Transportation and Shipping Practices of Cocoa Beans and Products

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Abidjan
Robin Dand

- Independent Authority on Cocoa and Robusta Coffee, currently World Cocoa Conference Coordinator
- Recently with NYSE Liffe in Commodities
- Member of the Technical Committee of CRUK
- Earlier Chairman of FCC Contracts and Regulations Committee
- Author of “The International Cocoa Trade” first published in 1992, currently in its third edition
- Fifth decade of working in Cocoa...
Introduction

One of the themes of the World Cocoa Conference is **traceability**, and the need for it to be mainstream.

Will ask the question:
What is the consequence of the most popular mode of shipment and storage of cocoa beans on credible traceability?
Shipments – Trade Structure

FOB

CIF
Marine Transport - Decisions

- Bags or Bulk?
- Break-bulk or Containers?
- Type of ship?

- Bags
- Break-bulk
- Containers
- Multi-modal (inc. Ro-ro)
- Container
- Mega-bulk
  - Mega-bulk (Double-hulled)

<table>
<thead>
<tr>
<th>Shipments to northern Europe</th>
<th>Break-bulk</th>
<th>Multi-modal</th>
<th>Bags</th>
<th>Bulk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
<td>Negligible</td>
<td>25-30%</td>
<td>70-75%</td>
</tr>
</tbody>
</table>

Why have bulk shipments and handling become so popular?
# Bulk versus Bags – Cost Savings on Shipment by Container

## Abidjan/Amsterdam

<table>
<thead>
<tr>
<th>Item</th>
<th>Savings per tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not need export quality bags</td>
<td>$20</td>
</tr>
<tr>
<td>Able to ship 16.5 tonnes in bulk compared to 12.5 tonnes in bags, i.e. 24% decrease in freight</td>
<td>$15</td>
</tr>
<tr>
<td>50% decrease in discharge costs</td>
<td>$16</td>
</tr>
<tr>
<td>40% decrease in costs out of store</td>
<td>$13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$64</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>At worst, 125% increase in the load factor for storage</td>
</tr>
<tr>
<td>Able to load out of store 45% to 250% quicker</td>
</tr>
</tbody>
</table>

Note: the savings for mega-bulk are higher
Mega-bulk being discharged
Mega-bulk being discharged – by grab
Mega-bulk being discharged – into weighing hopper and sampler
Mega-bulk being discharged from weighing hopper into store.
1,000 tonne Bulk Delivery Unit – smallest sized bulk parcel
Larger bulk units more normal
Is it possible to say with credibility that such cocoa is traceable?

Credible traceability requires:
- secure physical evidence
- backed up with documentation
Credible Traceability...

...but insecure and not mainstream

VI = Vietnam (Origin)
11/12 = Crop year
BT = Region
TD = Primary Collection Agency (e.g. Co-operative)
CG = Exporter
Thank you