



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

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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)
7 th January	1370.68	2166.89	1122.67	2136.33
8 th January	1387.64	2194.77	1132.33	2169.67
9 th January	1381.67	2183.70	1134.67	2161.33
10 th January	1394.27	2201.04	1145.67	2176.33
11 th January	1393.13	2206.14	1155.00	2168.00
Average	1385.00	2191.00	1138.00	2162.00

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TIT BITS

Do your health a favour, drink Cocoa everyday

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

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1080	1102	26	1104	1073	5,443
May 2008	1095	1119	25	1121	1091	1,399
Jul 2008	1128	1147	23	1148	1124	847
Sep 2008	1111	1124	22	1123	1109	316
Dec 2008	1104	1119	20	1122S	1102	990
Mar 2009	1122	1125	18	1126	1121S	608
May 2009	1138	1137	20	1138	1138	10
Jul 2009		1147	20			0
Sep 2009		1157	20			0
Dec 2009		1167	20			0
Totals		1134				9613

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1103	1111	9	1120	1097	10,488
May 2008	1119	1129	10	1138	1113	3,657
Jul 2008	1144	1157	10	1165S	1143	2,269
Sep 2008	1125	1133	9	1138	1120	495
Dec 2008	1116	1127	8	1133S	1115	2,710
Mar 2009	1127	1133	8	1139	1123	546
May 2009	1138	1145	8	1148	1137	41
Jul 2009	1150	1154	7	1153	1150S	10
Sep 2009		1164	7			0
Dec 2009		1174	7			0
Totals		1143				20216

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1111	1114	3	1118	1109	6,187
May 2008	1128	1132	3	1135	1127	2,667
Jul 2008	1158	1158	1	1163	1155S	1,970
Sep 2008	1132	1138	5	1141	1130S	675
Dec 2008	1129	1134	7	1140	1127	4,227
Mar 2009	1137	1141	8	1145S	1137	409
May 2009		1152	7			0
Jul 2009		1162	8			0
Sep 2009		1172	8			0
Dec 2009		1182	8			0

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1117	1125	11	1127	1,116	6,412
May 2008	1135	1143	11	1145	1,134	2,349
Jul 2008	1160	1169	11	1171	1,160	2,417
Sep 2008	1140	1152	14	1153	1140S	374
Dec 2008	1142	1152	18	1153	1140S	448
Mar 2009	1149	1154	13	1155	1145	200
May 2009		1164	12			0
Jul 2009		1174	12			0
Sep 2009		1184	12			0
Dec 2009		1194	12			0
Totals		1161				12200

Month	Open	Price	Change	High	Low	Volume
Mar 2008	1127	1135	10	1140	1114	10,327
May 2008	1145	1152	9	1157	1132	4,258
Jul 2008	1170	1178	9	1182	1162	2,125
Sep 2008	1157	1165	13	1169S	1145	374
Dec 2008	1150	1165	13	1164	1145	198
Mar 2009	1160	1166	12	1162	1147	158
May 2009		1176	12			0
Jul 2009		1186	12			0
Sep 2009		1196	12			0
Dec 2009		1206	12			0
Totals		1173				17440

Average for the week	1179					18901
Total for the week						75,604

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

Month	Open	Price	Change	High	Low	Volume
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News

Health and Nutrition

Health benefits of chocolate questioned

ConfectioneryNews.com, France

By Charlotte Eyre

07/01/2008 - Dark chocolate risks tumbling from its "good for you" confectionery pedestal, as a UK medical journal claims that many manufacturers in fact remove the heart healthy element - the flavanols. According to many scientific studies, flavanols have a positive effect on human health because they help neutralise free radicals that could damage the body's cells, and cause oxidative stress. It is this oxidative stress that has been linked to a wide range of chronic diseases, including cancer, cardiovascular disease, arthritis, diabetes, and neurodegenerative diseases like Alzheimer's.

The chocolate industry has never denied that processing removes a lot of nutrients from cocoa, however medical journal The Lancet states that consumers are often misled over how healthy a chocolate product is. In fact, manufacturers often deliberately remove the flavanols from their products because of the naturally bitter taste, sometimes then darkening the cocoa solids for aesthetic purposes, The Lancet claims. "So even a dark looking chocolate can have no flavanol," the journal said. All that is left is the "devil in the dark chocolate," or rather the fat, sugar and calories - none of which are ever regarded as healthy.

However, according to Sandra Capra from the University of Newcastle, the health properties of dark chocolate are real and should not be dismissed so lightly. "The evidence is there, that dark chocolate is a good alternative to milk chocolate and is a source of some key anti-oxidants," she said. "Anyone already on a healthy and balanced diet should be able to indulge occasionally in one or two squares of dark chocolate and benefit from a few health benefits as well."

Confectionery companies all over the world have invested large amounts of money in recent years on both investigating and marketing the heart healthy effects of cocoa, and some have in fact created products that are actually 'flavanol rich'. In October last year, Barry Callebaut launched a cocoa powder that contains about 80 per cent of the flavanols found in raw cocoa, supposedly meaning that only two grams will have an anti-oxidant affect on human health.

Another company jumping on the bandwagon is Hershey, who in 2006 released a milk chocolate that supposedly has the same level as antioxidants as dark onto the US market. Nevertheless, the Lancet argues that consumers are often misled over what constitutes a healthy chocolate product, as manufacturers rarely label their products with the exact flavanol content. Consumers are therefore "kept in the dark", as they cannot be sure how many antioxidants are in the chocolate at any one time.

Bridget Aisbett, spokesperson from the British Nutrition Foundation, agreed that information over how healthy chocolate actually is should always be treated with a degree of caution. "There has been a lot of scientific research into the health properties of chocolate - both for and against, and so consumers should not regard it as health food, but rather as an occasional treat," she told ConfectioneryNews.com. "While there may be chocolate in flavanols, there is still a lot of fat," she added.

Hot chocolate can warm us up when it's cold

The Grand Rapids Press - MLive.com, MI

By Kathy Carrier

January 09, 2008

More than comfort, hot chocolate is sweet seduction for the soul -- soothing the body in a blanket of warmth on bone-chilling winter days. Whether served plain or topped with a soft crown of marshmallows or whipped cream, it eases the cold like no other beverage and satisfies the spirit with the wonderful flavor of chocolate.

In Fred Thompson's cookbook, "Hot Chocolate," published by The Harvard Common Press, hot chocolate goes beyond the traditional drink made with milk, sugar and cocoa powder. Thompson infuses his recipes with different flavorings, such as orange, vanilla or caramel, along with bits of melted quality chocolate that add subtle layers of intensity.

"All options are delicious, and all have their place, depending on the recipe and your mood, or what's in your refrigerator when the urge for hot chocolate strikes," Thompson states.

"The secret to making great hot chocolate is using the purest cocoa, which comes from the cocoa bean, then blending it with milk, sugar and other flavorings, if desired, to make a great cup of hot chocolate," said Golczynski, an executive chef at The

Catering Co., 1307 E. Fulton St. "Just make sure you make it with milk, not water." A shot of real cream, makes hot chocolate even more heavenly.

For home use, Hershey's natural cocoa, which is available in the baking aisle of grocery stores, makes a very good batch of hot chocolate. "It's pure cocoa, so you can add to it whatever you want," Golczynski said. "You can even use the recipe on the box."

Easy to make, hot chocolate requires only basic equipment -- a grater, a whisk, wooden spoons and a pan for heating. For a frothy blend, try using a molinillo, a wooden tool from Mexico that foams the hot chocolate as you twirl it. "When you use cocoa powder, you can control the amount of chocolate flavor you want," Golczynski said. "You can add real chocolate as well, but grate it or chop it first, to allow it to melt faster and more evenly, into your milk mixture." Golczynski often makes a paste of cocoa powder, sugar and cream, then keeps the mix in the refrigerator to add to hot milk, whenever the urge for hot chocolate strikes.

The hot chocolate we enjoy evolved from a drink made by the Aztecs hundreds of years ago. The Aztecs drank a bitter blend of ground cocoa beans, water and spices. Once introduced in Europe, sugar was added to make it more pa

A bittersweet chocolate debate
Queen's Journal, Canada
By Jill Buchner, Postscript Editor
10/01/2008

New research suggests chocolate may be good for you, but it may be even better for marketing



*Chocolate may be a good source of antioxidants, but that doesn't mean hot chocolate has become a health drink.
(Harrison Smith)*

Over the past couple weeks you might have found yourself indulging in some tasty holiday season leftovers, but don't be too hard on yourself—some research says rich and creamy chocolate treats might be better for you than you thought.

A number of studies suggest your sweetest guilty pleasure might actually have some health benefits.

For the Kuna people of the San Blas Islands off the coast of Panama, drinking cocoa beverages was found to make these islanders nine times

less likely to develop heart disease than people living in mainland Panama, said Sarah Dick, Leonard Cafeteria assistant manager.

Dick said it can in fact be beneficial as an antioxidant.

“Chocolate, especially dark chocolate, contains antioxidants known as polyphenols or flavonols,” Dick said. She said these flavonols preserve the healthy function of blood vessels, in turn lowering the risk of high blood pressure, diabetes, kidney disease and dementia. Flavonols are a class of the antioxidant chemical compound flavonoids.

Though you can find antioxidants in other foods, chocolate might actually be more powerful, she said.

“Very new research on chocolate has found that it contains even more flavonoids than red wine or green tea,” Dick said. But that doesn't mean you should turn to your favourite chocolate bar as a new health food. Dick said cocoa is the source of chocolate's antioxidant concentration, but chocolate loses its health benefits when processed.

Dark chocolate contains fewer antioxidants than cocoa powder, and milk and white chocolates contain virtually no antioxidants. Dick said although chocolate might be touted as a healthy choice, too much of a good thing can have negative consequences. She said many experts say only one ounce of dark chocolate or cocoa powder should be consumed daily for optimal health benefits.

“Many of the traditional chocolate bars that we consume as part of a westernized diet are very high in saturated fats, which are associated with negative health,” she said. Lee Fisher-Goodchild, co-ordinator of Health Education and Health Promotion Programs, is also a little skeptical about the suggestion that eating chocolate might improve your health.

“I truly wish we could improve our health by eating chocolate, but I don't think that's the case,” Fisher-Goodchild said.

“Most of the chocolate we eat has way too much bad stuff in it—sugar, saturated fat, additives—to be healthy and even the best sources have small amounts of flavonoids.” Instead, Fisher-Goodchild said there are probably better ways to get those antioxidants.

“Fruits and vegetables are still our best source of flavonoids, and even coffee and tea, which also contain flavonoids, are a better choice than your average chocolate bar,” she said. According to Fisher-Goodchild, even though dark chocolate might have some health benefits, we should be careful of where that information comes from.

“Most of the literature claiming genuine health benefits from eating chocolate are written by sources promoting something,” Fisher-Goodchild said.

“The scientific literature is much more guarded about actual benefits and they acknowledge the limitations of the studies.”

Indonesia Cocoa Board: 2008 Cocoa Crop Likely 600,000 Tons; +20% (DJ)

Source: Dow Jones Newswires

10/01/2008

Singapore, Jan. 10 - Indonesia's cocoa output is likely to rise to 600,000 metric tons this year, up 20% from 2007, because crop productivity is expected to improve, a senior industry executive said Thursday. "Indonesia has embarked on a large scale initiative to improve cocoa productivity and quality," said Djoko Said Damardjati, chairman of the Indonesian Cocoa Board.

Indonesia's cocoa harvest was delayed and damaged last year by excessive rains. The main crop year, which usually runs from April to July, only commenced in June, while the mid-crop that was due in October was delayed until November. The Cocoa Board estimates around 350,000 tons of Indonesian cocoa was exported last year, and predicts exports will rise to 420,000 tons this year. "Only around 10% of our exports are good quality fermented beans, but we aim to increase that to 30% over the next three years," Damardjati said.

The Indonesian government embarked on cocoa cultivation plans last year to boost the country's output to 2 million tons by 2020. The country is the world's third largest cocoa producer after the Ivory Coast and Ghana.

The Markets

Farmers in Solomon Islands expecting good cocoa and copra prices

Radio New Zealand International, New Zealand

Jan 6, 2008

Farmers in Solomon Islands are expecting benefits from favourable world market prices for cocoa and copra this year. General manager of Commodities, Exporting and Marketing Manager, Moses Pelomo, says the price of copra is expected to be the same as of the end of last year or increase. He told the Solomon Islands Broadcasting Corporation this is because of the demand for coconut products and coconut oil globally.

Mr Pelomo says another reason why copra prices are expected to increase this year is that Philippines, the world's biggest copra producer, is recovering from a cyclone which devastated its plantations. He says cocoa price is expected to be same as that of last year. Mr Pelomo urges cocoa and copra producers to produce quality products this year to be able to reap the benefits of these favourable prices.

Cocoa prices unchanged

Sify, India

Friday, 11 January, 2008

Kottayam: Except minor variations in the market the price of cocoa remained unchanged during the last few weeks. The excess rains at the end of 2007 has considerably affected the production which is reported to be 30 per cent less than the preceding year.

The arrival in the markets is also very low. But in places such as Munnar and Adimali etc in high ranges the yield was better at over 70 per cent. Farmers are now looking forward to a better cropping season during the coming months in February- March when the prices also would show upward trends. At present, the price is Rs 28-29 a kg, according to Campco sources.

Processing and Manufacturing

Not all chocolate is created equal

Kankakee Daily Journal, IL

01/09/2008

Naperville, Ill. -- A heart-shaped box full of dark, decadent chocolate might seem like a sweet gesture come Valentine's Day, but for Cathy Bouchard, the information on the back of the box sends more of a message than the quip on the front.

Bouchard would likely turn the package over to scan the list of ingredients, searching for the magic number -- 70 percent -- sitting next to the magic combination in dark chocolate -- cocoa and cocoa butter, both byproducts of organic cacao.

The Le Chocolat owner, a former fibromyalgia patient, turned to a regimen of dark chocolate loaded with a high cacao content for relief from the ailment's intense pain. "I started eating 1 ounce of chocolate in the morning each day. My theory was that throughout history chocolate was treated like a morning food, so I did the same," says Bouchard, who spent eight months reading about and researching cacao and dark chocolate. She touts the health benefits of the "food of the gods" to customers of the shop, 129 Washington St. in Naperville.

If you're interested in starting a dark chocolate regimen, Bouchard offers a few tips to get you going and keep you on the right path.

* If you're not a dark chocolate fan, try acclimating your taste buds to the good stuff. Bouchard says to start with a high-grade milk chocolate and take baby steps toward chocolate with a 70 percent cacao content.

* Look closely at labels and make sure the word milk does not appear anywhere because dark chocolate does not have milk or milk fat. Once milk is added the bar becomes milk chocolate.

* Five ingredients that make up a good grade dark chocolate are cocoa butter, cocoa, sugar, vanilla and soy lecithin.

* Dark chocolate begins with a 55 percent cacao content and can go up to 100 percent, but Bouchard says you really have to like a bitter bite to eat pure cacao. She encourages people to stick to chocolate with a cacao content of at least 70 percent if they're seeking health benefits. She also recommends a 1-ounce daily dose. "I recommend that because that's what worked for me," she says.

* Make sure both cocoa and cocoa butter appear among the list of ingredients. If only cocoa, which can also appear as cocoa powder, is listed, the bar is missing half of what makes up the cacao content. If cocoa mass, cocoa solid or cocoa liqueur appear, the piece has both cocoa and cocoa butter.

* Avoid bars that list hydrogenated oil or palm kernel oil. Cocoa butter is what you really want, Bouchard says.

* Sugar should never appear as one of the first ingredients on a bar of chocolate with a 70 percent cacao content. Mathematically, it's impossible for sugar to appear first and the bar to have that high of a cacao content, Bouchard says.

Belgian chocolate - the 'real thing' under threat

Radio Netherlands, Netherlands

by Vanessa Mock

09-01-2008

Belgian chocolate makers say the reputation of their world-renowned product could go into meltdown with the onslaught of rivals selling cheap, low-quality chocolate.

Chocolates the imposing Grand Place in the heart of Brussels is a magnet for chocolate lovers who have flocked here for decades to snap up some of the world's finest cocoa-based delicacies. But this same square is now the battlefield in a chocolate war between pitting new makers against established 'chocolatiers', who say their good name is being dragged through the mud.

"Over half a dozen new shops have sprung up just around this small area around the Grand Place, with names I don't recognise, selling low-quality chocolate," says Gill Broxhum of Neuhaus, a 150-old brand often described as the Rolls-Royce of chocolate.

This elegant shop, with its mouth-watering cocoa aroma, white marble counter and white-gloved staff, has been recently struggling to attract customers. Ms Broxhum explains: "We've had to refurbish the shop and publicise everywhere to make people aware of the difference in taste of our chocolate and that of our competitors. The sad truth is now traditional chocolate makers need to fight to get people and convince them that if you want quality, you have to pay for it."

Belgium - chocolate facts

(data: 2004)

- * 87 enterprises producing chocolate (some also other confectionary)
- * employing around 7000 staff
- * turnover: 2.03 billion euros
- * production; 472,300 tonnes (incl. 253,500 bulk chocolate)
- * exports: 391,000 tonnes (incl. 193,300 bulk chocolate)
- * imports: 118,900 tonnes (incl. 44,100 bulk chocolate)
- * domestic consumption of chocolate: 6.2 kg per person

A cheaper bite

A small box of around 16 freshly-made Neuhaus chocolates costs at least 12 euros, double the price of newer brands such as Filip Martin. This unknown maker has set up two shops around the Grand Place in the past year. Although a true connoisseur would probably never set foot in these aroma-free premises, these new rivals are snapping up less discerning customers.

Business is booming, explains its young Chinese shop-manager: "We cater for tourists, and we always have promotions and cheap prices, just like a supermarket," says Sophie, who admits to never having tasted 'real' chocolate from traditional makers: "I think our chocolate tastes fine and we attract a lot of Chinese and other tour groups."

factory in Singapore since 1997. The Singapore factory ran at full capacity in the past fiscal year, which limited the company's ability to capture the region's growth potential.

The new Chocolate Academy in Suzhou, which employs two French pastry chefs promoting the Group's specialized Gourmet brands Callebaut (for Belgian chocolate), Cacao Barry (for French chocolate) and Carma (for Swiss chocolate), will offer training courses for chocolate artisans and also serve as a knowledge exchange platform in a region that traditionally lacks a chocolate culture. An application lab and a pilot plant will provide training for industrial customers and will be led by a Belgian specialist.

With its new factory and Chocolate Academy in Suzhou, the company aims to grow its sales out of China by six times by 2012. The total investment amounted to approximately USD 20 million. The factory will employ about 35 people, with another 25 employees in sales and administrative functions.

Starting from a very low base of annual chocolate consumption of about 100 grams per capita in China – while the highest annual chocolate consumption per capita, in Western Europe, is more than 11 kilograms per capita –, the Chinese chocolate market offers a dynamic growth potential of an expected 8.8% per annum in the next five years, according to business intelligence provider Euromonitor. This compares with a 2 to 3% annual growth rate for the global chocolate market. Barry Callebaut's new site in Suzhou will serve as the head office for Region Asia Pacific and as a hub to supply national and multinational food manufacturers and a growing number of artisanal customers in the region. It will not manufacture any end-consumer products.

Patrick De Maeseneire, CEO of Barry Callebaut, said: "China will be our key target market in Asia for the next coming years. Today's consumption per capita may be low and may pick up only slowly in rural areas. But the development speed of urban areas along the belt from Beijing to Shanghai and to Hong Kong is breathtaking. There alone, we are talking of about 500 million potential chocolate consumers who start traveling, who are open to novelties including new foods and who have enough disposable income to buy chocolate, which is seen as a premium product. Through our industrial and artisanal customers, whom we will serve out of Suzhou, we can offer Chinese consumers and tourists visiting China new and exquisite taste experiences."

"Demand for chocolate in China is growing at an incredible speed and will be further spurred by the Olympics in 2008 and the World Expo in Shanghai in 2010. With the growth in income, consumption of chocolate will become more accessible to a larger part of the population," says Maurizio Decio, Barry Callebaut Vice President Asia. Certain volumes, which were previously produced in Barry Callebaut's factory in Singapore and exported to China, will now be transferred to the new facility in Suzhou. The free capacity in Singapore will be used to serve rising demand for chocolate products in other Asian countries.

The opening ceremony of the factory and the Chocolate Academy in Suzhou took place in the presence of the regional authorities and Andreas Jacobs, Chairman of Barry Callebaut, Patrick De Maeseneire, CEO, and Maurizio Decio, Vice President Asia.

Barry Callebaut:

With annual sales of more than CHF 4 billion for fiscal year 2006/07, Zurich-based Barry Callebaut is the world's leading manufacturer of high-quality cocoa and chocolate products – from the cocoa bean to the finished product on the store shelf. Barry Callebaut is present in 23 countries, operates 38 production facilities and employs about 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.

Chocolate maker opens academy in China

Swissinfo, Switzerland

January 9, 2008

The world's largest chocolate maker, Switzerland's Barry Callebaut, has opened a chocolate academy and factory near Shanghai in China. The chocolate academy is the eighth of its kind created by the group. Two French pastry chefs will work to promote some of the group's brands and offer training for chocolate makers.

The factory and academy represent a combined investment of SFr22.3 million (\$20 million). Situated in Suzhou, the new factory will have an annual capacity of 25,000 tonnes of chocolate and cocoa products and other materials for the

confectionary industry.

The Swiss firm plans to increase sales in the region sixfold in the next four years. "The demand for chocolate in China, which is growing at incredible speed, will be dynamised even more by the Olympic Games in 2008 and the World Expo in 2010," Maurizio Decio of Barry Callebaut said in a statement. Barry Callebaut has had a presence in the region since 1997 with a factory in Singapore. The group increased chocolate sales there by 20 per cent from 2006 to 2007.

Uganda: Cocoa Rebounds With Record Output

AllAfrica.com, Washington -

Joseph Olanyo - Kampala

9 January 2008

LITTLE known cocoa industry in Uganda is making a return with remarkable output and returns for the agricultural sector. Latest industry figures show that chocolate brown crop realised 10,006 metric tonnes of output by September last year making a 4,000 metric tonne leap from the previous season. Export earnings climbed by more than half to \$20.012 million (Shs33.8 billion) last year from just \$8.7 million (Shs14.7 billion) the season before.

This is a far cry from the once neglected industry when the crop suffered set back in 1970s and 80s. Unlike coffee and other traditional crops that suffered the same fate, cocoa never lived to its expectation. The sector was neglected.

All processing facilities broke down; farmer's payments were no longer regular. This resulted into the abandonment and the subsequent cut down of cocoa acreage. Later, its fate seemed to have been sealed when it was excluded from the Government's 1981 Economic Recovery Programme.

Rebound

However all indications are that the crop is making a return with industry projections pinning a 12,800 metric tonne output by September this year and foreign exchange expected to hit the \$26 million (Shs43.2 billion).

The Coordinator Support for Tea and Cocoa seedlings project at the ministry of Agriculture, Animal Industry and Fisheries (MAAIF) Mr John Muwanga Musisi said on January 5 that cocoa production is being promoted within the framework of the Plan for the Modernisation of Agriculture (PMA), for poverty alleviation, diversification in areas affected by the Coffee Wilt disease and increasing Uganda's export earnings.

Mr Musisi said the total land area suitable for cocoa growing in Uganda is 92,000 hectares. "Currently the total land area planted with cocoa is 17,898 hectares, of which 6,054 hectares are mature and productive, 8,490 hectares are of young cocoa planted between 2001 and 2006," Mr Musisi said. Mr Musisi said a total of 3,354 hectares of cocoa was abandoned in government gazetted forest reserves.

While visiting the cocoa growing areas of Mukono and Jinja on January 4, the Secretary General Cocoa Producer's Alliance (COPAL) based in Lagos, Nigeria Mr Sona Ebai said there was a lot of development work going on in the cocoa sector.

Study

"I am here to study and see how we can increase collaboration. What the government should look at is the need that is being expressed by farmers who are jumping into cocoa production," Mr Ebai said during a press conference held at the Sheraton Kampala Hotel on January 5.

Introduced way back in 1901 from the Kew gardens in the United Kingdom, and planted in Entebbe Botanical Gardens, commercial exports of cocoa started in 1917.

The Cocoa Development Project charged with the responsibility of promoting cocoa industry set up in 1972 increased production and improved quality for the successful penetration of cocoa on the world market. Today, the local cocoa price stands at Shs2,000 per kg of dry beans. On the world market, prices are currently standing at \$2,150 (Shs3.6 million) per tonne.

Cocoa exports consist of raw harvested beans, which are fermented before drying. Cocoa experts say that fermentation enables it to get the chocolate flavour.

Main areas

Cocoa is current grown Bundibugyo, Mukono, Mayuge, Hoima, Kibaale, Kamwenge, Kiboga, Luweero, Mubende, Jinja, wakiso and Masindi.

Following the coffee wilt attack that dealt a blow to coffee plants in Bundibugyo, the district took to cocoa growing as an alternative. Bundibugyo is currently the leading producer of cocoa in the country.

The district has also been set aside for organic cocoa production pending certification. Organic cocoa fetches up to Shs3,000 locally depending on quality and location.

Cote d'Ivoire is the world's leading producer of cocoa. It produces 1.4 million metric tonnes annually followed by Ghana with 700,000 and Nigeria with 500,000 tonnes. "Unlike other crops, Uganda has cocoa that is disease free so you can produce a good cocoa crop at a cheaper cost, the MAAIF cocoa project coordinator Mr Musisi added.

Ivory Coast Fairtrade Cocoa Co-Op Sets up Swiss Subsidiary (DJ)

Source: Dow Jones Newswires

09/01/2008

Abidjan, Jan. 9 - An Ivorian fairtrade cocoa farmers' cooperative has set up its own trading office in Jongny, Switzerland, to sell beans directly to end-users, one of the cooperative's directors said on Wednesday. The Cooperative Agricole Kavokiva de Daloa is the first Ivorian cooperative to open an office abroad.

Last season Kavokiva sold about 3,000 metric tons of cocoa at a premium of \$150/ton over the free-on-board price, mainly to international traders, who sold the beans to the industry at an additional margin. "The idea is to give the farmer access to these additional margins," the manager of Kavokiva Switzerland, Hubert Hoondert, told Dow Jones Newswires. He declined to say by how much these additional margins would add to farmers' incomes.

The \$150/ton fairtrade premium, eventually paid by the fairtrade chocolate eater, is used by Kavokiva to build schools and clinics and to pay for equipment and loans.

Hoondert said Kavokiva Switzerland is also a liaison office between the cooperative and financial institutions and will lend assistance in other areas such as marketing, logistics and the implementation of special projects. Other Ivorian cooperatives have already showed an interest in marketing their production through the new international Kavokiva structure, Hoondert said.

Until mid-2007 Hoondert, a Dutch national, worked with Swiss-based Ecom Agroindustrial Corp Ltd., where he set up their European cocoa trade desk and export operations in West Africa.

Global sales of fairtrade cocoa beans are growing fast but are still tiny compared with the more than 3.5 million tons of cocoa beans sold a year throughout the world. Last year fairtrade sales totaled almost 11,000 tons, mainly in the U.S. (3,864 tons), the U.K. (2,947 tons) and France (1,088 tons), according to the Web site www.fairtrade.net.

Ivory Coast 2006/07 Cocoa Exports 1,196,805 T

Source: Reuters

10/01/2008

Abidjan, Jan. 9 - Exports of cocoa beans and semi-finished cocoa products from Ivory Coast fell to 1,196,805 tonnes in the 2006/07 season from 1,364,524 tonnes the previous year, the Coffee and Cocoa Bourse (BCC) said on Wednesday. The BCC said in a report that the European Union had been the main destination for Ivorian cocoa, followed by the United States, non-EU countries in Europe, and Asia.

Barry Callebaut completes Japanese acquisition

ConfectioneryNews.com, France

By Charlotte Eyre

10/01/2008 - Swiss-based Barry Callebaut today announced the completion of a deal to acquire production facilities from Japanese company Morinaga, only one day after the inauguration of the company's manufacturing plant in China. The acquisition is part of a growing trend of confectionery companies moving into the Asia Pacific region, eager to cash in on a burgeoning taste for chocolate as well as higher consumer power in the area. "Our transaction with Morinaga is a milestone in our strategy to strengthen our footprint in the fast-growing Asian markets," said Barry Callebaut chief executive officer Patrick De Maeseneire. "Our expansions in Japan, China and India will give us access to more than 2.5 billion potential future consumers."

The company first entered into the Japanese deal to acquire production equipment, as well as lease land and buildings from Morinaga, in September 2007. It has also entered into a 10 year supply agreement for 9,000 tonnes of liquid chocolate with Morinaga, which it hopes will double Barry Callebaut's sales volumes in Japan.

Through the deal Barry Callebaut will sell the product back to Morinago, as well as its Japanese "growing industrial and artisanal customer base". Deliveries of the product are expected to begin within the next 12 months, the company said. Both companies decided not to reveal any financial details.

Barry Callebaut yesterday inaugurated its new manufacturing plant near Shanghai, China, and last year the company announced it was moving into India, as part of plans to increase the share of sales generated outside Western Europe and North America to 20 per cent by 2010 from 11 per cent presently.

According to Global Business Insights, the Asia Pacific region is indeed one of the most promising regions for confectionery companies. Although Asian consumers account for only 17 per cent of global cocoa consumption, chocolate consumption in the region is currently increasing at a rate of 25 per cent a year, the market analysts said. The area region is also currently one of the hot spots for confectionery New Product Development (NPD).

Just over 30 per cent of new confectionery products were launched in the area, second only to Europe, where just over 35 per cent of new products were launched, GBI said. In 2007, flavours popular for new confectionery launches in Asia including goji, salt, pomegranate and eucalyptus, said GBI analyst Helen Lewis.

De Maeseneire said last year that Barry Callebaut is in fact particularly keen to focus on Japanese consumers' interest in functional products. "Japanese consumers particularly appreciate the health benefits of the cocoa bean and prefer premium chocolate with a high cocoa content, areas which are a great strength of ours," he said.

Chocolatiers face price fixing lawsuits

ConfectioneryNews.com, France

By Charlotte Eyre

Jan 8, 2008

Chocolate giants Mars, Hershey, Nestle and others have had lawsuits filed against them in the US, after the companies were investigated for price fixing last year, according to news reports. The leading global confectioners first came under investigation in the country in November 2007, when the Canadian Competition Bureau asked them to hand over documents regarding their pricing strategies. The Competition Bureau said at the time there was no indication as yet of any wrongdoing and no charges had been brought against any companies.

However, three lawsuits in total have now been filed in federal courts last month - one in New Jersey by the CNS Confectionery company and Winn Corp, while the other lawsuits were filed in Pennsylvania, according to the Associated Press.

Mars, Hershey and Nestle did not comment in time for publication. The case will increase the financial pressure on these confectionery companies, many of whom are already struggling with higher commodity prices. Last summer, cocoa prices reached their highest levels since 2003 - averaging \$2,017 (€1,484) per tonne, up by \$12 (€8.8) on May's monthly average.

Several manufacturers blamed the rising price of milk and cocoa, at least in part, for squeezed profits in 2007, including Hershey, which suffered a massive 22.7 per cent drop in margins for the year's third quarter results.

While consumers have not really felt the effect of rising commodity costs just yet, Lindt, the Swiss-based chocolate company warned in August that it plans to increase product prices in order to cover rising raw material costs. Also the situation is unlikely to improve any time soon, as according to the International Cocoa Organisation (ICCO), the cocoa deficit is now greater than was previously thought.

The global production deficit is now estimated at 242,000 tonnes, compared with the earlier projected figure of 156,000 tonnes, due to adverse weather conditions in Africa and South America, the ICCO said.

Consumer Reports rates two cocoas as excellent: Hershey's Cacao Reserve and Ghirardelli. However, great taste can come with a nutritional cost. Ghirardelli had the highest amounts of calories and sugar of all the cocoas tested. For a bit less money, two other cocoas rated very good. They are Swiss Miss Dark Chocolate Sensation and Hershey's Cocoa.

Swiss Chocolate Maker Aims for China

Houston Chronicle, United States

By ELAINE KURTENBACH AP Business Writer

Jan. 9, 2008

SUZHOU, China — In a cavernous white building filled with huge bubbling vats, clattering conveyor belts and the luscious aroma of melted chocolate, a Swiss tradition is being transplanted, cocoa butter block by cocoa butter block.

Swiss chocolate maker Barry Callebaut opened a \$20 million factory in the eastern Chinese city of Suzhou on Wednesday, a move aimed at capturing the growing regional taste for chocolate and other sweets _ by supplying chocolate and production facilities to brand manufacturers.

Zurich-based Barry Callebaut claims a 25 percent share in the market for the raw chocolate that is processed into candy bars, cocoa and pastries, or as the company's CEO Patrick De Maeseneire puts it, "one in every four bites of chocolate in the world."

China's own huge market, and its role as world supplier of just about everything, from tennis shoes to laptop computers, has made it a prime destination for legions of business-to-business suppliers.

As increasingly affluent Chinese and other Asians indulge their taste for luxury treats, companies like Barry Callebaut are shifting operations eastward to cut costs and hone their competitive edge in supplying manufacturers based in China. "Only with this Chinese production we are a truly global company," Andreas Jacobs, the chocolate maker's chairman, said at the factory's opening ceremony.

Barry Callebaut has assets ranging from cocoa production facilities in Africa to retail candy brands in Europe and the United States. The company partners with major manufacturers such as Japan's Morinaga & Co., Cadbury Schweppes PLC, Nestle SA and Pennsylvania-based Hershey Co.

Barry Callebaut SA opened its first Asian factory in 1997, in Singapore, but decided in 2005 that it had to have a presence in mainland China if it wanted to remain a top global player. In 2006, it settled on building the factory in Suzhou. The factory began operations just a year later. The wholly-owned factory is the chocolate maker's first in China and is part of a strategy aimed at significantly expanding in Asia.

Jacobs and other executives said the company does not plan to offer its own-brand products directly to consumers. Instead it will sell to other companies, while also cultivating a fast-growing business in supplying high-end customers such as luxury hotels and patisseries. It also will offer production facilities for other companies.

The company's China sales _ measuring chocolate products made in Singapore and imported to China _ rose 20 percent in the fiscal year that ended Aug. 31, to 4,300 metric tons. The Suzhou factory is expected to churn out 10,000 tons of chocolate in its first year of production, with 6,000 tons to be sold in China and the remaining 4,000 to be exported, said Maurizio Decio, the company's vice president for the Asia Pacific.

The factory, a big white block amid other factories and plots yet to be developed on the east side of Suzhou, is two-thirds empty, leaving room for a planned expansion from its current full capacity of 25,000 tons of chocolate a year to an eventual 75,000 tons. The allure of the China market is such that the company appears to have been unswayed by the uproar over product quality safety last year.

Barry Callebaut's 38 factories in more than 20 countries maintain the same quality standards as in their home factories in Europe, said CEO Patrick de Maeseneire. All of the company's quality assurance staff report to him directly, he said. "Food safety is a primary objective," he said. "All raw materials are tested and sampled. All products are tested and sampled and must pass before they leave the factories."

Chocolate processed at the Suzhou factory is made from imported cocoa; China has no domestic production. The milk used comes from Switzerland, because if the consistency of the milk used varies, the color of the chocolate changes and customers complain, staff said.

Labour Issues

Senator Sanders: Dark Side of Chocolate

All American Patriots (press release), Sweden

By newsdesk

01/07/2008

A delegation of American lawmakers is visiting cocoa plantations in Ivory Coast and Ghana this week to monitor child labor abuses. Senator Bernie Sanders said before departing for Africa that he hoped "to see to what degree indentured children are being used to manufacture products which come into this country as chocolate."

One 2005 study said as many as 200,000 children worked in plantations in the Ivory Coast, according an Agence France-Presse report. "The issue of child labor and the fact that you have very young kids who are working horrendous hours and not going to schools is an international problem," Sanders told the Burlington weekly newspaper Seven Days, "and it's one that has concerned me for a number of years. So we'll take a look and see what's going on in the chocolate industry."

While most of the major cocoa exporters -- Cargill; Archer, Daniels, Midland & Nestle -- and manufacturers -- Mars and Hershey's -- haven't certified any of their cocoa as child-labor free, a third-party, independent monitoring group called TransFair USA has been able to certify that approximately 16,000 cocoa farms in Ghana and the Ivory Coast were free of the worst forms of child labor through the "Fair Trade Chocolate" movement. Through a certification process, cocoa farmers are guaranteed a living wage, farmers agree not to use indentured labor, and farms are organized into democratic cooperatives. Unfortunately, none of the major cocoa exporters, producers, or manufacturers has agreed to participate in the Fair Trade Chocolate movement, so less than 1 percent of the chocolate consumed in the world is Fair Trade Chocolate.

Ivory Coast set to meet cocoa child labour deadline

Reuters South Africa, South Africa –

By Peter Murphy

Jan 8, 2008



ABIDJAN (Reuters) - World top cocoa grower Ivory Coast is on track to meet a U.S.-imposed July 1 deadline to certify its cocoa beans as produced free of the worst forms of child labour, U.S. government officials said on Tuesday.

U.S. Senator Tom Harkin and Congressman Eliot Engel, who proposed the scheme in 2001, are visiting the West African state to check progress by the Ivorian government and chocolate industry to eradicate slavery and abusive child labour. "We believe that working together Ivory Coast will make (the deadline) and that industry has a major, major role to play," said New York Congressman Eliot Engel. "We are going to insist on the deadline," he said after a meeting with Ivorian Prime Minister Guillaume Soro.

Child labour on cocoa farms has become a controversial issue following heavily-publicised campaigns by some rights groups calling for boycotts of "blood chocolate" or other goods produced by "child slaves" on West African cocoa plantations.

A 2002 survey by the International Institute for Tropical Agriculture said 284,000 children were working in dangerous conditions on West African cocoa farms, mainly in Ivory Coast which produces nearly half the world's supply.

The Ivorian government denies accusations of slavery and says most child farm workers are the children or relatives of the farmer and that helping on the farm will teach them a trade that will provide them with a living in their adult years.

The certification scheme calls on the cocoa industry and government to determine the extent of child labour in half of the country's cocoa growing zones. It must then tackle the problem through awareness campaigns, building schools and other means and then allow independent monitors to check progress. "We want them to go to school. We want to make sure that they are not doing harvesting work like lifting heavy loads," Engel said.

A pilot study last year involving 184 children in three cocoa zones showed that almost all were related to the farmer but did undertake difficult or dangerous tasks including carrying heavy loads, burning brush and applying pesticides. It found nearly half of these children did not attend school.

Neighbouring Ghana, the world's No. 2 cocoa producer which is also subject to the deadline, has said it expects to be ready on time.

U.S. legislators could impose a ban on Ivorian or Ghanaian cocoa purchases if monitoring and corrective schemes are not in place though the senators would not say what would happen if the deadline, already extended from July 2005, was missed again. "We are not here to threaten but we would rather look at the positive," said Engel.

US Congressmen urge end to child labour in Ivory Coast cocoa production

AFP

10/01/2008



(L-R)Guillaume Soro, Thomas Harkin,Eliot Engel and Wanda Nesbitt

KOUADIOYAOKRO (AFP) — US Congressmen visiting the world's largest cocoa-producing country, the Ivory Coast, are insisting local children attend school by a deadline they have set this year to eliminate child labour.

"We have come as friends to tell you that children should be in school and not in cocoa plantations," said Congressman Eliot Engel, one of the three elected American officials visiting Kouadioyaokro, a small village situated approximately 150 kilometres (90 miles) from Abidjan.

Engel was in the West African nation, along with Senators Bernard Sanders and Thomas Harkin, nearing the end of a three-day trip characterised as 'non-judgmental'.

Harkin and Engel penned a protocol in 2005 between the American government, the chocolate industry and cocoa-producing countries that obliges the parties involved to show child labour has not been used in any stage of production. During the current trip, the visitors announced a deadline of July 1, 2008 for implementing a monitoring system with the goal of eliminating child slave labour from 50 percent of Ivory Coast's cocoa-producing regions.

This represents an ambitious objective when taking into consideration the 200,000 children known, according to a 2005 study, to be working in Ivorian plantations - of whom 150,000 are employed in spreading pesticides. In 2005, Engel asked Americans to boycott African cocoa, suspected to be the fruit of child slave labour.

The US legislators visited Kouadioyaokro to observe a pilot project implemented to combat child labour. This project, financed by rural investment funds, foresees the construction of schools for educating and training local children for trades. "If you put something in your pocket, someone can steal it, but when you put it in your head, no one can take it away," said Engel. However, putting this principle into practice may not be so easy. "You ask us to send our children to school, but how can we do this when the village has no infrastructure?" asked the village chief, Kouadio Yao. "There are no pharmacies, schools or roads."

Cocoa and coffee represent 40 per cent of Ivory Coast's revenue from exports and 20 percent of its GDP - one third of the country's production is destined for the United States.

Engel, Harkin and Sanders visited a schoolhouse where they donated pens, notebooks and footballs. "These balls once would have been made by children in Pakistan," said Harkin, putting the plight of Ivorian children in the context of the global child labour context. "Today this is no longer the case."

Others

Vietnam Forms New Associations to Grow Coffee, Cocoa Sectors (DJ)

Source: Dow Jones Newswires

11/01/2008

Singapore, Jan. 11 - Vietnam will be intensifying the development of its coffee and cocoa industries with the formation of separate associations to oversee each commodity, an industry official said Friday. The Vietnam Coffee and Cocoa Association,

formed in 1990, is now known as the Vietnam Coffee Association. A separate Vietnam Cocoa Association will be formed within the next two years, when the cocoa industry is more mature, said the association spokeswoman.

Luong Van Tu, former vice-minister of commerce and industry, has taken over as the new coffee association chairman from Van Than Huay, who remains in the executive board as a member.

While Vietnam is currently the world's largest producer of robusta coffee beans, with nearly 500,000 hectares of coffee farms and output of over 1 million metric tons a year, it currently only has around 7,320 hectares of cocoa plantations and produces under 7,000 tons of cocoa annually. Vietnam aims to increase its cocoa acreage to 20,000 hectares by 2010 with output of around 30,000 tons.

TIT BITS

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

Funds drive up sugar, coffee and cocoa

LONDON (January 09, 2008): Funds and speculators piled into sugar, coffee and cocoa on Tuesday as investors re-weighted their holdings of commodity indices, sending white sugar futures to seven-month highs and cocoa to five-month peaks.

US MIDDAY: coffee and cocoa up

NEW YORK (January 09, 2008): ICE arabica coffee futures rallied in early trade on Tuesday, following a bullish government report on Brazil's upcoming crop, while US cocoa also moved into positive territory amid follow-through support, traders said.

London cocoa, coffee and sugar remain up

LONDON (January 10, 2008): Funds and speculators piled into London soft commodity futures again on Wednesday, pushing cocoa back up towards a six-month high reached on Tuesday.

US MIDDAY: coffee and cocoa down

NEW YORK (January 10, 2008): ICE arabica coffee futures crept lower early on Wednesday, pausing after Tuesday's rally, when reweighing by major index funds buoyed commodities, while US cocoa was little changed. On the screen, the ICE March coffee contract was 0.75 cent weaker at \$1.347 at 9:21 am (1421 GMT), dealing from \$1.3415 to \$1.3565. The rest fell from 0.30 to 0.65 cent.

New York cocoa finishes firm

NEW YORK (January 10, 2008): US cocoa futures settled firm on Tuesday, on support from re-weighting by index funds, brokers said. "A lot of the buying we've seen has been the reapportionment of the index funds," one trader said. In the pit, ICE March cocoa futures finished \$25 higher at \$2,156 per tonne, while the rest ended \$7 to \$31 stronger.

Poor rains hit Ivory Coast cocoa arrivals

ABIDJAN (January 10, 2008): Weak rains at key stages of Ivory Coast's 2006/07 cocoa season pushed port arrivals and exports from the world's top grower down more than 10 percent on the previous year, the Coffee and cocoa Bourse said on Wednesday.

London coffee, cocoa and sugar rise

LONDON (January 11, 2008): Investment fund buying drove London coffee and cocoa futures to new peaks on Thursday, while two-way speculative dealings and profit taking kept the lid on white sugar which closed flat. London March robusta coffee futures hit a contract high of \$2,016 per tonne, a near four-month peak basis second month, before easing back to close up \$39 at \$2,014 per tonne in good volume of 15,146 lots.

US MIDDAY: coffee down; cocoa up

NEW YORK (January 11, 2008): ICE arabica coffee futures edged mostly lower early Thursday, with support coming from buying related to index reweighing, while US cocoa rose on speculative buying, traders said. On the screen, the ICE March coffee contract was 0.05 cent lower at \$1.3555 at 9:11 am (1411 GMT), dealing from \$1.3485 to \$1.3590.

New York cocoa closes easier in quiet trade

NEW YORK (January 11, 2008): US cocoa futures ended the open-outcry session weak on Wednesday, pausing after on Tuesday's rally and moving in a tight range amid quiet trade, brokers said. "(There's) major resistance at \$2,175 so it's at very significant technical resistance. It's pausing at an important chart resistance point," one trader said.

Ivory Coast coffee production up

ABIDJAN (January 11, 2008): Coffee production in the Ivory Coast rose in the 2006/07 season, but exports of beans declined as more material was processed locally, figures from the Coffee and cocoa Bourse (BCC) said on Wednesday. Arrivals at ports in Ivory Coast jumped 45 percent to 170,848 tonnes in the 2006/07 season compared to the previous year's 117,737 tonnes.