



COPAL COCOA Info

A Weekly Newsletter of Cocoa Producers' Alliance

Issue No. 284

19th – 23rd May 2008

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)
19 th May	1630.20	2647.66	1408.00	2594.00
20 th May	1627.71	2649.88	1391.67	2598.67
21 st May	1609.37	2630.10	1389.00	2568.67
22 nd May	1612.26	2635.28	1378.67	2583.33
23 rd May	1611.12	2631.49	1370.33	2587.33
Average	1618.00	2641.00	1388.00	2586.00

In the News (from Newspapers worldwide)

Production and Quality

- Nigerian cocoa needs more rain to boost mid crop
- World Cocoa Foundation Partnership Meeting in Guayaquil, Ecuador, to focus on Needs of Cocoa Farming families in Latin America
- Nigeria's cocoa trees are ageing and so are the farmers
- Ghana Sees Better-than-Expected Cocoa Main Crop
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- U.S. Department of Agriculture and World Cocoa Foundation Announce 2008 Global Cocoa Borlaug Fellows Program
- Ghana cocoa purchases climb to 613,918 T by May 8
- Cocoa production records 634,000
- Ghana plans cocoa spraying campaign from June
- DJ Ivory Coast cocoa farmgate prices mainly up May 12-18 –BCC
- Cocoa deficit forecast to fall but prices remain high
- World Cocoa Foundation and Partners draw on lessons from Latin America to Reinvigorate Global Cocoa Sector
- Smuggling of Ivory Coast's cocoa drops: govt
- Ghana: Companies in the News
- Agriculture Ministry exploring partnership to boost Cocoa Industry
- Cocoa: Answer to RP's need for a cash crop?

The Market

- Ivory Coast's Cocoa Exports From Main Ports Rise 9% in April
- Ivory Coast cocoa registrations 1,036,768 T by May 5

Processing & Manufacturing

- ADM Launches Organic Chocolate

Business & Economy

- Fair trade products will alleviate some misery in the world
- Dominican organic cocoa prized in Japan for chocolate bar
- Policy distortions threaten N40bn investment in cocoa industry
- Anigriv Trading Group to Increase Grain, Cocoa, Rice, Coffee, and Crude Palm Oil Procurements by \$500m
- UPDATE 1-Callebaut sets sights on Asia, China growth
- Cameroon: Malaysian Investors prospect on Cameroonian Cocoa

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- Ghana: Child Labour illegal on Cocoa Farms- Wiafe Akenten
- Cocoa grower's life anything but sweet

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Do your health a favour, drink Cocoa everyday

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

Monday 19th May 2008

Month	Opening Trans	Settle	Change	Daily High	Daily Low	Volume
Jul 2008	1464	1440	-27	1483	1404	5,368
Sep 2008	1416	1400	-19	1430	1375	2,317
Dec 2008	1392	1384	-15	1412	1366	1,919
Mar 2009	1370	1357	-18	1388	1344S	1,592
May 2009	1380	1362	-18	1393	1349S	178
Jul 2009	1381	1371	-18	1402	1381S	33
Sep 2009		1380	-19			0
Dec 2009		1392	-18			0
Mar 2010		1391	-18			0
May 2010		1390	-18			0
Totals		1387				11,407

Tuesday 20th May 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1436	1415	-25	1454	1406	6,329
Sep 2008	1396	1389	-11	1407	1379	3,648
Dec 2008	1379	1371	-13	1391S	1366	2,264
Mar 2009	1363	1349	-8	1365	1344	1,033
May 2009	1357	1354	-8	1357	1353	27
Jul 2009	1377	1363	-8	1377S	1363S	52
Sep 2009		1372	-8			0
Dec 2009		1384	-8			0
Mar 2010		1383	-8			0
May 2010		1382	-8			0
Totals		1376				13,353

Wednesday 21st May 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1417	1406	-9	1425	1390	4,507
Sep 2008	1391	1388	-1	1399	1368	4,423
Dec 2008	1378	1373	2	1384	1356	1,553
Mar 2009	1352	1352	3	1364	1335	838
May 2009	1354	1357	3	1359S	1340	33
Jul 2009	1369	1366	3	1369S	1369S	60
Sep 2009		1375	3			0
Dec 2009		1387	3			0
Mar 2010		1386	3			0
May 2010		1385	3			0
Totals		1378				11,414

Thursday 22nd May 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1412	1389	-17	1420	1372	6,455
Sep 2008	1395	1380	-8	1401	1366	5,673
Dec 2008	1382	1367	-6	1387	1359	2,220
Mar 2009	1360	1354	2	1369	1345	1,746
May 2009	1368	1359	2	1368	1350	21
Jul 2009	1374	1369	3	1374S	1374S	600
Sep 2009		1379	4			0
Dec 2009		1391	4			0
Mar 2010		1390	4			0
May 2010		1389	4			0
Totals		1377				16,715

Friday 23rd May 2008

Month	Opening Trans	Settle	Change	High	Low	Volume
Jul 2008	1389	1379	-10	1400	1376	3,376
Sep 2008	1381	1370	-10	1392	1369	2,477
Dec 2008	1368	1362	-5	1377S	1359	1,881
Mar 2009	1354	1349	-5	1364S	1347	1,605
May 2009	1355	1354	-5	1363	1355	96
Jul 2009	1368	1364	-5	1368	1364S	510
Sep 2009		1374	-5			0
Dec 2009		1386	-5			0
Mar 2010		1385	-5			0
May 2010		1384	-5			0
Totals		1371				9945

Average for the week	1370					12567
Total for the week						62,834

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

Monday 19th May 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2666	2611	-65	2705	2575	6,594
Sep 2008	2660	2615	-54	2697	2573	1726
Dec 2008	2644	2597	-54	2675	2556	218
Mar 2009	2628	2572	-46	2639	2530	909
May 2009	2630	2573	-47	2636	2573	44
Jul 2009	2637	2571	-49	2637	2571	13
Sep 2009		2580	-49	2580	2580	0
Dec 2009		2597	-58	2597	2597	0
Mar 2010		2625	-51	2625	2625	250
Totals		2593				9754

Tuesday 20th May 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2600	2603	-8	2626	2576	11075
Sep 2008	2599	2612	-3	2630	2585	3306
Dec 2008	2597	2596	-1	2610	2566	922
Mar 2009	2553	2571	-1	2578	2544	294
May 2009		2575	-2	2575	2575	144
Jul 2009		2573	2	2573	2573	32
Sep 2009		2581	1	2581	2581	1
Dec 2009		2599	2	2599	2599	0
Mar 2010		2620	-5	2620	2620	0
Totals		2592				15774

Wednesday 21st May 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2603	2586	-17	2612	2539	10,094
Sep 2008	2606	2599	-13	2620	2555	4,072
Dec 2008	2585	2598	2	2609	2563	2,159
Mar 2009	2579	2581	10	2590	2545	355
May 2009	2580	2585	10	2585	2568	0
Jul 2009	2580	2584	11	2584	2560	0
Sep 2009		2594	13	2594	2594	0
Dec 2009		2612	13	2612	2612	0
Mar 2010		2622	2	2622	2622	0
Totals		2596				16680

Thursday 22nd May 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2590	2574	-12	2640	2554	14,913
Sep 2008	2604	2588	-11	2650	2574	8,076
Dec 2008	2600	2586	-12	2645	2572	5,198
Mar 2009	2598	2574	-7	2625	2556	1,864
May 2009	2617	2578	-7	2617	2578	15
Jul 2009	2628	2577	-7	2628	2577	34
Sep 2009		2589	-5	2589	2589	30
Dec 2009		2600	-12	2600	2598	0
Mar 2010		2625	3	2625	2609	300
Totals		2588				30430

Friday 23rd May 2008

Month	Open	Price	Change	High	Low	Volume
Jul 2008	2574	2577	3	2595	2564	11,788
Sep 2008	2598	2590	2	2600	2575	4,620
Dec 2008	2585	2588	2	2598	2573	5,109
Mar 2009	2573	2576	2	2586	2566	1,049
May 2009	2579	2580	2	2580	2575	9
Jul 2009		2580	3	2580	2580	2
Sep 2009		2590	1	2590	2590	1
Dec 2009		2605	5	2605	2605	0
Mar 2010		2617	8	2617	2617	0
Totals		2589				22578

Average for the week	2591					23804
Total for the week						95,216

Spot Prices [US\$ per tonne]

	19 th May	20 th May	21 st May	22 nd May	23 rd May
Main Crop Ghana, Grade 1	3059	3051	3034	3022	3025
Main Crop Ivory Coast, Grade 1	2938	2930	2913	2901	2904
Main Crop Nigerian, 1	2913	2905	2888	2876	2879
Superior Arriba	2903	2895	2878	2866	2869
Sanchez f.a.q.	2976	2968	2951	2939	2942
Malaysian 110	2601	2593	2576	2564	2567
Sulawesi f.a.q.	2858	2850	2833	2821	2824
Ecuador Cocoa Liquor	4674	4659	4629	4607	4613
Pure Prime Press African Type Cocoa Butter	7494	7471	7422	7387	7396
10/12% Natural Cocoa Press Cake	1218	1215	1207	1201	1203

Source: Cocoa Merchants' Association

News

Production and Quality

Nigerian cocoa needs more rain to boost mid crop

Business Day, Nigeria

18 May, 2008

Nigeria's cocoa growing zones need more rain in coming weeks for rapid pod development to keep alive hopes of a bumper mid-crop harvest, farmers and traders have said. Intermittent downpours in the last three weeks in the cocoa farming regions have boosted the growth of large pods on trees, some of which have already ripened for harvest. But more rainfall is needed to sustain the mid crop and build soil moisture for the coming main crop, they said.

Nigeria's mid crop, which began on a low note in April in some growing states, has not gathered pace as earlier expected because of the drop in rainfall. "The mid crop is still on a small scale because there hasn't been enough rainfall. We hope there will be more rains in the weeks ahead so that the harvest can pick up," Lasun Adesoko, a grower in Oyo State told Reuters.

Another farmer in Ondo State, which accounts for about 40 percent of Nigeria's cocoa output, said wetter weather would ensure a robust harvest to compensate growers for the high cost of production. "More rainfall will guarantee a good harvest to compensate farmers for the high cost of production," said Afun Adegbulu, who is also president of the Cocoa Association of Nigeria, the main grouping of growers, buyers and exporters.

But some farmers in the southwest region, which has older plantations, also complained about a lack of agro-chemicals to spray ageing and diseased trees, a factor that could slash output. Farmers and traders in the southeast, Nigeria's second cocoa belt which has newer plantations, said weather conditions there were much better, with a good mix of rainfall and sunshine. "There should be a bumper harvest this year because we have had constant rains and steady sunshine," one major exporter told Reuters by telephone from the southeastern cocoa hub of Ikom in Cross River state, on the border with Cameroon.

Farmers in the southeast zone, which shares the same climate with Cameroon, said periodic rains in the region have given them an opportunity to spray their farms before the heavy rains begin in June. "We had early rains which helped the pods to develop, now the periodic rainfall gives us time to spray the farms before the heavy rains begin," Gabriel Ogar told Reuters by telephone from Ikom.

Another grower in the neighbouring state of Abia, Maduabuchi Ukpabi, said weather was good but farmers could do with more agro-chemicals. "We have exhausted the chemicals we received from the NCDC (National Cocoa Development Council), and farmers are asking for more to spray their plantations," Ukpabi said by telephone from the state capital Umuahia.

Nigeria's mid crop, also known as the light crop because the beans are lighter in weight, comes in traditionally at 40,000-50,000 tonnes when weather is good and chemicals readily available. Exporters and growers have estimated this year's mid crop will be much higher at 55,000-60,000 tonnes because many more new farms with high yield trees have matured and some old plantations have been rehabilitated.

Nigeria is rated by the International Cocoa Organisation (ICCO) as the world's number-four grower with its 2007/08 output estimated at 210,000 tonnes, ahead of Cameroon at number five and Brazil at number six. Analysts have also said more farmers have embraced new farming techniques, which has raised the chances of a strong harvest.

World Cocoa Foundation Partnership Meeting in Guayaquil, Ecuador, to focus on Needs of Cocoa Farming families in Latin America

Improved Farming Practices, Productivity and Market Potential are Discussed at Foundation's First Partnership Meeting Held in Latin America

CSRwire.com (press release)

May 19, 2008

(CSRwire) VIENNA, VIRGINIA AND GUAYAQUIL, ECUADOR - - The World Cocoa Foundation will welcome nearly 300 participants to its Partnership Meeting on May 21-22, 2008, in Guayaquil, Ecuador, the first held in Latin America. Focused on the needs of the cocoa farming families in Latin America, the two-day meeting will include presentations on innovation and improved farming practices, productivity, biodiversity and conservation, pest and disease control, as well as commercial and marketing opportunities.

Minister of Agriculture, Honorable Walter Poveda Ricaurte, Mayor Jaime Nebot Saadi, City of Guayaquil, and Patricia Sheikh, Deputy Administrator, United States Department of Agriculture, Foreign Agricultural Service, Office of Capacity Building and Development, will deliver the Meeting's Opening Address. More than 40 other speakers will participate over the two days.

Commenting on the Partnership Meeting, Bill Guyton, President, World Cocoa Foundation, said, "This meeting is a milestone both for the World Cocoa Foundation and for the global cocoa and chocolate industry. It is the first Partnership Meeting held in Latin America since the Foundation was established. Importantly, it brings together farmers, industry, non-governmental organizations, government officials and scientists from over 20 countries who are focused on the potential of sustainably grown cocoa to significantly improve the economic well-being and quality of life of farmers in the region and globally."

Cocoa originated in the Amazon basin, where it has played a significant economic and social role for nearly 2,500 years. Today, 500,000 farm families in Latin America depend upon this important crop for their livelihood. Typically grown on smallholder farms of between one and two hectares (2.5 – 5 acres) in size, cocoa faces such challenges as significant loss due to pests and disease, poor productivity, and relatively few farmer associations and cooperatives.

Karl G. Walk, Blommer Chocolate Company and Chairman, World Cocoa Foundation, said, "Cocoa has the potential to dramatically improve the lives of many thousands of smallholder farmers across Latin America, as well as in West Africa and Asia. For this potential to be realized, however, these farmers need practical skills and information about better crop management and post-harvest handling and help in organizing themselves into healthy cooperatives to better market their crop. This is where the World Cocoa Foundation, its partners and programs are playing such a critically important role, empowering and helping these farmers succeed over the long term."

Today, the World Cocoa Foundation and its 67 member companies actively support the Andean Countries Cocoa Export Support Opportunity (ACCESO) program in Bolivia, Colombia, Ecuador and Peru. Using the successful Farmer Field School model to train farmers as well as its other technical assistance programs, ACCESO is improving the competitiveness of the region's cocoa crop across the supply chain, from farmers to exporters and manufacturers, and is increasing the number of farming households producing market-quality cocoa.

About the World Cocoa Foundation

Established in 2000, the World Cocoa Foundation is a leader in promoting economic and social development and environmental stewardship in 15 cocoa-producing countries around the world. With nearly 70 member companies from the Americas, Europe and Asia, the Foundation actively supports a range of farm-level programs harnessing sustainable agriculture practices to improve the quality of life for the millions of smallholder farmers growing this unique crop. For more information about the World Cocoa Foundation, visit: www.worldcocoafoundation.org.

For more information please contact: Bill Guyton, President, World Cocoa Foundation, +1-9703-790-5012; www.worldcocoafoundation.org

Nigeria's cocoa trees are ageing and so are the farmers

AFP

May 19, 2008



AKURE, Nigeria (AFP) — Forty years ago a young Nigerian would have taken over his father's cocoa plantation. Now he is more likely to be looking for an oil-related job in the big city "The cocoa trees are becoming old and so are the farmers," says Akinwale Ojo, a cocoa farmer and executive secretary of the Cocoa Association of Nigeria (CAN).

Nigeria produced around 160,000 tonnes of cocoa in the 2006-2007 season, but current output is one-quarter lower than it was 30 years ago. Fourteen out of the country's 36 states officially produce cocoa, but 80 percent of the production comes from just five states, industry sources say. And while oil prices are soaring, the same cannot be said of cocoa, at least not over the long term.

Prices have been rising off their lows since 2001/2002. But according to the International Cocoa Organisation, in inflation-adjusted terms, at the turn of the century prices were at their lowest-ever recorded level, with the 1999/2000 level just one-third of that recorded in 1971/1972.

The chairman of the Cocoa Association, Affun Adegbulu, looked back fondly at the situation thirty years ago when cocoa farmers could build houses, send their children to good schools and eat three square meals a day. Adegbulu said the

government launched a plan to save the cocoa sector in 2005 but that the project has not so far yielded results. The government needs to do more than just distribute insecticides to fight diseases such as black pod that affect around one third of Nigeria's cocoa output, planters say.

Akinwale Ojo wants the government to offer cash incentives to farmers who cut down their ageing cocoa trees, many of which are over 40 years old and plant new ones. Without such incentives, farmers are wary of planting new trees as it takes three to five years until the cocoa is ready for harvest. All of Nigeria's production goes for export as the country does not produce chocolate.

The government of Ondo, Nigeria's main cocoa growing state, has taken up the challenge of encouraging local consumption, officials said. Last month the state government launched an awareness campaign on cocoa consumption in the state capital Akure. "Appropriate pricing of cocoa cannot be achieved until Africa, which accounts for 70 percent of world's cocoa production, begins local consumption of cocoa," Governor Olusegun Agagu said during the ceremony. "Cocoa is a crop grown by non-consumers but consumed by non-growers, hence it is the non-producers who consume and determine the price which they can buy cocoa," he said. A cocoa processor, Henry Adesioye, agreed. "It is unbelievable and ironic that despite being a major cocoa producer and exporter, Nigeria does not produce chocolate."

At least two other regional cocoa producers, Ghana and Cameroon, produce home-grown chocolate. Adesioye said out of 16 cocoa processing companies in the country, only three are operational while the others have gone under because of poor incentives and falling prices. "We don't have a chocolate firm in this country. What we do here is to process cocoa beans into cocoa cake, cocoa butter for exports at prices determined by the buyers," he said. "The ridiculous price is a disincentive to cocoa farmers, coupled with poor harvests arising from pests and poor climatic conditions," he added.

According to statistics from the International Cocoa Organisation, Nigeria is the world's fifth biggest producer after Ivory Coast, Ghana, Indonesia and Cameroon.

Nigeria's National Cocoa Development Committee (NCDC) set up in 1999 is tasked with drawing up a sustainable development programme for the cocoa sector. NCDC aims to promote production, marketing and consumption. In the long-term the country is aiming to produce 600,000 tonnes, that is about three times current production. A drastic overhaul will be necessary to attain that target. "Our children are not interested in tilling the land," says CAN's Akinwale Ojo.

Ghana Sees Better-than-Expected Cocoa Main Crop

Source: Reuters
20/05/2008

Accra, May 19 - Ghana's 2007/08 cocoa main crop is forecast at 634,000 tonnes, up by 8 percent from last season and higher than a previous 600,000-tonne projection by industry regulator Cocobod, the central bank chief said on Monday.

The forecast by Central Bank Governor Paul Acquah compared with 587,502 tonnes of cocoa purchased by Cocobod in the 2006/07 main crop. The main crop in Ghana, the world's No. 2 cocoa grower, normally runs from October to May. This season's 33-week main crop is expected to close in the first week of June.

A source at Cocobod, who asked not to be named, told Reuters the 2007/08 crop year was progressing "extremely well" and could total 700,000 tonnes. In a previous forecast for the season, the industry regulator had projected to buy at least 650,000 tonnes of cocoa by the close of the October-September whole crop year. That earlier projection included a main crop seen at 600,000 tonnes. "The rains are the main indicators, and this year, it has been good for us and if this continues, we will hit 700,000 tonnes (for the whole harvest)," the Cocobod source said.

Acquah said cumulative cocoa purchases through the end of the first quarter of 2008 totalled 552,312 tonnes, up from 510,609 tonnes for the same period of the 2006/07 season. At a news conference after a Monetary Policy Committee meeting on the performance of the economy, the central bank head said Ghana earned \$401.5 million from cocoa exports in the first three months of this year. This was higher than the \$382.27 million earned during the same period in 2007, and compared with \$221.9 million in the fourth quarter of 2007. Ghana has set itself an ambitious target to harvest at least 1 million tonnes of cocoa in a season by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods.

World Cocoa Foundation Welcomes Six New Members from Ecuador, Peru, Australia, the Netherlands, Canada and the U.S. to Global Cocoa Sustainability Work

Foundation Membership Spans the Americas, Europe, and Asia, and Now Accounts for over 90% of World's Cocoa Supply Chain
CSRwire.com (press release)

May 20, 2008

(CSRwire) VIENNA, VIRGINIA AND GUAYAQUIL, ECUADOR - - The World Cocoa Foundation, at its 13th Partnership Meeting, held in Guayaquil, Ecuador, today welcomed six new member companies to its global cocoa sustainability work. The new companies bring the Foundation's membership to 67, representing the Americas, Europe, Asia and Africa, and accounting for over 90% of the world's cocoa supply chain.

"It's a pleasure to welcome these new members to the World Cocoa Foundation," said Bill Guyton, President, World Cocoa Foundation. "Today, we have nearly 70 member companies that are fully committed to driving economic and social development and environmental stewardship in cocoa-producing countries around the world. It's only through such pre-competitive collaboration and in cooperation with our many program and donor partners that we can drive meaningful and sustainable change on behalf of the world's nearly four million cocoa-farming families."

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U.S. Department of Agriculture and World Cocoa Foundation Announce 2008 Global Cocoa Borlaug Fellows Program

Scientists from Latin America and West Africa to Help Improve Cocoa Supply Chain; Program will Expand to Southeast Asia

CSRwire.com (press release)

May.21.2008

(CSRwire) VIENNA, VIRGINIA AND GUAYAQUIL, ECUADOR - May 21, 2008 - Patricia R. Sheikh, Deputy Administrator, United States Department of Agriculture (USDA), Foreign Agricultural Service, Office of Capacity Building and Development, today announced that in 2008 the Global Cocoa Borlaug Fellows Program is being offered to four Fellows from DR-CAFTA countries, to two Fellows from Mexico (NAFTA), and to seven Fellows from African Growth and Opportunity Act (AGOA) countries. She also announce that USDA will expand the program to Southeast Asia, including three Fellows from Indonesia and the Philippines, and to the Andean region, including four Fellows from Ecuador and two from Peru.

In commenting on the announcement, Ms. Sheikh said, "The U.S. Department of Agriculture is pleased to partner with the World Cocoa Foundation in supporting the exchange of cocoa scientists from Latin America, Southeast Asia and West Africa under the Borlaug Fellowship Program. This program will help build the local capacity of scientists to address disease and integrated pest management of the cocoa crop, best cultural practices, post-harvest technologies, and strengthen all aspects of the cocoa supply chain."

Bill Guyton, President, World Cocoa Foundation, said, "Each year, nearly 30 percent of the world's cocoa crop is lost to a variety of pests and disease. Thanks to the Borlaug Fellowship Program, research capacity in important cocoa-producing countries will increase, and farmers will directly benefit from improved productivity and incomes for this important crop."

Funded and implemented in part by the World Cocoa Foundation, the Norman E. Borlaug International Agricultural Science and Technology Fellows Program objectives include building research capacity in cocoa-producing countries to support competitiveness and modernization, improving researchers' understanding of the cocoa supply chain, and strengthening relationships with U.S. research institutes.

The 2008 Program sponsors science Fellows from DR-CAFTA, NAFTA and AGOA countries to complete a six-week research fellowship in the United States. Fellows work closely with assigned mentors, learn new research techniques, access fully equipped libraries, and learn about public-private partnerships. Skills and knowledge obtained through the program will be applied in Fellows' own research and teaching activities, and be shared with colleagues in their home institutions and countries. Additionally, the mentors will travel to each recipient country to work with the Fellow and provide additional training.

The Fellows were announced at the World Cocoa Foundation's 13th Partnership Meeting, being held in Guayaquil, Ecuador, on May 21-22. The Meeting was attended by nearly 300 participants, including farmers, industry, non-governmental

organizations, government officials and scientists from over 20 countries who are focused on the potential of sustainably grown cocoa to significantly improve the economic well-being and quality of life of farmers in the region and globally.

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Ghana cocoa purchases climb to 613,918 T by May 8

Reuters South Africa, South Africa

By Kwasi Kpodo

21 May 2008

ACCRA, May 21 (Reuters) - Cocoa purchases by Ghana's industry regulator Cocobod exceeded an initial 600,000-tonne main crop projection in the first 29 weeks of the 33-week 2007/08 main crop, an industry source said on Wednesday.

Purchases declared by private buyers to Cocobod through the 29th week, ending May 8, reached 613,918 tonnes, up by 13.18 percent over the 539,368 tonnes purchased in the same period the previous season, a source close to buyers told Reuters. Total purchases for week 29 were 14,593 tonnes, slightly up on the 14,169 tonnes purchased in the previous week and well above the 11,069 tonnes bought in the 29th week of the 2006/07 main crop.

Cocobod, which buys cocoa from independent intermediary buyers under Ghana's semi-liberalised marketing system, has projected purchases of at least 650,000 tonnes through the October 2007-September 2008 crop year, including at least 600,000 tonnes from the main crop.

But expectations have been growing for a larger crop than forecast. This week the central bank forecast the main crop would reach 634,000 tonnes and an industry source said the annual crop may reach 700,000 tonnes. "We have gone past the 600,000 mark. The weather has been good, the rains too are timely," a Cocobod official, who declined to be identified due to the sensitivity of the cocoa industry in Ghana, told Reuters on Wednesday.

Ghana, the world's No. 2 cocoa producer after neighbouring Ivory Coast, declared total production of 614,469 tonnes last season, down from a record 740,457 tonnes in the previous 2005/06 crop year.

Ghana has set itself an ambitious target to harvest at least 1 million tonnes of cocoa in a season by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods. (For full Reuters Africa coverage and to have your say on the top issues, visit: <http://africa.reuters.com>) (Reporting: by Kwasi Kpodo editing by Alistair Thomson and Peter Blackburn)

Cocoa production records 634,000

Joy Online, Ghana

21 May 2008

Ghana's 2007/08 cocoa main crop is forecast at 634,000 tonnes, up by 8 percent from last season and higher than a previous 600,000-tonne projection by industry regulator, Cocobod, Central Bank Governor, Paul Acquah said on Monday.

The main crop in Ghana, the world's No. 2 cocoa grower, normally runs from October to May. This season's 33-week main crop is expected to close in the first week of June. A source at Cocobod, who asked not to be named, told Reuters the 2007/08 crop year was progressing "extremely well" and could total 700,000 tonnes.

In a previous forecast for the season, the industry regulator had projected to buy at least 650,000 tonnes of cocoa by the close of the October-September whole crop year. That earlier projection included a main crop seen at 600,000 tonnes. "The rains are the main indicators, and this year, it has been good for us and if this continues, we will hit 700,000 tonnes (for the whole harvest)," the Cocobod source said.

Acquah said cumulative cocoa purchases through the end of the first quarter of 2008 totalled 552,312 tonnes, up from 510,609 tonnes for the same period of the 2006/07 season. At a news conference after a Monetary Policy Committee meeting on the performance of the economy, the Central Bank head said Ghana earned \$401.5 million from cocoa exports in the first three months of this year. This was higher than the \$382.27 million earned during the same period in 2007, and compared with \$221.9 million in the fourth quarter of 2007.

Ghana has set itself an ambitious target to harvest at least one million tonnes of cocoa in a season by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods.

Ghana plans cocoa spraying campaign from June

Reuters South Africa, South Africa

By Kwasi Kpodo

22 May 2008

ACCRA, May 22 (Reuters) - Ghana will launch a mass cocoa spraying operation in June to protect the crop from black pod disease as high prices drive industry officials and farmers alike to take better care of trees, a Cocobod official said.

The fungal disease often affects cocoa in the world's second biggest grower during wet weather, and seasonal rains are expected to pick up in June. "Although it (black pod) has not reared its head yet, we will want to start the spraying in good time in order to nip any early occurrence in the bud," an official for the industry regulator, Cocobod, who did not wish to be identified, said late on Wednesday.

The Cocobod's pests and disease control unit would run another spraying campaign in August to protect trees against capsid damage, the official said. The spraying programmes complement Cocobod plans to increase the annual crop to at least 1 million tonnes of cocoa by 2010, mainly through increased use of fertilisers and adoption of high-yielding seeds, combined with improved farming methods.

In addition to pest control programmes, Cocobod is offering grants to farmers to replant old and abandoned cocoa farms and to increase productivity, especially in the top-yielding Western, Ashanti and Eastern regions, the official said. Aside from subsidised Cocobod programmes, smallholder farmers themselves were also improving husbandry practices, encouraged by high prices.

HIGH PRICES, GOOD CROP

"It is not only the state or Cocobod that sees the attractiveness of the current prices, they (farmers) are also highly encouraged with the trend," the official said. Cocobod raised the fixed farmer price in February by more than 25 percent after high prices on international markets encouraged a surge in smuggling over the border to the world's top producer, Ivory Coast. Ivory Coast sets only a guideline price, so prices received by farmers there more closely follow the ebbs and flows of world markets and local supply/demand pressures.

This week Central bank Governor Paul Acquah raised the bank's official forecast for the current 33-week main crop up to 634,000 tonnes, compared to previous Cocobod forecast of at least 600,000 tonnes. The Cocobod official said the main crop -- which is due to close in the first week of June -- could be even bigger. "Hopefully, we are now looking at about 650,000 tonnes for the main crop and not less than 50,000 tonnes for the light crop," the official said. The much smaller light crop is harvested generally between June and September.

Purchases figures from the Cocobod, which buys all cocoa from independent merchants under Ghana's semi-liberalised marketing system, bought nearly 614,000 tonnes of cocoa by the end of the 29th week, ending May 8. Purchases during that week were up slightly on the previous week at 14,593 tonnes, pointing to a strong main crop barring any collapse in purchases over the following four weeks.

Ghana harvested a total of 614,469 tonnes of cocoa in the whole 2007/08 crop year, down from a record 740,457 tonnes the previous season. (For full Reuters Africa coverage and to have your say on the top issues, visit: <http://africa.reuters.com>) (Editing by Alistair Thomson)

DJ Ivory Coast cocoa farmgate prices mainly up May 12-18 –BCC

Trading Markets (press release), CA

By Vincent t'Sas, Dow Jones Newswires

May 22, 2008

ABIDJAN, May 22, 2008 (Dow Jones Commodities News via Comtex) -- -- Average prices paid for cocoa beans at Ivory Coast's farms last week were mainly higher, official data and comment showed Thursday.

The highest prices are paid by local grinders who pay around 15% more than exporters of beans, industry sources said. "It is all going to the grinders, we have little business at the moment," an exporter based at the southwestern port of San Pedro said Thursday.

Grinders pay more as they benefit from export tax reductions, while they are also stocking up beans ahead of the wettest month of the season - June - when the quality of supply is poor as farmers can't properly sun-dry their beans.

Farmers are currently harvesting the 2008 midcrop (April-September), forecast at 310,000 metric tons, well up on last season's 261,956 tons but down on the 441,153 tons reaped in April-September 2006. Last season the midcrop suffered from a prolonged dry spell; this season saw rainfall deficits in many growing areas but not as bad as last year.

Following is a table of the average price paid for cocoa in Ivory Coast's main growing regions in May 12-18, with in the second column the preceding week's prices. The data is based on the prices buyers, cooperatives and exporters register with the BCC Coffee and Cocoa Marketing Body.

All prices are in CFA francs a kilogram (\$1=XOF415.70)

Region Average Previous Abengourou 470 n/a Aboisso 495 500 Adiake n/a 550 Adzope n/a n/a Agboville 525 500 Akoupe n/a 500 Alepe n/a n/a Bongouanou n/a 425 Daloa 560 535 Daoukro n/a 475 Gagnoa 465 n/a Divo 505 480 Grand Bassam n/a 500 Oume n/a n/a San Pedro 590 515 Sassandra n/a 500 Sinfra n/a n/a Soubre 475 450 Toumodi n/a 400

Prices paid at the exporters' and cocoa processors' gates in the ports of Abidjan and San Pedro were as follows:

Port Average Previous Week Abidjan n/a n/a San Pedro 620 565

The greater Daloa region (includes Bouafle, Issia, Vavoua, Zuenoula and Seguela) is the country's main cocoa-growing region with an annual production of over 300,000 metric tons. The Soubre region produces 140,000 tons on the average, San Pedro 110,000 tons.

Gagnoa (including Sinfra and Oume) and Man (including Bangolo, Duekoue, Guiglo, Danane, Biankouma and Toulepleu) produce well over 150,000 tons each. The Divo region (with Lakota) produces 110,000 tons a year. The Sinfra area produces around 50,000 tons of beans a season, Sassandra some 20,000 tons.

The Aboisso and Adzope growing areas produce around 30,000 tons each, the Bongouanou and Agboville areas around 15,000 tons each. Grand-Bassam is part of the Abidjan area which produces around 20,000 tons. Farmers around Daoukro produce some 3,500 tons of cocoa beans annually, the Toumodi area produces around 4,000 tons.

Cocoa deficit forecast to fall but prices remain high

ConfectioneryNews.com, France

By Linda Rano

22-May-2008 - Latest figures from the International Cocoa Organization (ICCO) suggest that there will be a rise in world production of cocoa compared to last year and a rise, though smaller, in world grindings. The deficit is expected to be reduced. However, a spokesperson at the ICCO explained to ConfectioneryNews.com that combined years of deficit are pushing prices up, with prices in March registering a five-year high.

The ICCO's latest quarterly bulletin of cocoa statistics conveyed the organisation's revised forecasts for the current 2007/08 cocoa year (running October - September), which reflected information available at the beginning of May. It is estimated that there will be a world production year-on-year increase of 370,000 tonnes, or 11 per cent, compared to 2006/07.

With regard to grindings, which correspond to the demand for beans, it is forecast that there will be an increase of 107,000 tonnes, or 2.9 per cent. The deficit for 2007/08 is forecast at 41,000 tonnes, which is 10,000 tonnes less than previous estimates and considerably less than the deficit of 301,000 tonnes which is estimated for 2006/07. However, with stocks going down, prices remain high, explained the spokesperson. The end of season world stocks for 2006/07 are estimated at 1574,000 tonnes but forecast at 1533,000 tonnes for 2007/08.

Supply

The ICCO's monthly review of the cocoa market for April said that data on volumes of cocoa reaching ports in West Africa confirmed expectation of a strong increase in cocoa production during the first half of the season.

According to data published by news agencies, the 2007/08 main crop in Côte d'Ivoire (ending in March) was up about 100,000 tonnes compared to the same period a year earlier.

Also Cocobod reported that 552,000 tonnes of cocoa beans were purchased from Ghanaian farmers in the first six months of the season, up 8 per cent.

Prices

May 21 the ICCO daily price for cocoa beans was reported as \$2630.10 per tonne (ICCO daily price = the average of the quotations of the nearest three active futures trading months on LIFFE (London International Financial Futures and Options Exchange) and ICE (Intercontinental Exchange) Futures U.S. at the time of London close). The day before the ICCO daily price was reported as 2649.88.

The International Cocoa Organisation (ICCO) monthly review of the cocoa market for April suggested that a decline of the monthly average ICCO daily price compared to the previous month could be misleading as far as futures markets were concerned.

In April the daily price averaged US\$2,628 per tonne, down by US\$42 compared to the average price record in March, and ranged between US\$2,375 and US\$2,810.

After a downward correction recorded in both LIFFE (London futures market) and ICE (New York futures market) from mid-March prices bounced back in April, both markets recovering 90 per cent of losses experienced in the previous month.

World Cocoa Foundation and Partners draw on lessons from Latin America to Reinvigorate Global Cocoa Sector

Nearly 300 Attend 13th Partnership Meeting in Guayaquil, Ecuador, to Discuss Cocoa Sustainability and Needs of Region's Farmers - New Framework for Promoting Improved Cocoa Farming Practices Takes Shape

CSRwire.com (press release)

May 22, 2008

(CSRwire) VIENNA, VIRGINIA AND GUAYAQUIL, ECUADOR – May 21, 2008 - The World Cocoa Foundation today concluded its 13th Partnership Meeting in Guayaquil, Ecuador, the first to be held in Latin America. Nearly 300 attendees, including farmers, scientists, non-governmental organizations, and industry and government representatives, discussed cocoa sustainability and the needs of Latin America's 500,000 cocoa farmers, as well as drew upon this experience to benefit cocoa farmers in West Africa and Asia.

Bill Guyton, President, World Cocoa Foundation, said, "This was a very significant meeting for the World Cocoa Foundation and its partners. For the first time, we met in a major Latin American cocoa-producing country, bringing our discussions about the long-term potential of sustainably grown cocoa much closer to the farmers who most will benefit. Their participation is critically important to ensuring that the programs we support over the coming years effectively address their needs and drive positive change."

Framework to Promote Improved Cocoa Farming Practices Takes Shape

A highlight of the two-day meeting was a series of presentations outlining a new framework for improved cocoa farming practices around the world. Speakers drew upon practical experience gained from more than a decade of cocoa sustainability work to discuss long-term goals in the areas of improving farmer incomes and productivity, ensuring that cocoa is grown responsibly, supporting the development of prosperous farming communities, and promoting sound environmental stewardship.

The Next Decade of Cocoa Sustainability in the Americas

Representatives from Ecuador, Colombia, Peru and the Dominican Republic presented cocoa sustainability plans for their countries, focusing on the roles of national strategies, farmer training and farmer associations, as well as the outlook for continued market growth for the fine-flavor cocoa characteristic of this region.

“There is a huge opportunity for cocoa production in the Americas,” said Sergio Seminario, agricultural analyst, Grupo Seminario. “Demand for the region’s fine flavor cocoas is growing dramatically, reflecting the increasing popularity of premium chocolates in Europe and the United States. Our task at the national level today is to help farmers meet this demand for quality cocoa in a truly sustainable way.”

National and Regional Impact of ACCESO Program

The regional and national impact of the Andean Countries Cocoa Export Support Opportunity Program (ACCESO) was highlighted, featuring presentations on the ability of Farmer Field Schools and farmer associations to significantly improve productivity and smallholder incomes. “The ACCESO program has been a very significant step forward for cocoa production in the Andean region,” said Francisco Gomez, CasaLuker Colombia. “Thanks to ACCESO’s support for farmer training and the development of national strategies, we have seen dramatic improvements in productivity and incomes for participating cocoa farmers. It’s an outstanding model for the future.”

Workshops Focus on Reinvigorating Cocoa Production in Region

A series of workshops covered such topics as: farm-level innovations that are reinvigorating cocoa growing; the role of sustainable cocoa in improving biodiversity and environmental conservation; and the impact and prevention of cacao diseases.

Commenting on the presentations, Tim Johnson, General Manager, Transmar Commodity Group of Ecuador, said, “We’re fortunate today to have broad agreement across our supply chain regarding the importance of helping farmers produce cocoa in a socially responsible and environmentally sound manner. It has become clear as well that achieving this will require a practical, actionable framework for enhancing farmer productivity, increasing their marketing efficiency, diversifying their incomes, and improving their skills and knowledge. It’s exciting now to begin the practical work of turning these objectives into meaningful and measureable change at the farm level.”

The next World Cocoa Foundation Partnership Meeting will be held in Hamburg, Germany, October 8 – 9, 2008.

About the World Cocoa Foundation

Established in 2000, the World Cocoa Foundation is a leader in promoting economic and social development and environmental stewardship in 15 cocoa-producing countries around the world. With nearly 70 member companies from the Americas, Europe, and Asia, the Foundation actively supports a range of farm-level programs harnessing sustainable agriculture practices to improve the quality of life for the millions of smallholder farmers growing this unique crop. For more information about the World Cocoa Foundation, visit: www.worldcocoafoundation.org.

For more information please contact: Bill Guyton, President, World Cocoa Foundation +1-703-790-5012; www.worldcocoafoundation.org

Smuggling of Ivory Coast's cocoa drops: govt

Africasia, UK

May 22, 2008

ABIDJAN, (AFP)

Ivory Coast said on Thursday considerably less of its home-grown cocoa beans were being smuggled and sold in nearby non-producing countries, mainly since a fragile 2007 peace deal was brokered. "We have noticed the opposite trend since a peace deal was signed in March 2007," Michel Yeoun, vice president of the country's top cocoa growers association, told a news conference.

He said deploying customs officers and financial institutions in the divided country's rebel-held north helped restrain illegal exports. Yeoun was optimistic for further production growth over the next crop year in the world's top cocoa producer. Outputs for the 2007-2008 crop season reached 1.6 million tonnes, a 10 percent rise on the previous year.

In July 2006, Ivorian cocoa growers threatened to take neighbouring Burkina Faso and Mali to court accusing them of illegally exporting beans, as an estimated 300,000 tonnes of them flowed through these countries each year.

Earlier that year, Abidjan denounced the actions of unnamed nearby non-producing countries who had taken up exporting cocoa, as "economic crime". Massive flows of contraband Ivorian cocoa beans also enter Ghana, the world's second biggest grower, bought by the state at guaranteed higher prices.

Ivory Coast has been split into the rebel-held north and the government-administered south, where most cocoa is produced, since 2002 after a failed coup attempt to oust President Laurent Gbagbo. Cocoa and coffee account for 40 percent of its revenue from exports and 20 percent of its GDP.

Ghana: Companies in the News

AllAfrica.com, Washington

Ama Achiaa Amankwah

23 May 2008

Cocoa production records 634,000 tonnes

Ghana's 2007/08 cocoa main crop is forecast at 634,000 tonnes, up by 8% from last season and higher than a previous 600,000-tonne projection by industry regulator, COCOBOD. The main cocoa season normally runs from October to May. This season's 33-week main crop is expected to close in the first week of June.

A source at COCOBOD told Reuters that the 2007/08 crop year was progressing "extremely well" and could total 700,000 tonnes. In a previous forecast for the season, COCOBOD had projected to buy at least 650,000 tonnes of cocoa by the close of the October-September whole crop year.

That earlier projection included a main crop seen at 600,000 tonnes. "The rains are the main indicators, and this year, it has been good for us and if this continues, we will hit 700,000 tonnes (for the whole harvest)," the source said. Cumulative cocoa purchases through the end of the first quarter of 2008 totalled 552,312 tonnes, up from 510,609 tonnes for the same period of the 2006/07 season.

Ghana earned \$401.5 million from cocoa exports in the first three months of this year, higher than the \$382.27 million earned during the same period in 2007.

Agriculture Ministry exploring partnership to boost Cocoa Industry

Government of Jamaica, Jamaica Information Service, Jamaica

KINGSTON (JIS):

May 24, 2008

The Ministry of Agriculture is exploring means of partnering with the private sector for greater value-added opportunities for the cocoa industry, as it seeks to widen prospects for that product. This collaboration with the private sector is being examined as part of a joint study being conducted by the Cocoa Industry Board (CIB) and the United States Agency for International Development (USAID), State Minister for Agriculture, J.C. Hutchinson said, during his contribution to the 2008/09 Sectoral Debate in the House of Representatives on May 21.

He said the CIB also has plans to introduce new planting material in the form of budded plants, which are high-yielding and disease resistant. Solar drying of beans and modernization of processing facilities through mechanization of operations, would also be instituted this year resulting in significant savings, which would be passed on to the farmers in the form of improved farm gate prices, Mr. Hutchinson told the House.

Since October of last year 21,000 seedlings have been distributed, up from the 14,000 seedlings distributed in the previous year. "This is indicating that there is renewed interest in the sector. At the same time, our nurseries now have 30,000 seedlings at different stages of growth to be ready for distribution starting this month," he said.

One of the major initiatives undertaken last year was the rehabilitation of the 83-acre Orange River cocoa farm, owned by the Ministry at a cost of \$5 million. "Cocoa represents one of those crops which has tremendous export potential and which requires focused intervention to realize this growth. Jamaica's fine-flavoured cocoa is among the highest quality in the world and fetches two times the price as competing cocoa on the world market," Mr. Hutchinson said. He explained that the Ministry was striving to achieve production levels of 1,400 tonnes per annum, "which we were easily doing up to 1997." For the crop year ending September 30, production was at 768 tonnes.

Cocoa: Answer to RP's need for a cash crop?

Inquirer.net, Philippines

By Amy R. Remo

05/24/2008

MANILA, Philippines—Multinational confectionary giant Mars Inc. believes the Philippines could still revive its once lucrative cocoa industry to become among Asia's supplier of cocoa beans—a main ingredient for chocolates.

Peter van Grinsven, cocoa sustainability field-research manager of Mars, said that growing cocoa plants is not an entirely new concept to Filipino farmers, who, for a period, had also delved not only in the production but also in the export of cocoa beans. “Up until the mid-1980s, local production of cocoa beans was estimated at 50,000 metric tons, of which 27,000 tons were exported while the rest was consumed locally,” he says.

Grinsven says that cocoa beans were produced in huge plantations owned by private Philippine companies that have their own infrastructure, agronomists, nurseries, technicians, pest disease specialists and marketing network. “But what happened in the Philippines was that with the land reform act, some cocoa farmers became small holder crops and local institutions weren’t ready to provide infrastructure, technical and market support for farmers,” he notes. Thus, in a very short time, Philippine cocoa production had started to decline to 5,000 tons, all of which are consumed by chocolate makers in Manila.

Growing global demand

Meanwhile, on the regional front, there is a large and growing cocoa grinding industry in Asia but there are insufficient locally grown cocoa beans to feed it. Combined, China, Japan, Malaysia and Indonesia import about 220,000 metric tons of good quality fermented beans from West Africa where 70 percent of the world’s cocoa is currently produced.

According to Mars, this scenario presents a golden opportunity which the Philippines can tap, as it has the potential to produce at least 100,000 metric tons of cocoa, making it the potentially second-biggest farm export-earner, next to coconut.

Based in Virginia, US, Mars produces some of the world’s favorite and leading chocolate brands including M&M’s, Snickers and Mars. It operates more than 100 manufacturing facilities in over 65 countries. “This is an exciting thing for the Philippines. Asia, in the last 15 years, has seen an enormous increase in cocoa processing firms who buy cocoa beans to make as chocolate, cocoa butter and powder,” Grinsven says.

According to Grinsven, global demand for cocoa has steadily increased over the last decade, and this trend is expected to continue in the foreseeable future. Add to that, he explains, world consumption of chocolate is increasing by 90,000 tons (90 million kilos annually for two reasons—the emergence of new consumers particularly China and India; and a gradual shift in consumption to dark chocolates from milk chocolates in traditional cocoa consuming countries such as United States and in Europe).

Dark chocolates have higher contents of cocoa, so more cocoa beans are needed to produce this kind of chocolate. “It is also profitable since in the last four months, price has increased by \$700. Currently, dry fermented cocoa bean costs \$2,500 a ton in the global market,” Grinsven discloses.

Center of excellence

To jumpstart the revival of the local cocoa industry, Mars has launched last month the Mars Cocoa Development Center (MCDC) in Malagos, Davao. Grinsven says the MCDC will serve as a “center of excellence for sustainable cocoa farming that seeks to demonstrate the positive aspects of cocoa cultivation and the suitability of cocoa for the Philippines.”

Together with non-profit group

ACDI/Voca, CocoaPhil and the Puentespina Farm in Davao, MCDC will validate and implement local and international “best practices” in all aspects of cocoa farming such as germplasm evaluation and breeding, farm rehabilitation methods and good agricultural practices, integrated pest management, and post-harvest practices and quality aspects of cocoa.

He explains that it is imperative to demonstrate to farmers, the government and donor institutions that the Philippines can indeed produce good quality cocoa in sustainable farming practices. Also, as in any other venture, farmers will invest in cocoa farming only after they are convinced that the rate of return on their investments is high enough.

Grinsven says they have decided to put up the center in Davao since the cocoa foundation is quite active in Mindanao, which has suitable conditions for growing cacao. “In the Philippines, the cocoa industry can be very successful with the quality of the land, climate and the large [hectares] of coconut farms with nothing else on it,” he says. “To restart the industry, Mars will bring the latest technology on cocoa cultivation to the Philippines; the expertise and experience we have, through the MCDC. What we need to find out is what will work best for a Filipino farmer in his own environment,” Grinsven explains. He notes that it may take at least three years to get farmers to adopt new farm technologies.

Intercropping

“There is also an assured market for local cocoa beans because Mars will definitely buy from the Philippines at market value,” he adds. “We have a diverse portfolio of cocoa beans we want to use so we would be using different beans.”

As a start, Grinsven says farmers can intercrop coconut lands with cocoa. Currently, there are 3 million hectares of land planted to coconuts, of which, some 2.4 million hectares are monocropped lands. A hectare of land planted to coconut can be planted with as much as 600 cocoa trees. Cocoa is a shade-tolerant crop and can thus be grown successfully with other trees such as durian and lanzones, aside from coconut.

He notes that if even just 10 percent of these monocropped lands are planted with cocoa, production may reach 200,000 tons, translating into as much as \$500 million in export revenues. More significantly, a huge portion of this amount will end up in rural communities where it will fuel the local economy, particularly in Mindanao provinces. According to Mars, cocoa can soon potentially answer the Philippine rural population’s need for a cash crop—hopefully in the near future.

The Market

Ivory Coast's Cocoa Exports From Main Ports Rise 9% in April

Bloomberg

By Pauline Bax

May 20, 2008

(Bloomberg) -- Cocoa exports from Ivory Coast, the world's biggest producer of the chocolate ingredient, rose 9 percent in April. Shipments increased to 47,470 metric tons in the month, compared with 43,696 tons a year earlier, according to official data from the ports of Abidjan and San Pedro given to Bloomberg News today.

Exports from Abidjan fell 29 percent to 19,961 tons, from 28,108 a year earlier, while shipments from the western port of San Pedro nearly doubled to 27,509 tons.

The West African country also shipped 27,166 tons of cocoa product during the month, an increase of 12 percent from a year earlier, according to the data. Ivory Coast's mid-crop is collected from April through September after the main harvest is completed in February and March.

The following is a breakdown of cocoa-product exports:

Port	Amount	
Abidjan	24,307	
San Pedro	2,859	
Total:	27,166	
Product:	Abidjan	San Pedro
Butter	5,267	--
Cake	3,591	100
Liquor	10,299	2,759
Powder	3,286	--
Unspecified	1,864	--
Total:	24,307	2,859

To contact the reporters on this story: Pauline Bax in Abidjan via Johannesburg at abolleursa@bloomberg.net.

Ivory Coast cocoa registrations 1,036,768 T by May 5

Reuters

Ange Aboa

May 22, 2008

ABIDJAN, May 22 (Reuters) - Ivory Coast cocoa beans registered for export in the 2007/08 season reached 1,036,768 tonnes by May 5, up from 948,493 tonnes by the same stage a year earlier, according to BCC data seen by Reuters on Thursday.

The average cost, insurance and freight (CIF) price paid by international cocoa buyers such as Cadbury Schweppes (CBRY.L: Quote, Profile, Research) and Mars was 973 CFA francs (\$2.34) per kg in the period, up from 872 CFA a year earlier, the data showed. Cocoa beans must be exported within 21 days of registration.

Processing & Manufacturing

ADM Launches Organic Chocolate

Food Ingredients First (press release), Netherlands

May 19, 2008

ADM Cocoa has announced its capability to supply tailor-made organic chocolate to the UK market. This development offers manufacturers an innovative, customised solution to respond to increasing consumer demand for a wider range of organic products. To gain organic status from the Soil Association, ADM Cocoa invested in its facilities in Hull and Liverpool, UK.

Organically grown, the cocoa beans are processed by ADM Cocoa at its plant in Hull and the resulting cocoa products are then transported to ADM Classic in Liverpool, where the chocolate is manufactured. The organic chocolate is available as liquid and in a range of solid formats, including chips, buttons and fragments to suit specific customer needs – ready to be incorporated into the end product. ADM Classic's organic chocolate is already used in a variety of confectionery and bakery applications and is available in white, milk and dark varieties.

Globally renowned as a cocoa expert, ADM Cocoa offers a broad range of high quality cocoa products, including the premium De Zaan powders, liquors and butters. The strict controls and time implications of gaining organic status mean that ADM Classic is one of few organic chocolate producers in the UK.

Jeroen van Engen, commercial director, ADM Cocoa UK, commented: "The combination of our industry-leading expertise and strong cocoa heritage means we are well-placed to offer manufacturers the finest chocolate ingredients and technical support they require to develop differentiated, premium products. Our new range of organic chocolate contributes to achieving our overall aim – to help our customers meet today's demands and envision tomorrow's needs for high quality products from a trusted, sustainable source."

Business & Economy

Fair trade products will alleviate some misery in the world

Ottawa Citizen, Canada

Bruno Marquis,

May 19, 2008

Canadians often contribute to the better well-being of other people in the world. This was the case with the fair trade coffee, where the sales have increased by 30 per cent each year in Canada. This could also become the case with some other consumer goods, such as chocolate.

The purchase of fair-trade certified products has important consequences. It allows many producers to receive reasonable prices for their products and numerous workers to climb out of poverty. It also has positive impacts on the environment.

About 15,000 slave children are working on farms and cocoa plantations in the Ivory Coast, and this is only a small sample off all the misery linked to the production of chocolate. We should all work towards, a world where solidarity is at the heart of economic development, and the fair trade is an immense step in this direction.

Dominican organic cocoa prized in Japan for chocolate bar

Dominican Today, Dominican Republic

19 May 2008

Santo Domingo.- - The company Commercial Roig C. x A. signed a contract with the Mitsubishi Corporation, a supplier of Lotte, one of Japan's major chocolate companies, to supply Dominican cocoa to make a chocolate bar called "Dominican."

Lotte recently introduced the bar to the Japanese market which uses only Dominican cocoa, and whose wrapping features a map of the country. "Cocoa for Lotte Corporation is developed and selected at Roig's cocoa fermentation and drying center located in San Francisco de Macoris (northeast), considered one of the world's largest and most modern processing centers," commercial exports manager Gabriel Roig said. He said the center's infrastructure guarantees optimum and uniform quality for their customers.

Dominican Republic is the world's top organic cocoa exporter; the continent's 3rd largest producer and 8th in exports with 42,000 metric tons in 2007, and income of US\$55 million. Of 2007's total cocoa exports around 16,700 tons are organic cocoa, and the best prices are in foreign markets, especially in Europe. Organic cocoa exports are expected to top 20,000 metric tons in 2008.

Policy distortions threaten N40bn investment in cocoa industry

Business Day, Nigeria

SIMON NJOKU

20 May, 2008



Sayyadi Abba Ruma, Minister of Agriculture

The nation's cocoa industry is facing an imminent collapse arising from policy distortions and other challenges in the operating environment. At risk is about N40 billion investments in the industry. Of the 18 factories licensed as at 1986 with a total processing capacity of 236,000 metric tons, Business Day gathered that only five with a total capacity of 48,000 metric tons are still running even as five additional factories with a capacity of 350,000 metric tons are coming up. Current capacity utilisation in the industry is put at 20 percent.

Drawing attention to the state of the Nigerian cocoa industry at the recent ECOWAS – EU Economic Partnership Agreement workshop in Lagos, the national secretary, Cocoa Processors Association of Nigeria (COPAN), Felix Oladunjoye, disclosed that local beverage industries had been relocating their plants to Ghana due to the high cost of production locally. "Companies now produce in Ghana under EPA and move to Nigeria duty free under ETLs (ECOWAS Trade Liberalisation Scheme)," he said.

Going by his submission at the forum, the situation in the cocoa industry could be worsened if the EPA is signed without some critical issues sorted out. For instance, though 95 percent export market of cocoa products are in the EU countries, there is no duty on raw cocoa beans exported to the EU countries. The result is that processing factories now pay higher prices on cocoa beans locally than on terminal beans.

Moreover, duty discount of 4.2 percent and 6.1 percent apply on processed cocoa products, butter, liquor and cake exported to Europe. But the exporters have to contend with volatile international prices sometimes due to international conspiracy leading to downward pricing. There is also raw cocoa beans quality and price distortion. The collective impact of the situation, COPAN observed, has put under threat the current investment of over N40 billion in factories and 5,000 direct jobs in the functional industries.

As a way out, the association recommended an increase of at least five per cent on Export Expansion Grant (EEG) to cocoa processors to compensate for EU/EPA duty surcharge. COPAN also suggested an immediate suspension of ETLs agreement until EPA issues are resolved. Power problems and sensitive products issues need to be resolved before endorsement of EPA, COPAN emphasised while viewing the raw material exclusion from the EU list as suspicious.

Anigriv Trading Group to Increase Grain, Cocoa, Rice, Coffee, and Crude Palm Oil Procurements by \$500m

Business Wire (press release), CA

May 21, 2008

NEW YORK--(BUSINESS WIRE)--Anigriv Trading Group has been awarded a half a billion dollar grain and oilseeds procurement contract by the Global Food Aid Program. This contract replaces the previous Anigriv's contract which expired in May of 2008. Other internationally known grain trading firms also competed for the contract.

A spokesperson for Anigriv Trading Group Jenna Koch, Public Relations Director said that Anigriv is interested in receiving daily offers from firms looking to sell RICE, CORN, SOYBEAN, SOYBEAN OIL, COCOA, COFFEE, SORGHUM, CRUDE PALM OIL and the offers should be email to udo@anigriv.com.

Takachi Machimura told a news conference that about \$1B in food aid would be distributed in Africa in October in response to an appeal by the Global Food Aid s'(GFA) and the rest over the next three months. This has led many rice and oilseeds buyer to start using Anigriv Trade Group as one of their suppliers for grains and oilseed; such as sorghum, corn, palm oil, palm kernel, rice, sesame seeds and millets.

Mr. Koh is the president of the Grain Traders' Association, whose members are scouring Vietnam, Sabah, Sarawak and South Africa for suppliers. 'We must spread out from the north, east, south, west, to everywhere. Anything can happen, and if we do not make sure prices stay down, our customers will stop buying meat. When they suffer, we suffer too,' he said. The massive effort to locate new sources is motivated to a large extent by rising food prices worldwide.

Information about the contract and the GFA was not immediately available, Jena Bush Koch, a spokeswoman for Mr. Weinberger, said Wednesday night. An Anigriv spokeswoman said she lacked details about the contract and could not immediately reach Mr. Weinberger. "The strategic relationship between buyers and Anigriv will provide the much needed grains and oilseeds for Asia and Africa because of Anigriv's grain origination capabilities," says Mr. Weinberger.

This release hails Mr. Weinberger laudable hunger-reduction initiatives the drive to procure RICE, CORN, SOYBEAN, SOYBEAN OIL, COCOA, COFFEE, SORGHUM, CRUDE PALM OIL from all over the world. Mr. Weinberger said they are looking for offers from 45,000 MT and up. *Contacts: Anigriv Trading Group, Udo Onwuachi, 917-536-2552, Grain and Oilseed Trader; udo@anigriv.com*

UPDATE 1-Callebaut sets sights on Asia, China growth

guardian.co.uk, UK

By Samuel Shen and Joseph Chaney

May 21 2008

SUZHOU, China, May 21 (Reuters) - Barry Callebaut, the world's largest chocolate maker, expects 20 percent annual sales growth in Asia for the near future and is ramping up production in China as consumers' incomes rise and tastes grow more sophisticated.

The firm, which sells chocolate to global brands such as Hershey, Unilever, Nestle and Cadbury Plc, muscled into China's chocolate market in January when it opened its first factory in Suzhou, a scenic city about a 90 minute drive from Shanghai. "I don't think that the Chinese will ever eat 10 kilograms per head like the Swiss, but they may eat 2 kilograms per head like the Japanese and the Koreans," Maurizio Decio, Vice-President Asia Pacific, told Reuters in an interview on Wednesday.

Chinese currently consume about 100 grams of chocolate per capita each year, compared with 11 kilograms for Western Europe. China's chocolate market was worth 6.46 billion yuan (\$926.6 million) in 2007 and is expected to grow to 9.6 billion yuan in 2010, Euromonitor said.

Shares in Switzerland's Barry Callebaut, which also sells a line of gourmet products to hotels, have slid around 23 percent during the past 12 months on soaring cocoa prices. Net profit for the six months to February, the first half of the group's 2007/08 fiscal year, stagnated versus the year-earlier period at 124.4 million Swiss francs (\$122.9 million), lagging the average estimate of 146 million francs in a Reuters survey.

The group, which forayed into Asia in 1997 with a factory in Singapore, said it had not been able to pass on higher raw material costs until the start of January and that it expected cocoa prices, which have hit record highs this year, to remain volatile. Cocoa prices surged by almost 50 percent between September 2007 and end-February 2008, the firm said in April.

CHOCOLATE IN CHINA

Barry Callebaut, which competes with Archer Daniels Midland and Cargill for annual cocoa bean harvests, has designated its Suzhou plant as the new Asia Pacific headquarters in an attempt to lock in both global and local customers in the world's fastest growing major market. "We're definitely not here for the cost of production," Decio said. "We're here to be close to the customer."

Decio, who said Hershey and Nestle had not yet signed on as clients in China, predicted that 20 percent of the Suzhou factory's clients would be Chinese firms. The remaining 80 percent would be split evenly between well-known international brands and large pan-Asia firms.

Analysts note a growing trend for global chocolatiers to set up shop in China. "The trend is that more foreign companies are localising their production in China, and we're seeing a more complete value chain in China's chocolate business," said Xiao Mingchao, head of research at Beijing-based market research firm Sinomonitor International.

Still, Asia makes up just 7.4 percent of the firm's 4.12 billion Swiss francs of annual revenue. Decio said the firm's Suzhou factory would be producing 25,000 metric tonnes of chocolate a year in 2011, up from 1,000 tonnes a month now. In late March, the firm inked a deal to buy 60 percent of Kuala Lumpur Kepong Bhd's chocolate business for around \$48 million. And last year, it secured an outsourcing deal and bought production capacity from Japan's Morinaga. Decio was mum on further acquisitions, but said the firm was committed to Asia, and in particular China, for the long term.

Barry Callebaut has also set up a new Chocolate Academy in Suzhou, which employs two French pastry chefs promoting the company's gourmet brands to hotels, bakeries and restaurants. (\$1=6.972 Yuan) (Editing by Edmund Klamann)

Cameroon: Malaysian Investors prospect on Cameroonian Cocoa

AllAfrica.com, Washington

Lukong Pius Nyuylime

23 May 2008

Yaounde

A delegation of Malaysian investors from both the private and public sector left the country recently after having two working sessions with the Vice Prime Minister, Minister of Agriculture and Rural Development, Jean Nkuete and the Minister of Trade, Luc Magloire Mbarga Atangana on possibilities of trading in Cameroonian cocoa. The 12-man delegation, headed by Nurmula Abdu Raphim, Deputy Secretary General at the Malaysian Ministry in charge of Commodities, arrived from Ghana and Côte d'Ivoire where they went canvassing for a market in the cocoa sector. While in Cameroon, the Malaysians were assured of Cameroon government's willingness to facilitate the establishment of Malaysian cocoa processing factories in the country.

Cameroon has an investment charter where the rights and advantages of prospective investors are guaranteed, Luc Magloire Mbarga Atangana, told the delegation and encouraged them to look for possible avenues to establish joint ventures with Cameroonian partners to process cocoa in the country. "We are here to understand more of the cocoa industry of Cameroon with the hope that we can buy more cocoa from Cameroon and explore the possibility of joint venture in the down stream activity", Nurmula Abdu Raphim, said.

"The structure of the cocoa industry in Malaysia is changing and right now, we have a lot of downstream activities especially on grinding. We are exploring ways of getting more cocoa beans from West Africa", Nurmula Abdu Raphim said. Malaysia, which was once a world producer of cocoa is said to have abandoned the sector in favour of oil palm production when problems set in. But this was not accompanied by the closure of cocoa processing structures including grinding machines. "Malaysia has a grinding capacity of 360,000 tonnes but produces only 35,000 tonnes. Cameroon on her part produces close to 180,000 tonnes but has only one factory that processes 40,000 tonnes", Hope Sona Ebai, Secretary General of the Cocoa Producers Alliance and facilitator of the prospective mission, told CRTV. "Maybe there is room for exchange not only for Malaysia to purchase beans for their factories but also to set up through joint ventures factories in Cameroon that can process and add value to the country's cocoa beans", he said.

Cameroon's Vice Prime Minister, Minister of Agriculture and Rural Development, Jean Nkuete equally assured the Malaysians of an enabling legal framework that can enhance such partnership.

Labour Issues

Ghana: Child Labour illegal on Cocoa Farms- Wiafe Akenten

AllAfrica.com, Washington

19 May 2008

Mr Osei Wiafe-Akenten, Juaso District Manager of the Cocoa Swollen Shoot Virus Disease Control Unit (CSSVD), of the Ghana Cocoa Board has warned that, it is illegal and morally unacceptable to engage children as labourers, especially in the replanting of swollen shoot infested cocoa farms. Cocoa farmers, he said, should rather contact the CSSVD for the necessary support, assistance and advice to enable them to replant the affected cocoa farms.

Mr Wiafe-Akenten was addressing more than 100 cocoa farmers at a day's sensitization forum on the prevention and control of the swollen shoot disease at Kyekyebiase, near Agogo, in the Asante Akim North District on Tuesday. It formed part of an intensive educational programme initiated by the CSSVD to prevent and control the swollen shoot disease in the Juaso District, where 74 cocoa farming blocks have been identified for the outbreak of the disease. The Juaso Cocoa district comprises Asante Akim North, Ejisu Juaso and part of Bosomtwi Atwima Kwanwoma District and has 1,025 cocoa farming blocks out of which 165 have so far been surveyed for possible outbreak of the disease.

Mr Wiafe-Akenten observed that, misapplication of insecticides and wrong spraying of cocoa farms were major factors of sudden deaths and illnesses of some cocoa farmers and urged them to regularly seek technical advice from the CSSVD.

Mr Samuel Gyimah-Gyamfi, Deputy Ashanti Regional Manager of CSSVD, disclosed that, the Cocoa Board was considering a pilot programme where cocoa farms of aged farmers, which were infested with swollen shoot disease, would be replanted in lieu of the second installment payment of ex-gratia grants to those whose cocoa trees were cut down. He said the cutting down of cocoa trees infested with the disease was the best means of improving the cocoa yield to raise the nation's foreign exchange earnings. The Deputy Ashanti Regional Manager of CSSVD said the country could only sustain its international recognition and reputation in the cocoa industry if farmers co-operate and heeded the advice of the CSSVD.

Nana Asiedu Fourdjour, Nifahene of Kyekyebiase who presided, advised cocoa farmers to take advantage of the programme and improve their yield. Some farmers, who had earlier opposed the cutting down of their infested trees, later agreed to co-operate with the CSSVD to help control the disease. They, however, urged the Cocoa Board, to ensure that all affected cocoa farms were treated and controlled to avert the possible transfer of the virus to the treated cocoa farms. GNA

Cocoa grower's life anything but sweet

Victoria News, Canada

Susan Lewis Hammond

May 23, 2008

Forrest Gump's momma had it right. Life's like a box of chocolates. You don't know what you're getting. Those truffles look and taste yummy, but most of us are totally unaware of the exploitative conditions under which 99 per cent of the world's cocoa is made.

Volatile markets and poor credit mean low wages for cocoa growers in the developing world. Many are forced to send their children to work in the fields. Instead of reading, writing, and arithmetic, these kids face pesticides, long hours in the hot sun, and malnutrition. Child slavery and human trafficking are prevalent with an estimated 15,000 child slaves working on cocoa farms in the Ivory Coast alone.

Meanwhile the coffers of multinational manufacturers continue to be lined with profits from a highly lucrative product. Trading organizations and the chocolate industry receive a whopping 70 per cent of the profit from chocolate, whereas farmers receive a paltry five per cent.

How can we reconcile our love for chocolate with the unsavory conditions of its production? The fair trade movement offers a solution by ensuring that cocoa is purchased from democratically organized co-operatives or larger plantations where workers can unionize and earn good wages and benefits. Fair trade certification means environmentally sustainable production methods, and most important, that children aren't forced to toil away to satisfy our sweet tooth.

TIT BITS

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

US MIDDAY: coffee firm, cocoa mixed

NEW YORK (May 17, 2008): Arabica coffee futures contracts trading on ICE Futures US climbed into positive territory in early trade Friday, while cocoa turned mixed in choppy dealings.

New York cocoa settles stronger

NEW YORK (May 18, 2008): US cocoa futures settled nearly 2 percent higher Friday, slowly consolidating from their sharp sell-off earlier this week with support stemming from the strong pound and spillover strength from other commodities, traders said.

London soft commodities slip

LONDON (May 20, 2008): London robusta coffee, cocoa, and white sugar futures all sagged on Monday on investor and fund selling, pressured by a firm US dollar, traders said. The dollar's weakness early in the session initially helped underpin London soft commodities in thin trade, but as the dollar rose, investor and fund sales dragged dollar-denominated coffee and sugar lower.

US MIDDAY: coffee firm, cocoa down

NEW YORK (May 21, 2008): Arabica coffee futures contracts trading on ICE Futures US made gains early Tuesday, with light buying interest on the weak dollar, while cocoa was mostly down on chart-based selling pressure. July arabica up 1.20 cent at \$1.364 per lb at 9:09 am EDT (1309 GMT), trading from \$1.35 to \$1.3675. Rest up from 0.70 to 1.25 cent.

London cocoa sags

LONDON (May 21, 2008): London cocoa futures ended lower on Tuesday on fund and investor selling, while robusta coffee ended slightly higher in sympathy with higher arabica futures. White sugar traded in a narrow range and finished little changed, held back by burdensome supplies and high freight costs despite a weaker US dollar and record-high crude oil.

US MIDDAY: coffee up, cocoa down

NEW YORK (May 22, 2008): Arabica coffee futures contracts trading on ICE Futures US moved higher in early thin trade Wednesday, while cocoa turned lower after hitting sell stops. July arabica coffee contract up 1.90 cents at \$1.387 per lb at 9:08 am EDT (1308 GMT), traded from \$1.368 to \$1.388. The rest rose 1.40 to 2.00 cents.

London coffee climbs

LONDON (May 22, 2008): London robusta coffee futures climbed to a one-month high on Wednesday, breaking out of a recent trading range on the back of a higher arabicas market, while white sugar firmed and cocoa was little changed.

London soft commodities fall

LONDON (May 23, 2008): Coffee, cocoa and sugar futures closed down on fund selling on Thursday after a surge in the dollar, boosted by better-than-expected jobless data, prompted weakness across commodity markets.

US MIDDAY: coffee down, cocoa up

NEW YORK (May 23, 2008): Arabica coffee futures on ICE Futures US were mostly lower early Thursday after failing to break through technical resistance, while cocoa rose as sterling climbed against the dollar. July arabica contract was down 0.50 cent at \$1.3995 per lb at 9:10 am EDT (1310 GMT), traded \$1.38 to \$1.42.