

FCC Course - Introduction to Cocoa and its Institutions

18-20 June 2012

Nestlé Training Facility – Rashleighs Business Centre,
Darlings Lane, Maidenhead, Berkshire SL6 6PD

Outline Programme

- **Introduction to the Federation of Cocoa Commerce**
Background and History, Formation and Aims, Composition and Membership, Committees/Working Groups, Contract and Arbitration overview, the Cocoa Supply Chain.
- **Cocoa Production – the producer’s perspective**
Varieties of cocoa in the main cocoa producing countries – types of cocoa trees, comparison of structures for management of the sector in the various countries, sustainability and certification and challenges for Cocoa Producers. Geographical distribution of production.
- **Cocoa Production – Crop forecasting**
How does the cocoa market estimate production of cocoa - pod counting, mathematical modelling, analysis’ tools. Why does the market react to production data? Factors influencing production.
- **Major threats to Cocoa Production**
Pests and Disease and pesticide residues – research institutions. Resistant and high yield breeding.
- **Cocoa Consumption – the Consumer’s Perspective**
Key cocoa consumption data, role of CAOBISCO. Challenges for manufacturers and retailers of cocoa based products, EU legislation, food safety. Use of cocoa and cocoa products in food , research and product development. Advertising and marketing, use of promotions, Supermarkets and their demands.
- **Regulatory aspects affecting the Cocoa Trade**
Role of ECA. EU Ruling non-cocoa fat in chocolate, Food Hygiene Directive, Pesticide Regulations, Pesticide Residues, Import Regulations. Role and responsibilities of the European food standards agency. Resources available, areas of investigation, responses to EU regulations, Examples of actions taken and regulations enforced.
- **International Cocoa Organisation**
Role of ICCO – structure, statistics, expert groups, stocks, quality, public/private sector partnerships, market information and analysis, characteristics of the world cocoa economy, strategic challenges facing the cocoa sector, actions towards a sustainable world cocoa economy.
- **Cocoa Processing**
Evolution and economics of cocoa processing, quality aspects of cocoa beans, from bean to product process, cocoa products characteristics and analysis. Product categories, market trends, shelf life, just in time deliveries, road transport, packaging and labelling. Processing in cocoa producing and consuming countries.
- **Chocolate Manufacture – what the bean market needs to know**
Why do chocolate manufactures need cocoa of different qualities and attributes – what are the consequences for them if post harvest cocoa is not well managed from farm to factory. Flavour issues, Nutritional issues. Customer awareness.

- **The Physical Cocoa Trade**
Role of the cocoa trade, major producing countries and the physical characteristics of beans – premiums and discounts. Mid and main crops. Supply chain overview. Developments in the bulk transport of cocoa and cocoa products. FCC Contract Terms explained. Buyers/Sellers and Third Party responsibilities.
- **Physical Market and relationship to Futures Market**
Physical Market, Futures Market, futures contracts, terminology, hedging and types of hedge, futures brokers, differential trading, Options market.
- **Trade finance and collateral management**
Types of risk relevant to the physical market, commodity risk analysis and management, financial aspects of cocoa trading: working capital, role of banks in commodity trading.
- **Visit to Reading University – cocoa research projects**
- **Shipment of Cocoa**
Marine transport, Containers, Combined transport terminology, Standard trading conditions, Shipping best practices, Modes of shipment,, Bulk Shipment, Contracts of Carriage: Bookings and Export Documentation, Bills of Lading, Clauses and Certificates.
- **Insurance**
FCC CIF Contract Rules – insurance & risk, Institute Commodity Trade Clauses, Main Insurance Markets, Securities Quality Ratings, Transit Clause, Particular Average – main issues, General Average, Total Loss, Cases of Exclusions – utmost good faith, Insured Value, Open cover – premium settlement/compensation, claim procedure, three day rule, wet damage, long transit, delays, the impact of FCC Superintendents Scheme and warehousekeepers/surveyors.’
- **Superintending and role of Warehousekeeper and Surveyors**
Introduction to the FCC Superintendents Scheme, Container inspection, Drawing and Dispatch of Contractual samples. FCC Sampling and Weighing Rules. Sample size and labelling. Damaged cocoa – role of surveyor, Claims recovery, FCL FCL shipping terms – parties’ responsibilities
- **Warehousing, Documentation, Fumigation & Pest Control**
Stock Management, Preparation and use of storage facilities, Storage practices, Infestation and fumigation at Origin, pests, rodents, biological controls, other forms of fumigation. Fumigation on arrival.
- **Strategic Challenges – responding to the demands for a sustainable cocoa economy**
Niche v mainstream markets, socio-economic issues, certification, sustainability, food safety, consumer demands, child labour etc.
- **Course Round Up and Questions**
Strengths and weaknesses of the course, possible areas for delegates for future Cocoa trade studies, Final questions to the Course organisers and observations from the delegates.