

Latin America eyes up global cocoa market domination

BY KATHLEEN RETOURNE

INDONESIA and Latin America are watching the African nations' cocoa industry with a keen eye at the moment with the notion of becoming a bigger competitor in the global cocoa sector in the near future alongside learning from the African countries' past mistakes.

"A lot of people are concerned about West Africa," explained Clay Gordon, owner of Chocolate Life, an online chocolate community. Gordon, who had just returned from a cocoa conference in Bolivia which looked at ways in which Latin American producers could strengthen their position in the cocoa industry, went on to add: "In the short-term there is the political unrest [in West Africa] we see at the moment ([FOODNEWS 10 December](#)) and in the long-term there is the shortfall in cocoa production due to poor farming practices."

Watching the mistakes of Africa in terms of poor farming practices, low farmgate prices, and the lack of support from some of the countries' governments, Latin America is now looking at putting in government policies and funding to look after the cocoa farmers. "They are looking at the world situation and want to take advantage," said Gordon.

Colombia, for example, wants to triple the amount of land put aside for cocoa production by 2020. Venezuela has also made noises about increasing cocoa exports. However, one source did tell Gordon that tight export permits and an increase in taxes has impacted on sales from Venezuela. "People have containers in the ports of Venezuela that they cannot move. The government has said that cacao is a national priority, but I am uncertain about that, Exports are there, but they are trapped in the harbour. What use is that?" he questioned. Furthermore, heavy rains in Venezuela this year have battered farm crops, including cocoa, which could hamper end of harvest totals.

Gordon believes that for Latin America to succeed it not only needs to ramp up production, but also demand higher prices which cover production, farming and fertiliser costs, making it an attractive proposition to farmers. It is his opinion that in the long run, traders, companies and end-consumers have become accustomed to paying artificially low prices for cocoa and for the industry to change, the end price of chocolate must go up, and this price increase to go, not to the big multi-national companies, but direct to the farmers.

Alongside quantity, quality is something usually associated with Latin America cocoa. While there are still many issues and prac-

tices that need to be ironed out, the area remains popular with fair trade and organic producers.

Equal Exchange, a worker's co-operative which uses only fair trade and organic cocoa and sugar, is already an advocate of South and Latin American cocoa. Dary Goodrich, chocolate manager at Equal Exchange, told *FOODNEWS*: "We use cocoa from South America, Central America and the Caribbean, and this has been driven by a number of factors. One is that we have always sought dual-certified organic, fair trade cocoa. When we launched our first cocoa product back in 2002 (a hot cocoa mix) Latin America was the only source for such cocoa, and despite some changes in the market, Latin America is still the leading source of organic, fair trade cocoa."

Goodrich believed that the benefit of using Latin American cocoa was the ability to source high quality, unique flavours. "Using Latin American cocoa gives us the opportunity to source from areas such as Peru, Panama, Ecuador and the Dominican Republic, that simultaneously offer consistently high quality and unique flavour profiles," he enthused.

However, as in West Africa, there are still obstacles that need to be crossed if Latin America wants to increase its cocoa acreage. "As in Africa, one of the biggest challenges facing the Latin American cacao sector is an ageing population of farmers and a younger generation that no longer wants to farm. The co-ops are working to address this by getting the youth involved in co-op activities, giving them a piece of land for their own, paying for educational opportunities in agronomy etc." said Goodrich. He went on to add: "Productivity is also an issue in Latin America, but the co-ops are investing in increasing productivity through nurseries, grafting, and other improved farming techniques. Over the long term, organic farming should also help to maintain the fertility and production of cacao farms."

Butter Ball recall

CALIFORNIAN residents have been warned by the Californian Department of Public Health (CDPH) not to eat Butter Ball candy imported from Japan. Tests conducted by CDPH discovered unacceptable levels of lead, and people are advised to discard the candy immediately. Butter Ball is a hard, orange-coloured candy in a plastic package with orange stripes. The front of the package contains Japanese characters and the words 'Butter Ball' and 'Tasteful & Good Flavor.'

News in Brief

Wrigley's freshens up gum

LEADING gum company The Wrigley Co is revamping its product line to boost interest in chewing gum in the UK. The company's Extra Ice Peppermint, Extra Ice Spearmint and Extra Ice White will all be re-launched in February with new ingredients, including the sugar-free sweetener Xylitol. Sold in single packs and priced at GBP0.46, its new packaging will be all white, in a bid to make the product stand out on the shelves. A spokesperson from Wrigley told *FOODNEWS* back in September that, on average, a UK consumer chews 125 pieces of gum a year and almost GBP9.00 in every GBP10.00 spent on gum in store is spent on Wrigley gum ([FOODNEWS 17 September](#)).

Dubai plant for Nestlé

TO coincide with the increase of chocolate consumption in the Middle East, Nestlé has opened a new USD136 million manufacturing facility in Dubai. Paul Bulcke, Nestlé chief executive officer, said: "By opening our new facility in Dubai – our regional headquarters – we will be closer to our consumers in the region and can better adapt our products to their needs and preferences." The 515 000 square foot facility specialises in the manufacturing, canning and packaging of different Nestlé brands including Nido powdered milk, Kit Kat chocolate and Nestlé Pure Life bottled water. It is set to become the third largest Kit Kat plant worldwide.

Trident stretches gum brand

CADBURY is expanding its Trident chewing gum brand in the US with the launch of its Trident Vitality line. The gum is available in three flavours; Vigorate, a citrus and strawberry flavour with vitamin C; Rejuve, a blend of mint and white tea; and Awaken, a peppermint flavour with ginseng. The new flavours were chosen due to the company believing consumers are looking for new unique flavours. The products will be in select stores as of January 2011, but will be rolled out nationwide in February with a RRP of USD1.29 for a single pack or USD2.89 for a three-pack.

Cameroon export data

SINCE the start of August, cocoa exports from Cameroon have reached 68 123 tonnes by 5 December. The average price at the port for the week remained at USD2.71/kg. The South-West and Centre regions account for 40% each of total cocoa beans output from the Central African country, while the remainder comes from the South and East regions, according to a recent UNCTAD study.

Kraft Ukrainian biscuit line

KRAFT Foods is to invest USD36 million in its Trostianets confectionery plant in Sumy, Ukraine, by installing a biscuit facility. The biscuit production will be launched in the fourth quarter of 2011, and according to a spokesman will consist of two production lines.