

EWG/S/16/CRP.1
17 December 2007

Original: ENGLISH ONLY
Distr: RESTRICTED

ICCO EXPERT WORKING GROUP ON STOCKS

Sixteenth meeting

Conference Room, 22 Berners Street, London, Tuesday 15 January 2008 at 11.15 hrs

REPORT ON THE ANNUAL ICCO SURVEY OF COCOA BEAN STOCKS

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1. At its twenty-first special session held in January 2000, the International Cocoa Council recommended that the ICCO Secretariat should conduct an annual survey of warehouse-keepers to determine the stocks of cocoa beans at the end of each cocoa year. Since then, the Secretariat has undertaken surveys to determine the volume of cocoa bean stocks held in European port warehouses at the end of each cocoa year.

2. The list of warehouse-keepers contacted in Europe for this survey included Belgium (Antwerp), Estonia (Tallinn), France (Bordeaux, Le Havre, Marseille and Rouen), Ireland (Dublin), Italy (Genoa and Trieste), Latvia (Liepaja, Riga and Ventspils), the Netherlands (Amsterdam and Rotterdam), Poland (Gdansk), Spain (Barcelona) and the United Kingdom (Brighton and Hove, Felixstowe, Hull, Humberside, Liverpool, London and Teesside). In addition, the Secretariat contacted port authorities and industry associations in Rijeka (Croatia), Dunkirk (France), Piraeus (Greece), Klaipeda (Lithuania), Gdynia and Szczecin (Poland) and Lisbon (Portugal) to seek information on potential cocoa bean storage locations.

3. The contact list for warehouse-keepers has been updated in several respects. The Secretariat updated the list in accordance with the Euronext.LIFFE nominated warehouse-keepers' list for the storage of cocoa and coffee (version dated 18 September 2007). The port authorities of the cities listed above were contacted and asked for details of warehousing activities. The resulting list was circulated to selected associations, traders, manufacturers and analysts for their comments. Finally, eight warehouses were excluded from the 2007 survey because they were no longer dealing with the storage of cocoa beans while only one new warehouse was added to the list.

4. On 11 October 2007, the Secretariat sent out survey questionnaires seeking information on the total volume of cocoa bean stocks held by warehouse-keepers as at 30 September 2007. As with previous surveys, a letter accompanying the survey questionnaire emphasized that the information provided by the warehouse-keepers would be treated with the utmost confidentiality, assuring the respondents that only the totals by country would be published. It also drew attention to the widespread support for the survey from all sections of the cocoa community, noting that the last survey had been very successful because of the positive response from 91% of those contacted. Details of cocoa warehouses in Germany (Bremen and Hamburg) were given to the Head of the German Delegation who, as in previous surveys, contacted the warehouse-keepers in his country directly.

5. On 16 October 2007, the Secretariat wrote to the Heads of Delegations, providing them with details of the warehouses contacted in their respective countries and requesting them to write to the warehouse-keepers in support of the ICCO survey. Industry representatives were also provided with the addresses of all warehouses, inviting them to encourage the companies involved in cocoa storage to provide the Secretariat with the information requested. Warehouse-keepers who had failed to respond by the due date were again contacted by the Secretariat from 5 November 2007. In addition, a number of companies were subsequently contacted for clarification.

RESPONSE TO THE SURVEY

6. The survey was accompanied by widespread publicity and active support from the Member countries, industry associations, cocoa trade houses, cocoa processors and chocolate confectionery manufacturers, many of whom had written to the warehouse-keepers encouraging them to co-operate with ICCO on the survey. This resulted in an excellent response from the warehouse-keepers. **Table 1** shows that, of the 71 warehouse-keepers contacted for the survey, 65 had responded by 13 December 2007, a response rate of 92%.

7. It should be noted that, despite assurances that only total country stocks data would be published, one Estonian company holding sizeable cocoa stocks did not provide data to the Secretariat, mentioning that its client refused to disclose stocks information. In view of the relative importance of this company, the Secretariat has included an estimate of the company's stocks as at 30 September 2007, based on data provided by the warehouse-keeper in 2006 and based on the latest change in stocks in other warehouses located in Estonia.

8. The stocks estimate for Germany was provided by the German authorities who, as in previous years, had obtained the information from port warehouse-keepers in Germany. All warehouse-keepers in Belgium, Poland, Spain and the United Kingdom contacted for the latest survey had complied with the Secretariat's request. Informal enquiries suggest that the seven companies that had failed to respond to the Secretariat's latest survey did not store much cocoa as at 30 September 2007. The response rate for the 2007 survey (92%) was almost unchanged compared to the previous survey (91%).

TABLE 1
RESPONSE TO THE ICCO SURVEY OF COCOA BEAN STOCKS HELD AMONG
EUROPEAN WAREHOUSES AS AT 30 SEPTEMBER 2007

Country	Sent	Replies a/	Outstanding
	Number of questionnaires		
Belgium	8	8	-
Estonia	7	6	1
France	9	8	1
Germany	7	7	-
Italy	6	5	1
Netherlands	14	13	1
United Kingdom	10	10	-
Others (Ireland – Latvia – Poland- Spain)	10	8	2
TOTAL	71	65	6

Note: a/ As at 13 December 2007.

SURVEY RESULTS

9. **Table 2** contains the results of the most recent ICCO survey for the census date 30 September 2007. The corresponding stocks estimates as at **30 September 2006** were compiled from the most recent data provided by the companies. This **revised estimate** of European stocks as at

the end of the 2005/06 cocoa year is 11,504 tonnes higher compared with the information presented in document EWG/S/15/CRP.1 to the Group at its 15th meeting in December 2006. The major difference has occurred in the Netherlands where the estimate was revised upwards by 6,561 tonnes, with most of this difference related to the revision of stocks by one warehouse-keeper. Minor revisions occurred for Belgium, Estonia, France and the United Kingdom.

10. Although most warehouse-keepers provided data by individual ports, some of them reported total group stocks held in all locations. Consequently, the distribution of stocks among ports remains uncertain but the estimates of total European port-warehouse stocks are likely to be correct.

TABLE 2
ESTIMATES OF EUROPEAN WAREHOUSE STOCKS OF COCOA BEANS

Location	30 September 2006 a/	30 September 2007 a/	Year-on-year change	
	(tonnes)			
Belgium	373,703	308,451	-65,252	-17.5%
Estonia	66,724	54,553	-12,171	-18.2%
France	41,038	37,387	-3,651	-8.9%
Germany	114,118	105,992	-8,126	-7.1%
Italy	21,882	20,545	-1,337	-6.1%
Netherlands	564,293	565,940	1,647	0.3%
United Kingdom	92,345	76,085	-16,260	-17.6%
Others (Ireland – Latvia – Poland - Spain)	8,980	7,477	-1,503	-16.7%
Total European port-warehouse stocks b/	1,283,083	1,176,430	-106,653	-8.3%

Note:

a/ The estimates of European port-warehouse stocks for both years are based on replies to the latest Secretariat questionnaire as at 13 December 2007.

b/ Totals may differ from sum of constituents due to rounding.

11. The information presented in **Table 2** suggests that total European port-warehouse stocks as at **30 September 2007** decreased by over eight per cent to 1,176,000 tonnes (down by 107,000 tonnes), compared with the revised estimate of 1,283,000 tonnes held at the end of the 2005/06 cocoa year. The survey data indicate a substantial decline in port-warehouse stocks in Belgium (down by 65,000 tonnes), the United Kingdom (down by 16,000 tonnes), Estonia (down by 12,000 tonnes) and Germany (down by eight thousand tonnes). In addition, there was a slight decrease in the amount of cocoa stocks in port-warehouses located in France, Italy and in the “others” category, grouping Ireland, Latvia, Poland and Spain. Cocoa bean stocks in the Netherlands, where 48% of European stocks were held, were estimated to be at almost the same level as a year earlier.

PUBLICATION OF COCOA STOCKS DATA BY LIFFE

12. Since January 2002, Euronext.LIFFE has been publishing information on certified cocoa stocks held by nominated warehouse-keepers, compiled under the Gradings and Tendering System (GATS). The official figures representing the volume of cocoa bean stocks held for the London terminal market as at 27 September 2007, as published on the Euronext.LIFFE website, are reproduced in the **Annex** for reference. The information refers to lots and is detailed by delivery area/port, delivery units and grading results. The published data are summarized by country and compared with the ICCO survey results in **Table 3**.

TABLE 3
COMPARISON OF LIFFE CERTIFIED COCOA BEAN STOCKS WITH ICCO SURVEY ESTIMATE
AS AT 30 SEPTEMBER 2007

Country	ICCO survey estimate	LIFFE terminal market stocks	LIFFE stocks as % of ICCO survey
	(tonnes)		
Belgium	308,451	93,240	30.2%
France	37,387	200	0.5%
Germany	105,992	20,530	19.4%
Netherlands	565,940	235,970	41.7%
United Kingdom	76,085	16,030	21.1%
Sub-total	1,093,855	365,970	33.5%
Others a/	82,575		
TOTAL	1,176,430		

Notes:

a/ Cocoa stocks in Estonia, Ireland, Italy, Latvia, Poland and Spain.

Totals may differ from the sum of constituents due to rounding.

13. This is the sixth time that it has been possible to compare the two estimates of European warehouse stocks at the end of the cocoa season. The above table shows that Euronext.LIFFE stocks stood at 365,970 tonnes at the end of the 2006/07 cocoa year, compared with 1,093,855 tonnes of cocoa bean stocks identified by the ICCO survey in the same countries. It should be noted that Euronext.LIFFE does not cover all the ports in France, as only cocoa stocks held by nominated warehouse-keepers in Le Havre are compiled. The Euronext.LIFFE certified cocoa stocks represent one third of the total cocoa bean stocks held in the major cocoa ports in Europe as at 30 September 2007.

14. As noted in previous discussions on this item, cocoa stocks published by LIFFE are generally lower than the volume of cocoa identified by the ICCO survey for two reasons. Firstly, they represent only part of the cocoa stocks held by warehouse-keepers as they are restricted to graded cocoa held in LIFFE nominated warehouses (cocoa beans with valid and expired grading results and cocoa beans classified as “not-tenderable”). In contrast, the ICCO survey seeks information on all cocoa stocks held by the warehouses, and includes cocoa destined for the terminal market as well as cocoa stocks

held by the warehouse-keepers for traders, cocoa processors and chocolate manufacturers. The ICCO survey figure also compiles data from a wider geographical area and includes cocoa stored in port warehouses that are outside the LIFFE designated Delivery Area. The latest survey has identified around 83,000 tonnes of cocoa bean stocks that were held in Estonia, Ireland, Italy, Latvia, Poland and Spain which are countries not covered by Euronext.LIFFE.

15. It is worth noting that certified cocoa stocks as at the end of the 2006/07 cocoa season compiled under the GATS have decreased by 13% compared to the corresponding period a year earlier. This compares with a decrease of eight per cent of the volume of cocoa identified by the ICCO survey in the same countries.

CONCLUSIONS

16. Thanks to the widespread support of the cocoa community, the ICCO's most recent survey of cocoa bean stocks held in European port warehouses achieved an excellent response from warehouse-keepers. All of the leading warehouse-keepers storing cocoa in Europe provided data on the amount of cocoa held by them as at 30 September 2007.

17. The survey results for the census date 30 September 2007 showed that European cocoa stocks were around 1,176,000 tonnes at the end of the 2006/07 cocoa year, representing a decrease of over eight per cent (down by 107,000 tonnes) from the previous season.

18. The regular publication of information on terminal market stocks by LIFFE from 2002 has provided an additional check on the accuracy of the ICCO survey results. London cocoa terminal market stocks represented around one third of cocoa stocks in the comparable locations at the end of the 2006/07 cocoa year. The existence of a substantial volume of cocoa stocks in Estonia, Ireland, Italy, Latvia, Poland and Spain, countries which are not covered by LIFFE statistics, confirms that the Secretariat should continue in its efforts to expand the coverage of the survey.

ANNEX

LIFFE PUBLISHED COCOA BEAN STOCKS AS AT 27 SEPTEMBER 2007 (LOTS)

Port	SDU			LDU			BDU		
	Val	Exp	N/T	Val	Exp	N/T	Val	Exp	N/T
Amsterdam	3175	4027	4457	154	154	106	0	0	0
Antwerp	1535	1752	1657	200	138	100	0	0	0
Bremen	14	350	57	0	0	0	0	0	0
Hamburg	961	101	280	22	3	4	0	0	0
Humberside (incl. Hull)	4	49	3	0	0	0	0	0	0
Le Havre	0	19	1	0	0	0	0	0	0
Liverpool	0	12	1	0	13	3	0	0	0
London	70	70	12	0	0	0	0	0	0
Rotterdam	1498	2267	913	157	112	43	0	0	0
Teeside	333	318	121	0	42	3	0	0	0
TOTAL	7590	8965	7502	533	462	259	0	0	0

Notes:

Based on figures submitted by LIFFE Nominated Warehouse-keepers

SDU – Standard delivery unit, 10 tonnes

LDU – Large delivery unit, 100 tonnes

BDU – Bulk delivery unit, 1000 tonnes

Val – Valid grading certificate

Exp – Expired valid grading certificate

N/T – Not tenderable

Source: Reproduced from data published on Euronext.LIFFE website <http://www.liffe.com>