProducts division.

Gary Towne joined ADM in 1997 and has served in a variety of management and merchandising positions. In 1999, he was named vice president, ADM Export Company; and in 2000, he was named vice president, Corn Processing.

Stu Funderburg has served in the law department since 1998, first in the role of attorney and then as corporate counsel.

About ADM

Archer Daniels Midland Company (ADM) is the world leader in BioEnergy and has a premier position in the agricultural processing value chain. ADM is one of the world's largest processors of soybeans, corn, wheat and cocoa. ADM is a leading manufacturer of biodiesel, ethanol, soybean oil and meal, corn sweeteners, flour and other value-added food and feed ingredients. Headquartered in Decatur, Illinois, ADM has over 27,000 employees, more than 240 processing plants and net sales for the fiscal year ended June 30, 2007 of \$44 billion. Additional information can be found on ADM's Web site at <http://www.admworld.com>.

New vending machine hot chocolate makes beauty claims

CosmeticsDesign-Europe.com

By Guy Montague-Jones and Alex McNally

23/08/2007

A new hot chocolate sold in vending machine is a novel addition to the growing market for drinkable and eatable beauty products. The Denmark-based firms, Eurogran and Chr Hansen, joined forces to make the beauty concoction called Le Royal ChocoDark, which is high in antioxidants, the molecules associated with skin health and anti-ageing.

Ingredients specialists Chr. Hansen achieved this by adding palm oil carotenoids to the brew, which is already high in antioxidants thanks to the high cocoa content of the dark chocolate. The hot chocolate drink will be sold from vending machines across Europe, after the launch of the product at the EU Vend exhibition in Cologne, Germany, on September, 20. The product will find its way into hotels, offices and restaurants as well as health shops and gyms so as to ensure that it reaches its target audience. "We see great possibilities for Le Royal ChocoDark to be included in vending machines - not only in offices, but also at places like fitness centres and life-style-stores," said Thomas Stilling from vending supplier Eurogran.

Food and beverages with cosmetic effects represent an emerging market that is developing fast in America, Europe and Asia, said Eleni Grammenou from Euromonitor. Reflecting this is two unusual product launches over the last few weeks. A nutritional scientist has developed an anti-wrinkle pizza in Italy and a range of beauty teas have been launched in America. Le Royal ChocoDark aims to tap into the large potential market of women who buy both chocolate and beauty products. "We are sure that this chocolate drink will appeal to a wide range of consumers all over, and especially for those interested in beauty. Worldwide, female consumers are the main consumers of cocoa products, and combining cocoa with natural carotene creates a good synergy effect," said Sami Sassi from Chr Hansen.

The growth in the market for cosmetic food and drink products has a knock on effect on the market for carotenoids. A 2003 Frost and Sullivan report suggested that the ingredient was being underused due to the lack of public awareness of its health benefits. A recent report from Global Industry Analysts suggested that the tide is turning and estimates that the total world market for carotenoids will reach €0.78bn by 2010.

Chocolate maker is the power behind the wrappers

Financial Times Deutschland (FTD.de.)

von Haig Simonian

22.08.2007

About 8,500 Barry Callebaut employees toil worldwide, buying cocoa beans, converting them into chocolate and selling the results. The packaging promises pleasure, the contents suggest satisfaction, but how many consumers spare a thought for the raw materials in their favourite chocolate? Whether a branded bar from a multinational or a gourmet praline made by a specialist, the chances are the raw material will have come from one source: Barry Callebaut, the world's biggest chocolate maker.

About 8,500 Barry Callebaut employees toil worldwide, buying cocoa beans, converting them into chocolate and selling the results. Depending on the customer, the end product can be anything from cocoa powder in packets, liquid chocolate in tankers or dainty little bars sold to individual chocolatiers. Together, sales to such clients mean the Zurich-based company should churn out more than 1.2m tonnes of chocolate and related cocoa products this year - with Barry Callebaut involved in a good one-in-four of the chocolates we eat.

The only unifying factor is that next to no one outside the business has ever heard of Barry Callebaut, in spite of a surging share price and the fact that the company has generated revenues of nearly SFr3.3bn (\$2.7bn) in the first nine months of the current business year. "We are by far the world's biggest chocolate maker, but not so

well-known", admits Patrick De Maeseneire, chief executive. "Most of our customers are wholesalers and prefer to put their names on our product."

Clients range from confectionery companies, such as Nestlé, Hershey and Cadbury Schweppes, to foods groups like Kraft, Kellogg and Unilever. Although such multinationals dominate sales, the company also caters to thousands of hotels, restaurants and confectionery shops. Attempts to break away from the business-to-business model and to win more consumer recognition have not always gone to plan.

In March 2002, Barry Callebaut bought Stollwerck, a leading German chocolate company, known for its Sarotti brand. Instead of enhancing Jacques and Alprose, Barry Callebaut's two existing consumer brands, the initiative turned sour, with disappointing sales, exacerbated by Germany's recession, factory closures, job losses and big restructuring provisions.

But Mr De Maeseneire, who joined the company later, defends the decision: "You shouldn't say it was a good or bad idea. The market changed." Perhaps the biggest lesson from Stollwerck was to reaffirm Barry Callebaut's focus upon core business. That awareness was propitious. Many of Barry Callebaut's biggest customers are reassessing their chocolate needs and show increasing willingness to buy more from outside, whether liquid chocolate or even finished products.

The process reflects changes. Squeezed by rising raw materials prices and ever-stronger retailers, big food groups struggle to contain costs, and turn to outsourcing. Mr De Maeseneire recognises outsourcing has its limits. No big group will source more than 40-50 per cent from an outsider, he concedes. Yet that leaves room for Barry Callebaut to grow. Just don't expect to see its name on the packet.

Processing & Manufacturing

Starbucks plans to venture into chocolate field

By ELIZABETH M. GILLESPIE, Associated Press

SEATTLE

August 19, 2007

Starbucks Corp. will start selling packages of premium "drinking chocolate" nuggets in U.S. grocery stores and other retail outlets this fall after an exorbitantly rich chocolate drink failed in stores two years ago. Starbucks, which has teamed up with Hershey Co., also plans to roll out a line of chocolate candies next spring that will include a coffee-infused premium dark chocolate bar, milk chocolate squares with flecks of chai tea, and an espresso truffle.

The cubes of drinking chocolate will come in three flavors: a blend of dark and European-style milk chocolates, one with a marshmallow nestled in the middle and a third that's infused with peppermint. At a tasting session Starbucks offered a group of journalists, a recipe based on three heaping tablespoons of the chocolate nuggets mixed with about six ounces of nonfat milk was not nearly as thick and rich as Chantico, a drink Starbucks discontinued in late 2005, about a year after it launched. Some complained it tasted like a melted chocolate bar. Others said they liked it, but wanted to be able to customize it, which they couldn't do in stores. "Which is a great thing about this one because . . . you can make it exactly the way you want it," said Sherry Maple, director of Starbucks' chocolate platform.

Starbucks, the world's largest specialty coffee retailer, and Hershey, the nation's largest candy maker, are developing other confections and have not yet decided exactly how many will be sold at first, said Traci Gentry, director of global chocolate innovation at Hershey. Starbucks has no immediate plans to sell the new chocolate products in its thousands of U.S. coffee houses. Starbucks and Hershey have developed cocoa sourcing guidelines aimed at improving labor standards, making farming practices ecologically sustainable and boosting income for farmers. Their goal is for all the cocoa beans they buy to be farmed according to those standards, but executives said it's unclear how soon that will happen. "We're committed to doing that, and I think it will take form, and we'll get the supply chain in place over time," Maple said.

Cocoa makers head for Sweden

Fiji Broadcasting Corporation

August 23, 2007



A group of cocoa producers leaves for Sweden tomorrow to develop their chocolate producing skills. The eight member group from Namau Settlement in Tailevu North will spend two weeks in Sweden.

Group leader and president of the Tailevu North Cocoa Producers Association Josefa Seruilagilagi said they hope to learn as much as they can from this trip. “We will be leaving tomorrow Friday , we will be spending two weeks up in Sweden, which will give us the opportunity to visit all the chocolate factories that are currently operating in Sweden , not only that we have some of these cocoa farmers coming to Sweden are also dairy farmers , they will have the opportunity to visit the Dairy farms there. We will also be visiting two universities while we are there”.

Labour issues

Like Wages for Chocolate

Failing to pay living wages to African farmers growing cocoa risks turning them against the West

Yale Center for the Study of Globalization (YaleGlobal)

Humphrey Hawksley

21 August 2007



Bottom of the supply chain: Ivory Coast child farmers
Marc and Fabrice Kwame (both 12) get 60 cents for a kilogram of cocoa. (Photo: Humphrey Hawksley)

SOUFRE, IVORY COAST: In recent years the question of Africa has shifted from a moral and humanitarian challenge to a strategic one. Since the end of the Cold war in the early 1990s Africa has relied mostly on the free-market system for its economic development. But the continent has slipped backwards, and the UN estimates that between now and 2015 the number of those workers living with their families on less than US\$1 a day will actually increase by 20 percent.

While the causes are multiple, alternatives to the Western democratic model are beginning to push their way through. Economically powerful, yet authoritarian China offers its own definition of human dignity which, it maintains, should be measured not by holding elections but by dragging people out of poverty. And extreme Islam spreads an inspirational anti-Western doctrine designed specifically to draw in the poor.

Almost half a century ago, Africa found itself similarly courted as newly independent nations chose between the ideology of the West and that of the Soviet Union. In 1960, Harold Macmillan, then British prime minister, declared that “winds of change were sweeping through Africa.” He argued that one of the great issues of the 20th century was whether the “uncommitted peoples” of Africa would swing away from the Western powers.

Now, his latest successor, Gordon Brown, has taken up the baton. Addressing the United Nations July 31, Brown spoke of “the dignity of individuals empowered to trade and be economically self sufficient.” A key difference

between 1960 and now is that half a century ago the commodities such as cotton, cocoa and coffee were largely seen as a source of wealth for Africa. Now because of globalization of media and the rise of non-governmental organizations, they have come to be seen as a symbol of exploitation. Many multinational corporations stand accused of taking huge profit while those who farm their raw products become poorer.

African poverty, therefore, has become a test for economic globalization. One of its pivotal concepts is that whether you work in Shenzhen, China, sewing jackets, or in Soufre, the Ivory Coast, farming cocoa, you can improve your standard of living by hooking up to the international supply chain. Globalization based on supply chain is an outgrowth of the economic systems of Western democracies. Therefore, its failure to deliver becomes the West's failure, too. A reversal requires a sea change of thinking from big business.

One example of the link between globalization and African poverty is the chocolate industry that accepts the use of child labor to farm cocoa, chocolate's raw product. Children are kept out of school and forced to work on farms to meet the world's craving for chocolate and profit-drive by the multinationals. Some are sold as child slaves, but most are put to work because cocoa farmers are too poor to hire adult labor.

Down a barely passable road, about two hours drive from the town of Soufre, Sanogo Lamine, 70, said he had been growing cocoa for more than 30 years. In his first harvest, in 1974, he was paid 300 West African francs, about 60 cents, a kilo. This year, his cocoa beans sold for exactly the same – 60 cents a kilo. When he began farming, Lamine saw a bright future. Now, his extended family barely makes a subsistence living. Of his seven children, three have gone to the cities to try to earn enough for the family to survive. Had the cocoa price kept pace with inflation, members of his family could have earned enough to build proper houses, go to college and progress from generation to generation.

Instead, they live in mud huts and remain illiterate.

When asked how much he needed to live on, Lamine totted up the present-day costs of farming equipment and fertilizers. "About three times what we are paid now," he replied. That figure roughly matches the 325 percent increase of US inflation between 1974 and 2007, a rise that would be reflected in the wages, marketing costs and product price in selling a bar of chocolate. The benefits, therefore, reach almost every stage of the supply-chain stage except the farmer himself.

The industry does not reveal its total annual revenue, but it's thought to be between US\$50 and \$70 billion. According to some independent estimates, an allocation of between 0.5 and 1 percent of revenue would be enough to ensure community development such as the building of roads, schools and clinics. It should be delivered not as aid, but in the price actually paid for the cocoa, which would, as Brown put it, speak toward the "dignity of individuals empowered to trade."

Yet this is precisely what the chocolate industry refuses to do.

When challenged about cocoa prices, the industry claims helplessness because prices are dictated by unpredictable international commodity markets. It cites free-market doctrine with an ideological fervor comparable to that of Red Guards waving Mao Zedong's Little Red Book – as if minor reform to the commodity markets would ruin Western life as we know it.

The Ivory Coast produces almost 50 percent of the world's cocoa and derives 90 percent of its foreign earnings from the trade. From independence in 1960, under the pro-Western authoritarian regime of President Félix Houphouët-Boigny, it became a jewel of Africa. The president ensured cocoa prices did not drop below a minimum level and many Ivorians felt secure and prosperous.

Houphouët-Boigny's death in 1993 coincided with the post-Cold War call for free-market democracy – and with the removal of cocoa price guarantees. This led to increased poverty and ethnic tension exploited by new and weaker leaders. By 2000, the Ivory Coast was heading for civil war. Having put their trust in Western trade, millions from the Ivorian cocoa belt and tens of millions elsewhere in Africa feel let down. They see themselves at the bottom of an international supply chain that refuses to spread wealth to the poorest and weakest. It is only natural that they seek alternatives.

Similar feelings were prevalent in 1940s China, 1930s Germany and turn-of-the-20th-century Russia. The alternative systems that took control then shook the world. Today, a confident China bankrolls bad government

in the Sudan and Zimbabwe and in the scramble for natural resources, has aspirations to control politically uncommitted swathes of the African continent. Extreme Islam has taken grip in Somalia, Nigeria and beyond and creeps toward cocoa farms of the Ivory Coast.

While inflexible thinking about state control over the economy by the hard left contributed to the collapse of communism, it may be the inflexibility of the free-market right that threatens the future of Western liberal democracy. The chocolate industry could set an example by taking steps to move away from this fraught course. They could at least ensure that the income of those farming cocoa is enough for a family to live on.

Humphrey Hawksley is the author of "The History Book," a novel about corporate social responsibility. His film on the cocoa industry, "Bitter Sweet," is broadcast on BBC World.

Others

Tinkering with chocolate

Chicago Tribune

August 24, 2007

Is there a sinister plot afoot to despoil the purity of chocolate? Some chocophiles suspect there is. They're alarmed that a bunch of culinary industry groups, including a grocers' association and the chocolate lobby, are asking the U.S. Food and Drug Administration to allow a change in the standards for what can be called chocolate.

Right now, the federal standard says chocolate must include a certain percentage of cacao fat -- also known as cocoa butter. That's what largely gives chocolate its texture and richness. The proposal would allow manufacturers to substitute vegetable oil for at least some cocoa butter and still call the final product chocolate. Why might some chocolatiers want to do that? One big reason: Vegetable oil is a lot cheaper. The proposal has stirred a storm on the Web and at the FDA, which has drawn roughly 1,500 comments on the issue, many from impassioned chocolate connoisseurs expressing the firm opinion that chocolate should never, ever be allowed to change. There's a campaign, led by a California chocolate-maker, to thwart any dilution of chocolate standards.

As chocophiles, we're concerned. But we're not rushing to the barricades to defend the sanctity of truffles just yet. We figure nothing's going to happen for a while. This is the FDA we're talking about. The folks there like to take their time on big decisions. (Approval for a "standard of identity" for white chocolate consumed 10 years, according to the Chocolate Manufacturers Association.) The FDA knows that meddling with chocolate is like juggling knives. It's easy to get hurt.

The chocolate universe is a large and diverse one. You can find chocolates of varying cacao content, from the sternest dark to the most purringly sublime milk chocolate. Like most Americans, we never really thought much about all the ingredients. We just go by taste. Even if the label says it's chocolate, there are a lot of candy bars around -- a.k.a. "street chocolate" -- with inferior, overly sweet, one-dimensional chocolate. We don't care how much cocoa butter they have or don't. We don't count them as real chocolate, in our strict constructionist interpretation.

We're not suggesting that such proposals be taken lightly. On the contrary. Chocolate, as we know, sustains human life under the most stressful conditions, particularly if it enrobes some crispy pretzels in your desk drawer, or a delightfully rich thin mint from Fannie May or a robust dark-chocolate covered cluster of almonds, or a Snickers, or ... well, there's only so much space for this editorial.

Yes, we count ourselves as chocoholics. We lamented when Fannie May closed and rejoiced when it reopened. When we notice a new chocolatier in town, we stop to sample. The things they imagine to drizzle with chocolate is amazing, except for gummy bears. We're always willing to sample new kinds of chocolate, for research purposes only, you understand.

These new proposed standards wouldn't force any manufacturer to substitute vegetable oil for cocoa butter. We're betting that most chocolatiers wouldn't dare substitute ingredients, unless they were absolutely sure that it wouldn't detract from taste, texture, appearance, smell, and other attributes that chocoholics prize. But we'll be watching. This debate may take some time and, we hope, quite a bit of research.

TIT BITS

(Source: Business Recorder – www.brecord)

Ghana mid-crop cocoa purchases down

ACCRA (August 19, 2007): Mid-crop cocoa purchases declared by private buyers to Ghanaian industry regulator Cocobod reached 5,630 tonnes between July 6 and July 19, an industry source said on Friday. That was down from 39,345 tonnes declared in the first two weeks of last year's mid crop.

London sugar slips; coffee and cocoa flat

LONDON (August 22, 2007): White sugar dipped while cocoa and coffee ended flat on Tuesday as trading remained cautious over the potential for wider financial market turmoil rekindling selling in soft commodities. The three soft commodity markets tumbled 3 percent on Thursday last week but have since steadied.

New York cocoa drops to 3-1/2 month low

NEW YORK (August 22, 2007): US cocoa futures settled lower on speculative selling after hitting a 3-1/2-month low on a second-month basis, traders said. "Just a little follow-through spec selling," one trader said. "A continued liquidation of the longs."

London cocoa sets fresh six-month low, sugar rebounds

LONDON (August 23, 2007): London white sugar futures staged a modest rally on Wednesday but cocoa hit a six month low and coffee fell, struggling to consolidate after recent sharp setbacks on turmoil in global financial markets, dealers said.

New York cocoa settles mostly flat

NEW YORK (August 23, 2007): US cocoa futures closed mostly flat to a shade higher Tuesday, following three days of weak trading, on concern about possible tight supplies while light fund liquidation capped gains, traders said.

London sugar down; cocoa and coffee edge up

LONDON (August 24, 2007): London white sugar futures finished lower on Thursday with a shortlived rally halted by a report from merchant ED&F Man predicting a large global supply surplus in 2007/08. cocoa and robusta coffee futures, however, finished higher as both markets consolidated after recent weakness.

New York cocoa ends at five-month low

NEW YORK (August 24, 2007): US cocoa futures trading on the open-outcry platform inched down to end at a five-month low on Wednesday, with continued pressure from fund liquidation amid thin trade, traders said. "(It was) continued fund liquidation to stronger hands to manufacturers, as expected.

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