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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 Co-ordinator
- 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 theme of the World Cocoa Conference is **traceability**, and the need for it to be mainstream
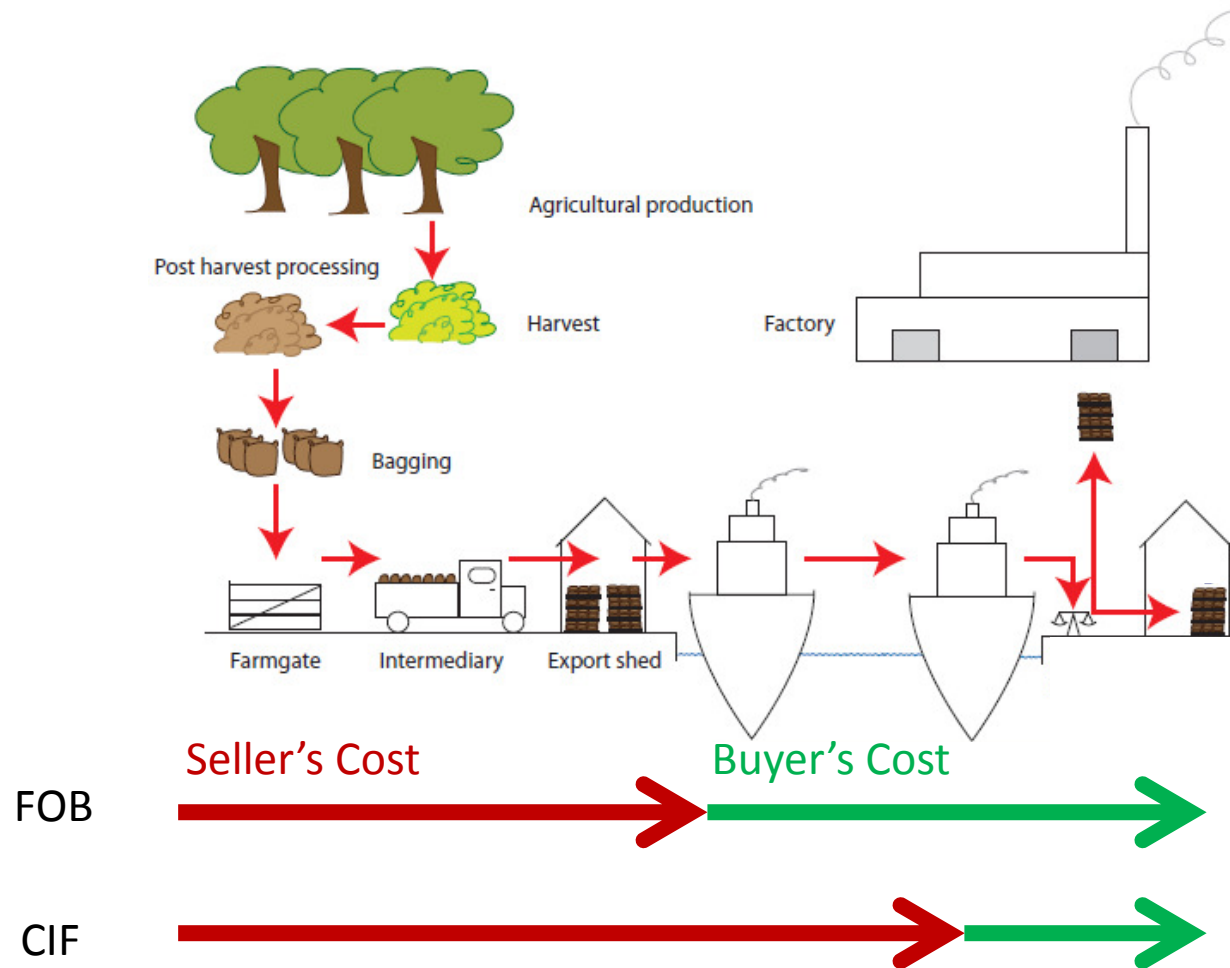
Will ask the question:

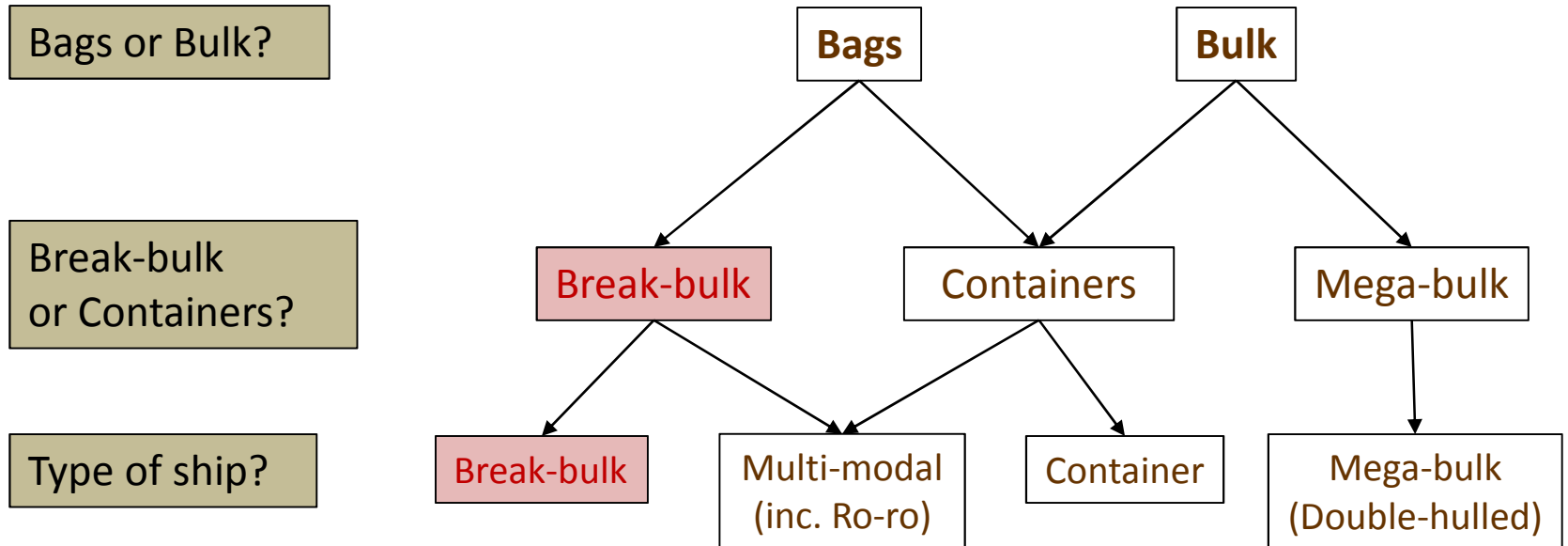**What is the consequence of the most popular mode of shipment and storage of cocoa beans on credible traceability?**

Shipments – Trade Structure

Marine Transport - Decisions

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Bags or Bulk?		Bags		Bulk	

Break-bulk or Containers?		Break-bulk	Containers		Mega-bulk

Type of ship?		Break-bulk	Multi-modal (inc. Ro-ro)	Container	Mega-bulk (Double-hulled)

	Break-bulk	Multi-modal	Bags	**Bulk**
Shipments to northern Europe	N/A	Negligible	25-30%	**70-75%**

Why have bulk shipments and handling become so popular?

Bulk versus Bags –
Cost Savings on Shipment by Container
Abidjan/Amsterdam

Item	Savings per tonne
Do not need export quality bags	$20
Able to ship 16.5 tonnes in bulk compared to 12.5 tonnes in bags, i.e. 24% decrease in freight	$15
50% decrease in discharge costs	$16
40% decrease in costs out of store	$13
Total	**$64**

Additional Savings
At worst, 125% increase in the load factor for storage
Able to load out of store 45% to 250% quicker

Note: the savings for mega-bulk are higher

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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

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Larger bulk units more normal

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Is it possible to say with credibility that such cocoa is traceable?

Credible traceability requires:

secure physical evidence
backed up with
documentation

Credible Traceability...

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

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...but insecure and not mainstream

Thank you

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