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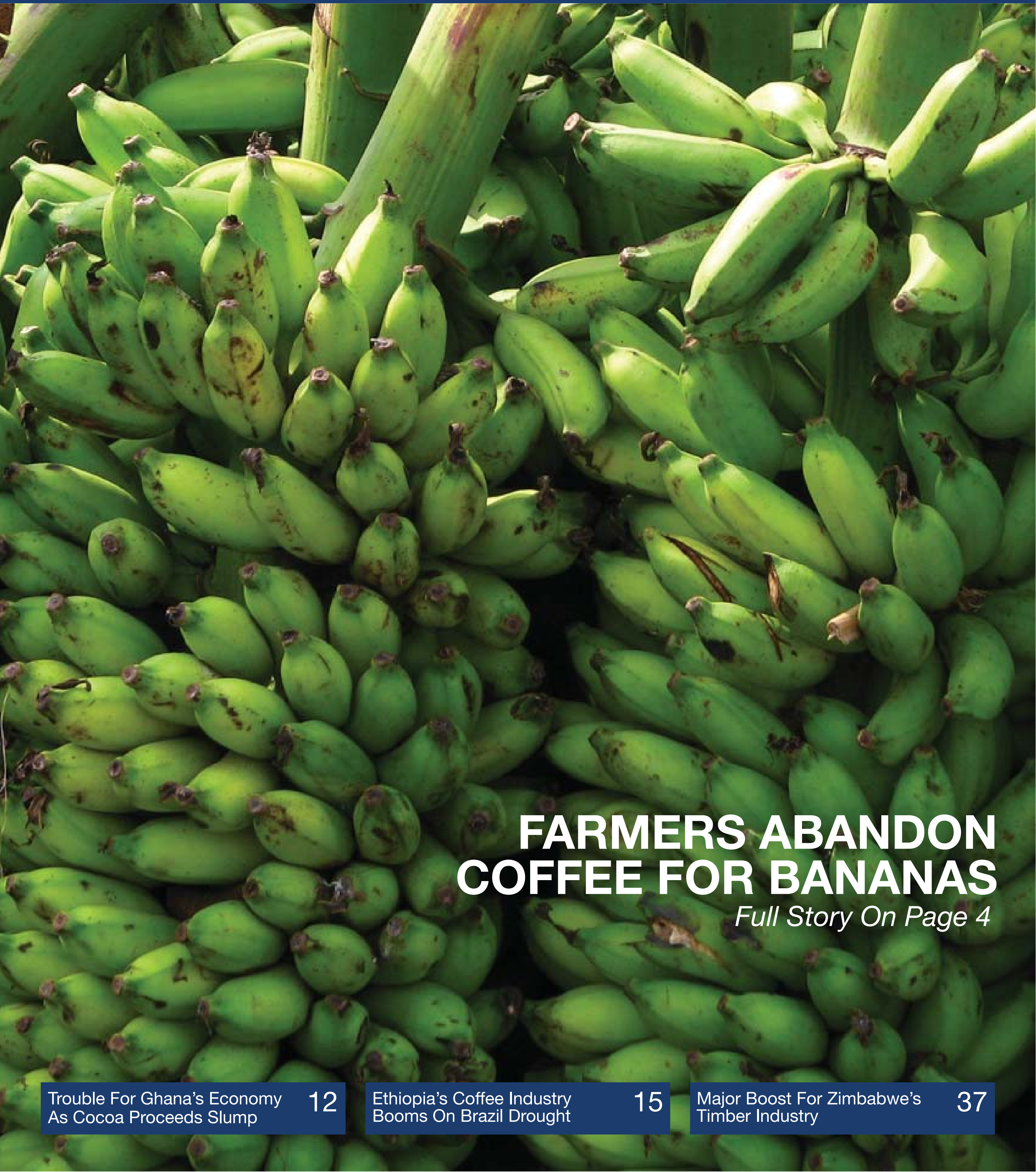
ISSUE 36 | MAY 2014



FARMERS ABANDON COFFEE FOR BANANAS

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COM-WATCH
AFRICA
ISSUE 36 | MAY 2014

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THE AFRICAN COMMODITY REPORT

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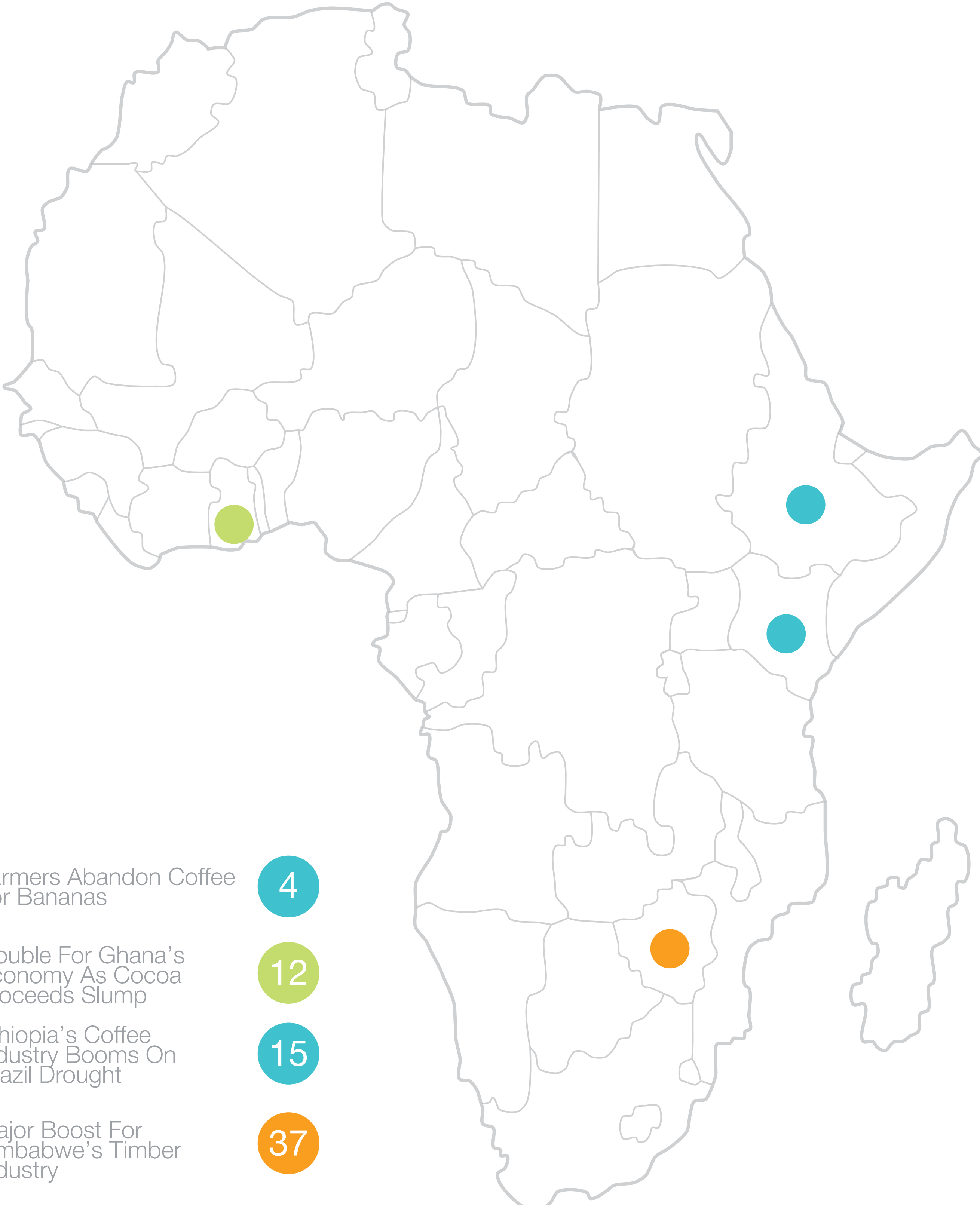


COMMODITY NEWS
GENERAL

JSE Launches New Brand Identity

Following an extensive brand audit, the Johannesburg Stock Exchange [JSE] revealed its new brand aimed at demonstrating the bourse's identity as a modern African marketplace connecting investors to global growth opportunities. The stacked lines or links in both the logo and other elements of the visual identity illustrated the JSE's role as a secure platform for growth.

> *"Our visual identity needed to represent our position as a leading African exchange, which is driven for stakeholder growth and [to] showcase the strong technology component of the business. It also needed to be more accessible to investors."*

Zeona Jacobs
JSE Issuer & Investor Relations Director

In addition brand names such as the Bond Exchange of South Africa [BESA] and the South African Futures Exchange [SAFEX] would fall away. These services have now been fully integrated into the exchange's business. This allows for the promotion of one cohesive brand rather than a cluster of related brands. Elements are to be phased in up until December this year.
https://www.jse.co.za/

[Engineering New 14/04/14]

Salon International de l'Artisanat de Ouagadougou

The organizers of the Salon international de l'Artisanat de Ouagadougou [SIAO] expect at least 300 professional buyers, at the 14th edition scheduled for October 31 to November 9, 2014. Created in 1984, and institutionalized in 1990, the SIAO has become a must-see as well for African producers national and international buyers.

[CommAfrica 14/04/14]

COMMODITY NEWS
BANANA / PLANTAIN

Kenya

Farmers Abandon Coffee For Bananas

After years of struggling to make their living growing coffee, smallholder farmers around the Mt. Kenya region are shifting their focus to bananas and investing in irrigation in the hopes of taking the crop to the export market. Banana, until recently was never considered to have commercial potential. However now the monthly income from bananas is 10-times more than coffee. In order to increase the crop's commercial potential, half a million farmers belonging to Kirinyaga County's 86 banana growers' associations have joined together to take out a US$130,000 loan to invest in a US$271,000 irrigation project.

Meanwhile the Banana Growers Association of Kenya, which trains smallholder banana farmers on best practices and links them to the markets through its networks, has held discussions with the Foreign Affairs Ministry eying the export market.

The commercialization of bananas in the Mt. Kenya region has attracted researchers from the Jomo Kenyatta University of Agriculture and Technology [JKUAT], which develops improved "tissue-cultured" seedlings for farmers and provides training on how to maintain them. Grown to combine traits such as high productivity, fast growth and resilience to tough climactic conditions, the seedlings are making it easier for many more smallholder farmers, particularly in Central Kenya, to move from growing small patches of bananas for home use towards structured commercial farming of the crop. Banana farming is becoming so popular that the government has launched the National Banana Development Strategy, to oversee growth of the industry until 2016.

[Reuters 30/03/14]

COMMODITY NEWS
CASHEW / GROUNDNUT

Ghana

Cotton, Cashew Production To Receive Boost In Ghana

Ghana's cotton and cashew production could soon be given a boost with an expressed interest by a business delegation from Dubai to invest in the industry. The 6-member team which owns the biggest cotton processing factory in Central Asia has promised to set up similar factory in Ghana. They are currently relocating a cashew processing plant in Guinea Bissau to Ghana. The decision of the group which owns UZ Impex in Uzbekistan to invest in Ghana is underscored by the availability of seaports. The presence of such facilities can easily facilitate export of products to Central, South and Western Asia as well as Middle East and Europe where such products are on high demands. According to the Ghana Cashew Industry Association, 50 thousand tons of the commodity is produced annually, as against the 62,000 tons needed to feed local processors.

[Ghanaweb 04/04/14]

Ghana's Cashew Season Launched

The Ghana Cashew Industry Association launched the country's cashew season in Wenchi in the Brong Ahafo Region on March 27, 2014. The event, the first of its kind in the country was organised with support from the African Cashew Initiative [ACi] and the African Cashew Alliance [ACA]. The maiden event was themed: "Harnessing the economic and climatic benefits of cashew; the strategic non-traditional export commodity." The launch, which is planned to become an annual event to mark the largest gathering of cashew industry players in the country, was attended by producers, processors, exporters, researchers and policy makers, among others. It is believed that production levels can be tripled over the next 10-years if all players make the concerted effort to increase production.

[Ghana Web 24/03/13]

Cashew Generated US$170 Million In 2013

Cashew in 2013 generated about $170 million in the form of foreign exchange earnings into the economy, making it the 2nd-largest contributor to the non-traditional export crops. Cashew is a significant revenue contributor that also brings rapid rural transformation and development.

[Spy Ghana 01/04/14]

Nigeria

Government Moves To Revive Groundnut Pyramids

Recently, the federal government through the Ministry of Agriculture and Rural Development embarked on measures to restore groundnut pyramids through the introduction of groundnut value chain. The groundnut value chain has received budgetary provision for the first time in 2013. The main objective of the groundnut value chain is to drive the development of groundnut sub-sector in conjunction with stakeholders along the value chain to improve production, processing, marketing and export of the produce. This will be achieved by improving the profitability of groundnut production through broadening of the genetic base and promoting improved cultivars and agronomic practices. The groundnut value chain is expected to produce an additional 120,000 MT of groundnut grains valued at N24 billion and supplied to small, medium and large scale processors. The project will be implemented directly in 15 states which include, Jigawa, Kaduna, Kano, Katsina, Bauchi, Benue, Borno, Gombe, Kebbi, Kwara, Nasarawa, Niger, Taraba, Yobe, and Zamfara.

[Nigerian Tribune 22/04/14]

Tanzania

Mtwara Cashew Farmers To Get Processing Plant

Cashew farmers are to benefit from a processing plant and a warehouse currently under construction in Mtwara region. The warehouse is projected to cost 2.1bn/- with the Tandahimba and Newala Co-operative Union [TANECU] having secured a loan from the Tanzania Investment Bank [TIB] for 80% with the remainder given by TANECU. The warehouse is to be finalized in May. The plant will have capacity of shelling and processing 30,000 tons of cashew nut per year. TANECU has already secured reliable markets from the United States and Holland.

[Daily News 11/04/14]

COMMODITY NEWS

CASSAVA

East Africa

5-Countries Join Forces to Tackle Cassava Diseases

Malawi, Tanzania, Uganda, Mozambique and Kenya have joined hands to fight Cassava Brown Streak Disease [CBSD] and Cassava Mosaic Disease [CMD] in the region. The countries have joined efforts to tackle the problem by sharing their top 5-varieties with tolerance to the diseases. The 25 varieties will be evaluated in each country to identify those that are well adaptable to the various cassava-growing regions and acceptable to the local farming communities. Together, Cassava Brown Streak Disease [CBSD] and Cassava Mosaic Disease [CMD] are responsible for production losses worth more than US $1 billion every year. Each type are to be tested by the International Institute of Tropical Agriculture [IITA] and the Kenya Agricultural Research Institute [KARI]. Each country will receive 300 plantlets of the 25 varieties which they will multiply in bulk and test across different cassava-growing regions in their respective countries to fast-track efforts to provide farmers with varieties that are tolerant to the two diseases. Current yields averaging at 8-9 t/ha could go up to 20 t/ha.

[East African Business Week 31/03/14]

Nigeria

Cassava Association Headquarters Inaugurated

The Minister of Agriculture and Rural Development, Dr Akinwunmi Adesina, inaugurated the new Nigeria Cassava Growers Association [NCGA] headquarters in Abuja this month. Nigeria is the largest world's largest cassava producer.

[NAN 04/04/14]

Government To Assist 29,500 Cassava Farms

The Federal Government is to provide machines for the cultivation of 29,500 cassava farms. The equipment is to be funded from the N2.419 billion Cassava Bread Development Fund managed by the Bank of Agriculture (BoA). In line with the transformation plan Nigeria is to procure 22 medium-scale high quality plants of 60 MT capacity to meet the annual demand for high quality flour.

[Nation 24/04/14]

Opposition To Cassava Flour Policy

The Government is facing stiff resistance from interest groups in the wheat importing and processing industry. The cassava inclusion policy, first introduced during the Olusegun Obasanjo administration, mandates flour millers to include 5% cassava flour in wheat flour meant for the baking of bread and other confectioneries. The policy is expected to save Nigeria about N40 billion worth of foreign exchange and develop the nation's capacity in the production of cassava. However wheat millers are seeking the policy be either scrapped or made optional to protect their interests.

[This Day 01/04/14]

FUNAAB Wins US$18.8 Million From Gates Foundation

BILL & MELINDA GATES foundation

The Federal University of Agriculture, Abeokuta [FUNAAB] has won a grant of US$18.8 million from the Bill and Melinda Gates Foundation to implement a 5-year cassava production and intervention program. This follows a series of academic researches and practical sessions undertaken on agricultural produce under the title "Cassava: Adding Value for Africa Phase II [C:AVA II]". C:AVA II is a product of intensive research by academics, whose outcome is planned to help socio-economic transformation. The grant will increase the incomes of at least, 200,000 small-holder farmers and community processors that are participating in the cassava programme, including Nigeria, Ghana, Tanzania, Uganda and Malawi. Partners include the Natural Resources Institute, University of Greenwich, UK; International Institute of Tropical Agriculture, Ibadan; Council for Scientific and Industrial Research-Food and Research Institute, Ghana; Tanzania Food and Nutrition Centre; African Innovation Institute, Uganda and the Chancellor College, University of Malawi who all would provide support and technical assistance.

[Business Day 02/04/14]

COMMODITY NEWS
COCOA

General

Archer Daniels Midland Abandons Sale Of Cocoa Unit

Disagreement over price has led Archer Daniels Midland to abandon talks to sell its global cocoa business and narrow its focus to finding a buyer for a smaller string of chocolate factories instead. ADM was in final negotiations to sell its 3rd-ranked cocoa processing business to #2 Cargill. Industry executives estimated it was worth about US$2bn. ADM said it would keep the majority of its cocoa press operations. Separately, it has engaged advisers to pursue the sale of its chocolate business. The company's "cocoa and other" segment had an operating loss of US$33m last year, after an operating profit of US$276m in 2012.

[FT 15/04/15]

Indonesia Import Duty Decision Set To Shake Up Global Cocoa Supply

Indonesia's cocoa grinding industry - which includes firms such as Cargill and Barry Callebaut - is squaring off against farmers over import duties, the outcome of which could shake up the market. Cocoa bean production in the world's 3rd-largest producer is set to hit the lowest in more than a decade this year at 410,000 tonnes - far behind soaring grinding capacity of 600,000 tonnes. With Indonesia's cocoa bean imports forecast to jump nearly 300% to 150,000 tonnes this year, a major grinder group and government officials want to scrap or cut the 5% import duty to give the processing industries easier access to the beans they desperately need. If the Southeast Asian nation agrees, it could make farmers curtail their growing of cocoa and switch to other crops. That would curb global availability of cocoa - already forecast to post a second straight annual deficit for 2013/14 - and boost futures prices that are hovering near two-and-a-half-year highs. Buyers noted imports from the top 2-producers Ivory Coast and Ghana cost 10% less than Indonesian beans due to their superior quality and lower wastage.

As wealth levels increase in Asia, demand for chocolate has flourished and contributed to an expected second consecutive global cocoa deficit for 2013/14, International Cocoa Organization data shows. The global supply-demand outlook has boosted cocoa futures , which hit a 2-1/2 year high of US$3,039 a tonne in March. The prospect of increased import demand from Indonesia if it cuts the duty may support prices further.

[Reuters 08/04/14]

COMMODITY NEWS
COCOA

Cameroon

March Exports Stand At 3,207T

According to the Inter-professional Organisation for Coffee and Cocoa [CICC], Cameroon exported 3,207 tonnes of cocoa in March 2014, compared to 8,046 tonnes a year earlier. This marks a substantial decline of close to 60%. In February 2014, exports of this product had reached 6,580 tonnes. In a month, therefore, Cameroon cocoa exports plummeted by more than 50%, which amounts to approximately 3,273 tonnes. The decline in exports is attributed to bad weather and has impacted exporters' dynamism. There were only 7-traders in Cameroon's cocoa/coffee market in March 2014 as opposed to 17 in February. The top exporter was Camaco [Cameroon Marketing Commodities] with 853 tonnes.

[Business in Cameroon 25/04/14]

Cocoa Exports 143,374T In Season To March

Cameroon exported 3,207 tonnes of cocoa beans in March, bringing the total since the start of the 2013/14 season on August 1 to 143,374 tonnes, down from 193,298 tonnes for the same period the previous season. The March total was also lower than 6,580 tonnes from February and 8,046 tonnes exported in the same month a year ago.

The Cocoa and Coffee Inter-professional Board [CCIB] and the National Cocoa and Coffee Board [NCCB] blamed the drop in exports on the weather however seasonal output should rise to around 235,000 tonnes. Due to the fall in production, there were only 7- exporters in March from 17 in February. The Cameroon Marketing Commodities [CAMACO] led with 853 tonnes, followed by Ets Domo with 527 tonnes and Armajaro Cam Ltd with 351 tonnes.

Cameroon's cocoa season runs from August 1 to July 31, with the main crop harvest period from October to January/February and the light crop harvest from April/May to July. The crop is grown mainly in four regions, with the centre and southwest each accounting for 40% of national output, the south 15% and the east 5%. Cultivation is also extending gradually to the northwest and west. National output hit a record of 240,000 tonnes in 2010/11 season before dropping to 220,000 tonnes in 2011/12 due to attacks by pests and diseases and a prolonged dry season. It rose to 228,948 tonnes in 2012/13.

[Reuters 23/04/14]

Third Cocoa Processing Plant Planned For 2015

Cameroon plans to start the country's 3rd local cocoa processing plant with the capacity to process 16,000 tonnes annually by early 2015. The world's fifth largest cocoa grower mostly exports its beans although the government is seeking to encourage more local processing into cocoa liquor, butter and powder to lower import costs and create jobs. Sic-Cacaos will invest about 13 billion CFA francs [US$27.38 million] for its construction with processing starting in a year.

The Cocoa Processing Unit [CPU] is planned for the economic capital Douala. Sic-Cacaos, a subsidiary of Swiss chocolate manufacturer Barry Callebaut, and Chocolaterie Confiserie du Cameroun [Chococam], an affiliate of South Africa's Tiger Brand already have grinding facilities in the country.

National cocoa output hit a record of 240,000 tonnes in the 2010/11 season before declining to 220,000 tonnes in 2011/12 due to attacks by pests and diseases and a prolonged dry season. However, production rose to 228,948 tonnes in the 2012/13 season and the National Cocoa and Coffee Board [NCCB] foresees it rising again to 235,000 tonnes for the 2013/14 season. Local grinding so far this season stands at only about 31,000 tonnes per year.

[Reuters 15/04/14]

Cocoa Processing Plant Launched

A cocoa processing plant was launched in Douala by the Minister of Industry, Emmanuel Bonde, at Bonaberi. The unit will produce 6,904 tons of labelled products and process 16,000 tons of cocoa beans per year into cocoa liquor [6,400 tons], cocoa butter [3,000 tons] and cocoa powder [3,300 tons]. The move is part of the government's “Agropole Programme” set up in 2012.

[Tribune 13/04/14]

Cote d'Ivoire

Ivory Coast Lifts Cocoa And Coffee Export Ban On Ecom Unit

Ivory Coast has reinstated the export licence of Swiss agricultural trader Ecom Agroindustrial Corp Ltd's local unit, rescinding a ban imposed in a dispute over farmer bonuses.

The Coffee and Cocoa Council, CCC, imposed the suspension, which also barred Ecom subsidiary ZAMACOM from participating in cocoa auctions, on Feb. 4. Several farmer cooperatives had complained to the CCC that ZAMACOM owed them premium payments for certified cocoa produced during the 2012/13 season.

Ecom denied it had failed to make the payments. Ecom has agreed to take over Armajaro Trading (ATL), the loss-making trading arm of London-based Armajaro Holdings Ltd, though the deal is subject to approval by EU competition authorities.

[Business Recorder 26/04/14]

Ivorian Cocoa Fetches Strong Premiums As Demand Booms

Cocoa beans in some parts of Ivory Coast are selling at more than a 100 CFA franc premium to the minimum farmgate price as grinders and exporters rush to secure high-quality stocks. The mid-crop marketing season started on April 1.

The government maintained the guaranteed minimum cocoa farmgate price at 750 CFA francs/kg [US$1.57]. Prices at the port can reach 860 CFA francs/kg as grinders and exporters are in a hurry to snap it up before the quality deteriorates.

A spell of good weather has raised hopes for the crop's quality and prompted farmers to begin harvesting the mid-crop cocoa early. The mid-crop produces smaller beans than the main crop and generally the lion's share of total volumes stay within the country for grinding.

[Reuters 02/04/14]

Rains Extend Mid-Crop

Abundant rains and hot weather should pave the way to a healthy April-to-September mid-crop that should last longer than last season. The mid-crop officially started on April 1. With abundant pods on the trees, the harvest was likely to remain strong at least until late June thanks to the good weather.

With the rainy season underway, sunny spells and plentiful moisture are boosting bean quality and triggering new flowers that will prolong the crop, farmers said. The climate is good this year compared to last. Farmers said harvesting was picking up but they feared abundant rainfall could complicate the drying of beans.

[Reuters 14/04/14]

COMMODITY NEWS
COCOA

Olam's Cocoa Plant To Hit Full Output

Olam International Ltd has started its long-promised 70,000MT cocoa processing plant in Ivory Coast and plans to reach full capacity within 2-months. Ivory Coast is the world's top cocoa grower and leading grinder with a processing capacity of around 500,000 tons, equivalent to around a third of its crop. Reforms aim to boost local processing to about half of its production. The Singapore commodities firm had previously said in its 2013 annual report that commercial operations would begin "early in 2014". The plant, located at the port of San Pedro, has a capacity of 70,000 tons and will process cocoa beans into products like cocoa butter, cocoa cake and cocoa liquor. Olam is present in 25 African countries and has invested 1.66 billion Singapore dollars [US$1.32 billion] in the continent, including palm and rubber plantations in Gabon and a wheat mill in Ghana.

[Reuters 07/04/14]

Cocoa Arrivals At 1.179 Million Tonnes

Cocoa arrivals at ports reached 1,197,000 tonnes by April 13 since the start of the season on October 2, up from 1,100,000 tonnes in the same period of the previous season. Exporters estimated around 18,000 tonnes of beans were delivered to Abidjan and San Pedro ports between April 7-13th, up from 13,000 tonnes during the same period last year.

[Public Ledger14/04/14]

Cote d'Ivoire To Seize Undeclared Cocoa Stocks

Ivory Coast plans to seize all undeclared cocoa stocks at the end of the marketing season in September in order to keep operators from withholding beans and causing shortages at the ports. Exporters estimate that 80,000 to 100,000 tonnes of cocoa were stocked in upcountry warehouses in the last months of the 2012/13 season as merchants anticipated an increase in the government's pricing scale and a subsequent boost to profits. The practice caused arrivals to the ports of Abidjan and San Pedro to slow to a trickle by season's end. Ivory Coast abandoned a decade of sector liberalisation last season and now sells forward the bulk of its anticipated harvest in order to guarantee a minimum price for farmers.

Exporters are allowed to hold stocks already declared to authorities before the end of a given season for export later. But those beans are subject to the price scale of the season in which they were harvested. However, under the current system, the merchants responsible for transporting the bulk of Ivory Coast's production to ports do not declare their purchases in the bush. The country's marketing board, the CCC said it will carry out a countrywide audit of stocks at the end of this season.

Meanwhile, the CCC said the government-guaranteed minimum farmer price, part of sweeping sector reforms aimed at improving farmer livelihoods, had helped Ivory Coast clamp down on illegal smuggling of its beans to neighbouring countries. Bean smuggling - most of it to #2 producer Ghana - grew rampant during a decade-long political crisis that ended in a 2011 civil war. At its peak, illegal exports robbed Ivory Coast of up to 200,000 tonnes of its annual production.

[Reuters 29/03/14]

Ghana

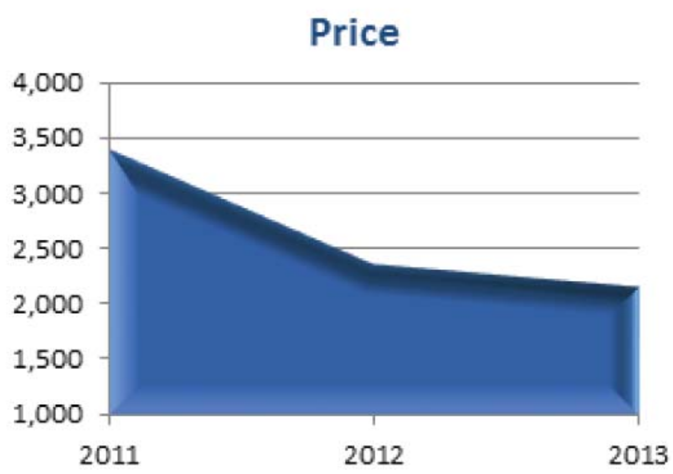
Ghana Cocoa Main Crop Purchases Reach 686,265T

Cocoa purchases declared amounted to 686,265 tonnes on March 27 since the start of the main crop on Oct. 18, up 14% from the previous year, Cocobod data showed. The purchases, which covered 23 weeks of the 33-week main crop season, were higher than the 601,662 tonnes declared in the corresponding week last year. Ghana last month raised its October-May main crop output target by 20,000 tonnes to 850,000 tonnes, citing improved weather.

[Reuters 09/04/14]

Trouble For Economy As Cocoa Proceeds Slump

Government revenues from cocoa have fallen drastically to GH¢40 million in the 2012/2013 crop season from the region of GH¢153.9 million in the 2009/2010 season, primarily due to declining prices of the crop on the international market and low productivity.



Cocoa receipts accruing to the government mainly come from duties on cocoa exports. In spite of this decline, the government had to sacrifice 62% of its revenue from cocoa exports to maintain the producer price of cocoa, as farmers were not ready to peg their prices to the behaviour of the world market price. Although prices dropped the government had to pay farmers based on the former price.

Consequently, COCOBOD recorded a loss of GH¢14.94 billion in the 2011/12 season, compared to a profit of GH¢9.82 million in 2010/11. These figures were contained in a 'Policy Brief' prepared by the Agriculture and Agribusiness Unit of the newly established Real Sector Division at the Ministry of Finance.

After reaching a record 1-million tonnes in the 2010/2011 crop season, cocoa production dropped by 14% to 879,300 tonnes the following season and further by 4.4% to 835,466 tonnes at the close of the crop season last year. The report explained that following weakening demand for the commodity on the international market due to the Eurozone crisis, demand for the country's cocoa, considered the best beans on the international market, suffered a 17.3% reduction. This consequently led to a slump in the prices. According to the Ministry of Finance in 2012, receipts from cocoa and cocoa products amounted to US$2.28 billion, out of the US$13.55 billion merchandise exports from the country. According to the Bank of Ghana, estimates for cocoa receipts last year amounted to US$2.17 billion, a further reduction.

Ghana needs to adopt a forecasting module in cocoa production to enable it to determine what outputs to produce at every particular point in time and accurately forecast expenditure and revenues likely to be raked in. Meanwhile the Agriculture and Agribusiness Unit, wants the government to boost international demand and cocoa consumption, shifting focus from traditional buyers to new buyers and trading partners, mainly in Asia. Boost in cocoa productivity in the 2010/2011 crop season was driven by effective disease and pest control through the mass spraying exercise and fertiliser subsidy programme which should continue to be encouraged as well as stepping up local processing.

[Ghanaweb 15/04/14]

Chemico Assists Cocoa Farmers To Improve Yield

An initiative, under which the latest high-tech inputs and extension services would be made available to cocoa farmers to significantly improve cocoa production, was unveiled at Bunso. Christened the 'Chemico Akuafo Project', a Tema-based agrochemical company, Chemico Limited, will supply inputs at affordable prices, who will be guided by the company's extension officers in all cocoa-growing areas at no cost. The initiative is to complement the government's mass spraying of cocoa farms. These inputs, which have successfully undergone series of trials, can improve yield by, at least, 50% or more.

[Ghanaweb 31/03/14]

COMMODITY NEWS
COCOA

Daily Spot Price [ICCO]

These are the average of the quotations of the nearest three active futures trading months on NYSE Liffe Futures and Options and ICE Futures US at the time of London close.

Date	ICCO daily price (SDRs/tonne)	ICCO daily price (US$/tonne)	London futures (£ sterling/tonne)	New York futures (US$/tonne)
1 Apr 14	1955.21	3021.27	1856.33	2958.33
2 Apr 14	1942.93	3001.09	1846.33	2937.00
3 Apr 14	1943.86	2999.09	1851.67	2932.00
4 Apr 14	1976.88	3044.78	1876.67	2980.67
7 Apr 14	1971.13	3038.90	1872.67	2971.33
8 Apr 14	1986.69	3070.85	1879.00	3000.67
9 Apr 14	1994.78	3088.63	1885.33	3023.67
10 Apr 14	1971.25	3059.51	1867.00	2991.33
11 Apr 14	1975.14	3066.66	1881.33	2989.33
14 Apr 14	1978.67	3066.18	1875.67	2997.00
15 Apr 14	1969.82	3049.36	1866.00	2983.33
16 Apr 14	1967.15	3049.15	1856.67	2984.67
17 Apr 14	1992.39	3090.48	1880.00	3025.00
21 Apr 14	1987.57	3075.93	1875.00	3007.67
22 Apr 14	1985.94	3076.42	1870.00	3011.33
23 Apr 14	1989.39	3084.52	1879.67	3022.00
24 Apr 14	1968.63	3049.45	1861.67	2976.33
25 Apr 14	1955.22	3031.51	1848.33	2961.33
28 Apr 14	1947.84	3022.71	1845.00	2947.67

COMMODITY NEWS

COFFEE

Cameroon

FESTICOFFEE 2014

The 2nd international FESTICOFFEE is to be held 29-31st May 2014 in some 21 localities in Cameroon. The festival is jointly organized by the Ministry of Trade, the Cocoa and Coffee Inter-professional Council [CICC] and the Agency of Robusta Coffee of Africa and Madagascar [ACRAM]. Stakeholders in the production and commercialization chain will come together with the aim of reversing the declining trend of production in Cameroon. Organised under the theme, "Coffee: The Revival," the think-tank in attendance will explore ways of reviving production, processing and home consumption.

[Nouvelles 09/04/14]

Cameroonian Coffee Exports Plummet By 50%

The National Cocoa and Coffee Board [ONCC] noted Cameroonian coffee exports fell by close to 50% in late February relative to the same period in 2013. During the said period, the country has only exported 887 tonnes of Arabica and Robusta coffee so far, compared to 1,643 tonnes for the same period during the last season which marks a 756-tonne decline. The decline in exports, which runs parallel with the slow-down in production, is due to bad weather conditions. But other sources suggest that the situation is more the result of illegal exports to Nigeria as the road network connecting some coffee zones to Douala is in very poor condition. To get the sector out of its current slump, the Inter-professional Cocoa and Coffee Council [CICC] has launched an emergency rescue plan to the tune of 900 million FCfa over 6 years while the European Union has promised 15 billion FCfa in financing within the framework of the 11th FED.

[Business in Cameroon 27/03/14]

Washed Coffee: Cameroonian Producers' New Rave

According to statistics provided by the Inter-professional Cocoa and Coffee Council [CICC], Cameroonian producers exported, in 2013, 187 tonnes of "washed coffee". These are beans that are extracted and cleaned, having a particular flavour that is coveted by niche markets and gains an additional profit of US$400 dollars [200,000 FCfa] per tonne with each tonne already costs approximately 2,000 dollars [1-million FCfa]. For at least 2-years, Cameroon has been a pioneer in washed Robusta coffee. Since then, Robusta coffee-washing factories have opened in Santchou [West], Mouambong [between the coastal and south-western regions] and Angossas [in the east]. The Arabica coffee-washing factories are now installed in such towns as Bello [north-west] Bafoussam, Kouptamo, and Bandjoun, all situated in western Cameroon. The first national producer of washed coffee, West Hills Farms, has exported 68 tonnes of washed coffee during the last season.

[Business in Cameroon 11/04/14]

COMMODITY NEWS
COFFEE

Ghana

Coffee Production To Receive 4.2 Million Cedi Boost

The Ghana Government has allocated 4.2 million cedis for the rehabilitation of coffee farms in the country. A 4-year rehabilitation programme is being implemented by the Ghana Cocoa Board in collaboration with Cocoa Research Institute. Farmers will be provided with free fertilizers, insecticides, improved planting materials and other extension services. Since inception of the programme, a total of 930.2 ha of old have been rehabilitated as well as the establishment of new coffee farms in the Ashanti, Brong Ahafo, Western, Central, Volta and Eastern regions.

[GBC 15/04/14]

Ethiopia

Ethiopia's Coffee Industry Booms On Brazil Drought

Since late last year, a severe drought has stunted growth on coffee plantations in the heart of Brazil's coffee-growing region and this is reportedly stimulating a resurgence in the Ethiopian coffee industry, whose value has risen to an astonishing 17.5% in 1-week. Reports indicate that demand for Ethiopian coffee has risen sharply with exporters inking deals worth millions of dollars/ pounds. Just 2-months ago, a pound of exportable washed coffee was traded on the Ethiopian Commodity Exchange [ECX] for US$1.15/pound[0.45kgs].

Despite being renowned to be one of the world's best sources of coffee, a study has revealed that only a meagre 1% of Ethiopia's coffee is sold as specialty. After the drought in the coffee producing belt of Brazil, the price of coffee in the market has shown an increase of 32.5% in a matter of 20 days, according to ICE. This drought, which has been described as 'historic', has forced more than 140 cities in Brazil to ration water. Reports indicate that even before the drought began, there were concerns that a global coffee deficit was impending, according to a report by Transworld Futures LLC. The report had estimated that the amount of coffee supplied would be about five million bags lower than the amount consumed in the 2014/2015 season.

[Zegabi 11/04/14]

Kenya

Top Grade Coffee Price Edges Up At Auction

The maximum price of Kenya's benchmark coffee grade inched up to US$390 per bag from US$389 at the previous auction, the Nairobi Coffee Exchange said. Grade AA COF-AA-KE sold for US$137-390 per 50 kg bag while a bag of grade AB coffee COF-AB-KE fetched US$108-325 per bag, the coffee exchange said. Some 22,696 bags were offered for sale, fetching a total of US$6.6 million. The average price per bag was US$238.22.

[Reuters 15/04/14]

Governor Says Coffee Board To Blame For Sector's Woes

The Nyeri Governor has blamed the Coffee Board of Kenya [CBK] for the low prices coffee currently fetches claiming that the regulator had failed to rein in middlemen who exploit farmers. He said the CBK has failed to enforce the Coffee Act, which bars middlemen from simultaneously holding marketing, milling and buyer licences.

Meanwhile, stakeholders have agreed on the role each should play for its successful devolution. The consensus was reached during a symposium organised by Kenya Agribusiness and Agro-industry Alliance [KAAA]. Devolved governments were told to provide basic infrastructure such as roads, power and water to facilitate aimed at developing a robust agricultural sector. Participants agreed the need to focus on farming activities where there is a competitive advantage and encourage primary processing activities.

[Standard Media 31/03/14]

Tanzania

Coffee Farmers Could See Prices Double

As the new coffee season starts the good news for farmers is that there is every prospect of the crop prices to double. The Tanzania Coffee Board [TCB] expects arabica coffee to fetch US$3.88 up from US$1.80 it commanded at the end of the 2013/14 season. The new prices will be a huge boost to coffee farmers who were discouraged by dwindling prices.

It is estimated that total area under coffee production is 265,000 ha for both arabica and robusta. In internal market farmers sale at farm gate price to private coffee buyers, farmer groups and cooperative as coffee is sold in form of cherry or parchment. Coffee auctions are conducted every week on Thursdays during the season. Also licensed exporters may go to the auction and buy coffee from suppliers, be they individual farmers, groups, cooperative or private buyers.

For direct export, growers of premium top grade coffees are allowed to bypass the auction and sell their coffee directly. Direct export enables growers to establish long term relationship with roasters and international traders.

[Daily Online 27/03/14]

Uganda

Uganda Coffee Exports Up 12% Yr/Yr In March

Uganda's coffee exports in March rose by 11.9% y-o-y to 348,423 60-kg bags, helped by end-of-season stockpile clearance. Harvest season is now at the tail end in central and eastern Uganda regions while south and south west are about to start harvest. UCDA said March exports fetched US$38.9 million compared to US$38 million earned in the same month a year ago.

[Reuters 11/04/14]

COMMODITY NEWS
COTTON / TEXTILES & LEATHER GOODS

General

Cotton Exports Fall By 26% In January And February 2014

Cotton imports in China, the country holding 70% of the world market, have declined by 35% over the first 2-months of 2014. This downward turn has affected all cotton producers, including Cameroon which exported only 325 tonnes of cotton in January and February which represents a 26% decrease compared to the same period last year. The countries most affected by the decline in Chinese cotton imports are Zambia [-90%], Zimbabwe [-90%], Mozambique [-81%], Cote d'Ivoire [-66%] and Tanzania [-48%]. While shunning cotton produced by other countries, China has doubled its focus on Sudanese cotton, which has increased in exports by 862% in 2,111 tonnes in the above-mentioned period. Mali is the second country to benefit from Chinese imports in the two first months of 2014, with 62% growth in exports to 2,029 tonnes.

[Business in Cameroon 02/04/14]

Better Cotton Approves Spend For 50 Projects

Investors of the Better Cotton Fast Track Program [BCFTP] have approved spending of US$13.8m for 50 Better Cotton projects this year. The program, whose committee includes retailers and brands such as Ikea, VF Corp and Marks & Spencer, recently met in Delhi, India to approve the projects across India, Pakistan, China, Mozambique and Mali. The projects are expected to reach around 750,000 farmers and will work to produce nearly 1m tonnes of Better Cotton.

[Just Style 23/04/14]

Burkina Faso

Burkina Cuts Cotton Price For 2014-15, Raises Output Target

Burkina Faso set a minimum farmgate price for cotton growers of 225 CFA francs [$0.47] per kilo for the 2014/15 growing season, down from 235 francs the previous year, the Interprofessional Cotton Association of Burkina [AICB].

The association set a production target of 800,000 tonnes of raw cotton for the 2014-2015 season, versus 710,000 tonnes produced the previous one. It said the farmgate price reduction was due to a fall in cotton prices on international markets which has lasted more than a year. However, the association announced a reduction in the cost of farming inputs, such as a 5%cut in fertilizer prices, thanks to a government subsidy.

The AICB said that, following a rise in production in the 2013-2014 season, it would pay a bonus of 10 CFA francs per kg of cotton to producers, bringing the overall return to farmers to 245 CFA francs per kilo. Landlocked Burkina Faso relies on cotton as one of its major exports.

Although an increasing number of farmers are turning to cotton in West Africa, production remains hobbled by a lack of agricultural technology and stiff competition from subsidised growers such as in the United States.

[Reuters 16/04/14]

Mali

Mali's Ginned Cotton Output Falls To 185,000 T In 2013/14 Season

Mali produced 185,000 tonnes of ginned cotton during the 2013/14 season, down from 191,000 tonnes the previous season, the nation's cotton company CMDT said. Raw cotton production in 2013/14 stood at 440,000 tonnes down from 450,000 tonnes the previous season. The Malian cotton season opens in April, with harvesting from May to November and a marketing phase that runs from November to March 31. CMDT said the production decline this season was due to lower rainfall, which led to a decrease in the cultivated area. The principal export market for Mali's cotton is dominated by China, which purchases nearly half of production.

[Reuters 14/04/14]

Mali's 2013-14 Cotton Arrival Close To Forecast

Mali has already received 96.88% of the amount of cotton forecast for the ongoing season 2013-14 by the Malian Company for the Development of Textiles [CMDT]. In April last year, CMDT had estimated the country's cotton production for the 2013-14 season at 500,000 tons. However, this figure was lowered in October 2013 to 436,000 tons on the basis of ground conditions. CMDT lowered the estimate of cotton production due to late onset of the rainy season, because of which cotton sowing was made in July instead of the normal mid-May. According to the CMDT data, by March 18, 2014, around 423,000 tons of cotton have arrived at various cooperatives and ginning factories.

CMDT

- The Malian Government created CMDT in 1974
- It oversees the production and marketing of Mali's cotton
- Based in Bamako with production sites throughout the country, in particular at Koutiala and Fana.

Mali is currently the second-largest producer of cotton in Africa, next only to Burkina Faso, which produces over 500,000 tons of cotton annually. At present, cotton growing in Mali is also being impacted by poor soil. In its effort to address the problem, the Government of Mali is currently developing a soil fertility map and is also correcting soil acidification, which needs large investment. Another challenge being faced by the Malian cotton sector is value-addition. At present, only 1-2% of the cotton grown is processed locally, and the remaining gets exported. For the next season 2014-15, CMDT is hoping that the country's cotton output would increase to 525,000 tons.

[Fibre 2 Fashion 28/03/14]

Kenya

USAID To Build Cotton Seed Factory In Busia

The United States will build a cotton seed factory industry in Busia County to increase farmers' output. Busia Governor noted the county will partner with the United States Agency for International Development [USAID] to construct the factory to produce high yielding cotton seeds.

[The Star 25/03/14]

Zimbabwe

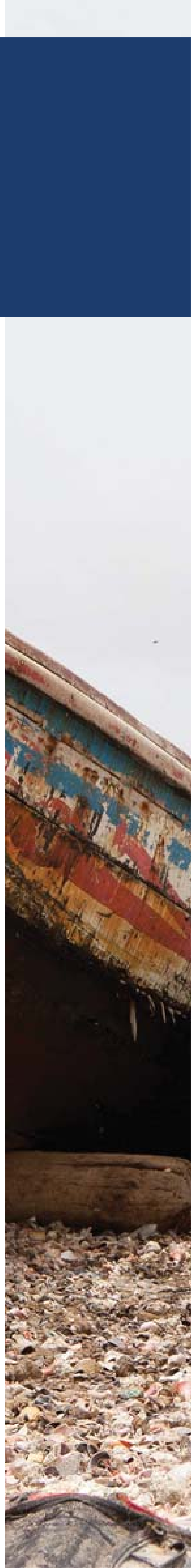
Farmers Urged to Consider Bt Cotton

Zimbabwe must seriously consider the adoption of Bt cotton by farmers to revamp production and revive the textile and clothing industry, farmers' representatives say. GM cotton is developed using bacterium Bacillus thuringiensis [Bt] which naturally produces a chemical harmful only to a small fraction of insects such as the boll-worm. After seeing Bt cotton trials in Malawi, adopting technologies in Zimbabwe could help cut input costs and increase crop yield. Malawi started Bt cotton trials in January 2013 to boost smallholder cotton production. It is still to commercialise Bt cotton.

Cotton production in Zimbabwe has declined sharply over the years due to uncompetitive prices, high input costs for farmers and other constraints. Output fell from 283,000 tonnes in 2012 to less than 200,000 tonnes last year. At its peak Zimbabwe produced more than 353,000 tonnes, earning over US$200 million. Zimbabwe has not adopted GMO crop technologies, but established the National Biotechnology Authority in 2006 to regulate research, transport, import, manufacture, safe handling and use of organisms and products of modern biotechnology.

[31/03/14]

COMMODITY NEWS
FISH



Madagascar

Madagascar Updates Its Code Of Fishing

A few weeks after the launch of the shrimp fishing campaign in Madagascar, the Ministry of Fisheries has conducted a review of the code. It has developed a new fishing code covering all areas such as red alga culture and breeding of sea cucumbers. The Government wants to boost the sector through incentives and has unveiled the 'Express de Madagascar' program to promote investment.

[Ecofin 16/04/14]

Morocco

Morocco Launches 10 Aquaculture Projects

Morocco has launched 10-aquaculture projects in order to raise annual production to 23,000 tonnes of fish and 1,540 tons of shellfish. The projects are located in the Bay of Dakhla consisting of 2-hatcheries and 8-farms.These projects are part of the National Agency for the Development of Aquaculture [ANDA] development program which covers the Eastern Mediterranean, Souss Massa Draa and Oued Eddahab-Lagouira regions as well as new defined areas of El Jadida and Tan Tan-Boujdour. Together a total of 90 projects with a total value of 3.6 billion dirhams will be capable of producing 202,000 tonnes of fish annually.

[Ecofin 16/04/14]

Mozambique

Government Opposes EU Fisheries Demands

Mozambique's Minister of Trade has expressed opposition to the demands made by the European Union that Mozambique must satisfy in order to export fisheries produce to Europe.

The European Commission demands 3-conditions that must all be met before fisheries produce from Mozambique can be regarded as Mozambican. First the ship must be flying the Mozambican flag, second the boats must be owned at least 50% by Mozambican, and third the produce must be fished within Mozambican territorial waters. The Minister argued that, for a country such as Mozambique which is only beginning to make its first major investments in fisheries, meeting these 3-conditions would make the fishing industry uncompetitive for the European market.

[AIM 01/04/14]

Senegal

Senegal/Anti-Poaching Group Unite To Fight Illegal Fishing

West Africa loses billions of dollars to illegal fishing each year. The region also accounts for nearly 40% of all of the world's poached fish. A new campaign by Sea Shepherd is helping to monitor Senegal's 700 km long coast to stop the illegal activity. The program, dubbed 'Sunu Gaal [my canoe]' documents illegal vessels and reports them to the navy. Once officials board a trawler, they check for proper fishing licenses, gear, the species being fished, and the quota.

The campaign also aims to raise public awareness among consumers in industrialized countries. European Union regulations have made it easier to verify the origin of the catch and allow vessels and un-cooperative countries to be blacklisted. Reports say 3-such countries, including Guinea, could face sanctions. Eight other countries, including South Korea and Ghana, have been asked to address alleged problems or face trade sanctions against their seafood exports to the EU. Sea Shepherd's agreement with Senegal is a model for working with other governments which lack the resources to monitor their coastline.

[Voa 02/04/14]

COMMODITY NEWS
FOODSTUFFS

West Africa

Workshop To Validate Recommendations On Food Across Borders

The Borderless Alliance participated in a regional workshop to validate recommendations on the implementation of food across border policy, held in Cotonou, Benin, from March 28– 31, 2014. Organized by Hub Rural under the auspices of the Economic Community of West African States [ECOWAS] and the West African Economic and Monetary Union [UEMOA], and financed by the United States Agency for International Development [USAID], the workshop brought together about 50 participants from across the region. ECOWAS tasked the Alliance to be a key implementer of a strategic watch on the free movement of agricultural products in the West Africa region.

[Borderless Alliance – March 2014]

Cameroon

50 Billion FCFA From World Bank To Develop Cameroon Agro-Industry

During 2014-2019 the World Bank will make available 50 billion Cfa francs to finance the implementation of the 'Projet d'investissements des marchés agricoles' [PIDMA], piloted by the Cameroon Ministry of Agriculture. The funds will be invested in the maize, sorghum and cassava sectors. For example Sotramas based in Sangmelima aims to process 120 tonnes of manioc starch every day. In another example Cameroon currently imports large quantities of maize each year but local Brewer Diageo was the first company in the country to enter into a partnership with the Government to deliver of cassava, sorghum and corn from the PIDMA.

[Ecofin 22/04/14]

Kenya

Bidco To Invest US$200 Million

Bidco, a leading manufacturer of consumer goods intends to invest US$200 million by 2017 to quadruple its turnover to reach the US$1 billion mark. To achieve this, Bidco will focus on the launch of new product lines such as toothpaste, edible oils, personal hygiene products, and focus on the production of wheat, palm oil, rice and sugar. The group is already present in 14 markets in Africa.

[Ecofin 12/04/14]

Mozambique

Mozambique Sells Sesame Seeds To Europe/Asia

Around 35,000 tons of sesame seeds from the current agricultural campaign in Mozambique's Nampula province, with an estimated value of 1 billion meticals, have already been sold to countries in Asia and Europe. Sesame seed production, which began around 2-years ago in the districts of Meconta and Monapo, located in the "Nacala Corridor" involves around 2,000 families. Production of sesame seeds is a priority crop for rural producers and is produced with the support of the SNV Netherlands Development Organisation. The sales component to ensure the sesame seed is exported to the Asian and European markets is provided by Exporte Marketing, an Asian-owned company. Japan, China and the Netherlands, are currently experiencing a rise in demand for sesame.

[Macauhub 11/04/14]

COMMODITY NEWS

FOODSTUFFS

Nigeria

Unilever Renews Investment Drive With US$150m Plant In Nigeria

Several years after it halted the expansion of its operation in Nigeria, one of the world's leading producers of consumer goods, Unilever, has renewed its investment drive in Nigeria with an expansion strategy that is billed to inject about US$150 million (N24 billion) into a new plant. Discussions on the new investment have already commenced, and the new plant is expected to come on stream before the end of the year.

[This Day 23/04/14]

Rice Could Contribute US$9 Billion To GDP

The rice sector could contribute up to US$9 billion to the GDP of Nigeria. Recent investment in infrastructure, production, inputs and equipment, as well as encouraging producers to switch varieties which offer increased yields from 1.5 ton to 2 tons/ha have dovetailed to promote rice exports. Production stood at 2.7 million tonnes in 2013. A boom in rice production has been linked to the 2013 introduction of a 110% tax on rice imports. This led to an increase in smuggling from Benin and Cameroon.

[Ecofin 15/04/15]

Rwanda

Milk Exports Surpass Coffee

Milk emerged as the main source of export revenues during Q4 2013, surpassing coffee, the country's traditional major foreign exchange earner, for the first time. Milk and milk products brought in US$22.41 million [Rwf15.5 billion], against US$17.88 million from coffee. Experts have attributed increased milk exports to the country's 'Girinka project' [1-cow per family program] and increased finances injected into the sector.

Burundi, DR Congo and Tanzania are the leading export destinations for Rwandan milk and milk products-consuming about 15,115 kg per year. The Rwanda Dairy Competitiveness Programme noted a lot of progress had been made by the sector over the years; through implementation of government and donor-funded milk projects, including Land O'Lakes, a USAID-funded project.

There is a lot of progress being made towards improving dairy farming such as establishment of quality milk infrastructure like milk collection centers and cooling equipment. This has improved the quality of milk and made it more profitable in regional markets.

[New Times 23/03/14]

Tanzania

Zanzibar To Improve Cloves Productivity

For many years, Zanzibar was the leading producer of cloves in the world but the age of clove trees, diseases and agronomic factors have caused a steep decline in the annual production levels. The Zanzibar Agricultural Research Institute [ZARI] is now working to boost productivity of cloves and improve forex earnings through export. Under ZARI research includes plant breeding, pathology, soil and nutrition as well as disease and pests management. The program will also extend to rice, cereals, roots and tubers. Since the 1950s, clove production in Zanzibar has fallen to 10,000 tons per year from 24,000 and the number of clove trees has more than halved to about 2 million.

[East African Business Week 24/03/14]

South Africa

Row About Chicken Imports Rages On

Consumers could face further increases in chicken prices in the next 2-months, which is when the government is expected to take a decision on anti-dumping duties on frozen bone-in chicken portions from certain European countries. Import duties on various chicken products were increased in September last year in an attempt to halt cheap imports from Brazil, in particular, which local producers said were causing financial and job losses. The higher duties have contributed to retail prices of 2kg bags of individually quick-frozen chicken portions, excluding promotional items, rising by between 15-30% in the past 6-months. Frozen chicken represents more than 70% of South Africa's poultry production and sales.

Duties on bone-in chicken portions were increased from a specific duty of 220c/kg [approx. 17%] to an ad valorem duty of 37%. An analysis of import data indicates that imports from Brazil declined significantly between October last year and January, whereas imports from some European markets, which are not subject to import duties, have increased. Total imports of bone-in chicken portions in the 12 months to the end of January have declined 10.42% compared with the same period ending January 2013. The decline is attributed to higher tariffs and a weaker currency. This may end if the South African Poultry Association is successful in its application to have anti-dumping duties imposed on frozen bone-in chicken portions from Germany, the UK and the Netherlands. The International Trade Administration Commission is wrapping up its investigation into the alleged dumping. A preliminary decision is expected within 2-months. The poultry association has asked for duties of 91% to be imposed on frozen bone-in chicken from Germany and the Netherlands and 58% on the same product from the UK.

The International Trade Advisors, acting on behalf of the Association of Meat Importers and Exporters, has highlighted several alleged flaws in the International Trade Administration Commission's investigation, raising the possibility of a trade dispute with the EU. Flaws pointed out included the prices used for comparison in certain cases such as for fresh rather than frozen chicken, ignoring the high levels of brining in local chicken and comparing retail prices in Europe with bulk export prices. South Africa had to withdraw preliminary anti-dumping duties on Brazilian chicken early in 2013 after flaws in its investigation led to a complaint from Brazil to the World Trade Organisation [WTO]. According to its rules, anti-dumping duties can be imposed only when dumping is proved, material injury has occurred in the local market and there is a causal link between dumping and material injury.

[The Poultry Site 21/04/14]

COMMODITY NEWS

PALM OIL

Liberia

Equatorial Palm Oil Announces JV With KLK Agro Plantations

Equatorial Palm Oil's shares rose after the company announced a joint venture [JV] agreement with KLK Agro Plantations, a wholly owned subsidiary of Kuala Lumpur Kepong Berhad. The deal is in relation to the operations and funding for KLK's 50% owned JV company Liberian Palm Developments [LPD]. LPD will receive up to US$35.5m in cash and funding commitments to promote their Liberian plantations. KLK has agreed to provide any further funding required by LPD up to a maximum of $20.5bn.

[Sharecast 11/04/14]

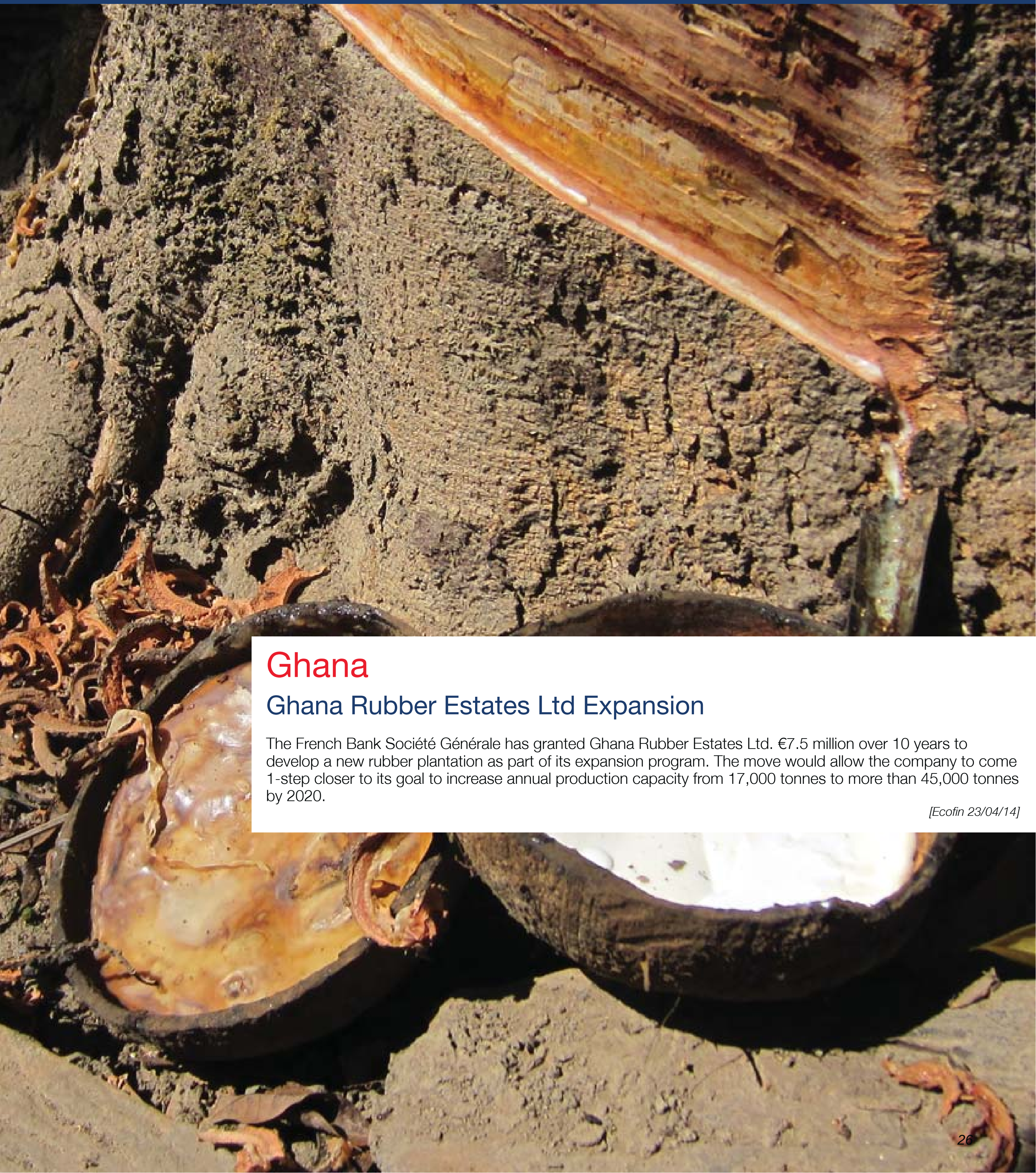
Zambia

Zambeef Invests US$19 Million In Palm Oil Project

Zambeef Products has invested US$19 million in a palm oil project in Mpika. Zambeef has planted 3,000 ha of palm trees with production of palm oil expected to be on stream by 2015.

[Daily Mail 24/03/14]

COMMODITY NEWS
RUBBER



Ghana

Ghana Rubber Estates Ltd Expansion

The French Bank Société Générale has granted Ghana Rubber Estates Ltd. €7.5 million over 10 years to develop a new rubber plantation as part of its expansion program. The move would allow the company to come 1-step closer to its goal to increase annual production capacity from 17,000 tonnes to more than 45,000 tonnes by 2020.

[Ecofin 23/04/14]

COMMODITY NEWS
SISAL

Kenya

Uncertainty As Investors Battle Over Rea Vipingo

All eyes are on listed sisal firm REA Vipingo as minority shareholders Centum Investments and UK-based REA Limited, tussle to get a piece of it. The size of land held by REA Vipingo is the main target in this acquisition deal as is the desire to buy out minority shareholders, delist and then operate as a private firm. REA Trading has proposed to buy REA Vipingo shares at Sh70 each, higher than its original offer of Sh40 in November 2013. This offer is higher than Centum's Sh 50 while Vania-which has been locked out by the courts- offered Sh 55.

[Standard Digital 22/04/14]

COMMODITY NEWS
SUGAR

General

Sugar Research Fund Aims to Offset End of Quota System

Nearly US$20 million is available for research on sugar to scientists in the member states of the African, Caribbean and Pacific Group of States [ACP] in a bid to ensure the viability of their sugar industries.

The Sugar Research and Innovation Programme, which is accepting grant proposals until the end of this month, aims to offset some of the potential economic losses posed to smaller sugar exporters. The losses are expected because of the end of European Union [EU] sugar quotas in 2017 and the rise of big producers such as Brazil.

The ACP has firmly opposed the EU's decision to end sugar quotas - a system that sets out how much sugar each of the 19 European producer countries can produce per year and what they can do with the surplus. ACP countries fear that this change will lower sugar prices and that the ensuing market volatility will harm their small producers, giving a competitive advantage to bigger and therefore more robust producers such as Brazil.

Perhaps more damagingly for the ACP, it appears that the cap on EU sugar production will also be lifted, turning Europe from a net importer to a net exporter. The sugar research programme's goal is to mitigate against these effects by funding research into more productive sugar crops and into new, potentially more lucrative products that can be made from sugar cane.

To prevent potential damage ACP called for project proposals as part of Phase 2 of the research programme [Phase 1 funded 16 project in 2012 and 2013]. The initiative is due to fund 13 projects during 2014 and 2015. Creating a new variety of sugar cane through cross-breeding can take between 12-15 years, so one of the goals set by the governments of the ACP countries is to reduce that period to 2-4 years by accelerating the cloning process. The budget comes from the EU, Australian Aid, United States and ACP countries themselves.

[SciDev 23/04/14]

Ghana

Government Agrees To Establish Sugar Factory

As part of the Ghana Government's intentions to establish a sugar processing factory a Memorandum of Understanding [MOU] was signed with Marubeni Corporation of Japan to start a 10,000-30,000 ha sugar complex and Estate in Savelugu in the Northern Region.

[SpyGhana 05/04/14]

Komenda Sugar Factory To Be Restored By June

The Minister of Trade announced that the restoration of the Komenda Sugar Factory in the Central Region will commence by June 2014. A US$35 million loan has been received from the India Government in addition to US$1 million raised by the Government. The Government is negotiating with India for another US$24 million to support sugar cane farmers to produce the raw material locally for the facility. Another sugar factory would be established at Depale in the Northern Region with several companies expressing interest in the project.

[GNA 16/04/14]

COMMODITY NEWS
SUGAR

Kenya

Sugar Sector Faces Anxious Times As Duty-Free Imports Loom

Kenya's sugar sector is walking on a tightrope as the Government seeks to meet the Common Market for Eastern and Southern Africa [COMESA] safeguards. Extended to February 28 2015, the expiry will see cheap imports from COMESA flood the market and compete with local produce. The drop in the factory price of sugar was also a cause for worry. For example a 50kg bag of sugar shrunk from Sh7,750 in 2013 to Sh,3000 currently. This has forced local millers to store their stock due to a lack of market. As a consequence, cane farmers have not been paid complicating any reforms aimed at improving efficiency. A 1-day meeting was tasked to create an action plan on how to improve production efficiency. [Kenya is a member of the COMESA Free Trade Area. The FTA obliges the country to allow free access of products, including sugar from the other FTA member countries, into her market.]

[Standard Digital 17/04/14]

Kenya To Sell Stake In 5-Sugar Firms

Kenya plans to sell a 51% stake in 5-sugar millers to strategic investors starting this month as it looks to complete reforms aimed at making its sugar industry competitive. It will reserve 30% for farmers and sell a remaining 19% stake in the Sony, Chemelil, Nzoia, Muhoroni and Miwani milling companies in an initial public offering once the factories are profitable. Critics have blamed high production costs for industry woes. Poorly funded government factories have aging machinery that is prone to break down and roads in most growing areas are in poor shape. The industry regulator, Kenya Sugar Board [KSB] estimates the cost of producing a tonne of sugar at about US$570 in western Kenya compared with US$240-290 in rival producers such as Egypt.

Kenya is expected to fully open up its market to imports from the regional Common Market for Eastern and Southern Africa [COMESA] states after more than a decade of an arrangement that allowed it to charge high tariffs to protect its sugar farmers. In February Kenya was granted a 1-year extension of safeguards that limit sugar imports from COMESA to allow the country improve the competitiveness of its sugar industry. The tariffs were scheduled to fall to zero in March, but Kenya sought an extension until 2015 to conclude reforms in its sugar industry.

Kenya has an annual sugar deficit of around 200,000 tonnes, which is usually filled by imports from producers in the region. Kenya has an installed factory crushing capacity of 30,109 tonnes of cane per day and expects an additional 3,000 tonnes to be added when a factory being constructed near the port city of Mombasa starts operations. The factory, Kwale International Sugar Company, is 25% owned by Mauritius' Omnicane. Kenya's raw sugar production is expected to climb by 17% to 700,000 tonnes in 2014, buoyed by improved supply of cane and higher factory capacity. Meanwhile sugar is also subject to a 16% value added tax [VAT] & a 7% sugar development levy.

[Reuters 04/04/14]

Nigeria

Industry Poised For US$2.6 Billion Investment

Key stakeholders are to ramp up investment by US$2.6 billion following a significant increase in demand which has reached 2 million MT by the end of 2013. This is 500,000 MT more than the 1.5 million requested in 2012, according to the National Sugar Development Council [NSDC]. This has drawn significant interest from the industry's big players keen to exploit this growth for greater profit margin and increased market share.

Dangote Sugar	Pumping US$2 billion following the acquisition of Savannah Sugar in Adamawa State, Northern Nigeria. It aims to fund an expansion project that will raise output to 1.5 million MT by 2018. This will be achieved by increasing the capacity of its sugar plantation from 6,500 hectares to 21,000 which will boost production to a 100,000 tonnes of sugar annually
HoneyGold Group	Investing US$300 million in 2-sites in Adamawa with production capacity of 200,000 tonnes annually.
Confluence Sugar Company	To invest US$240 million
Crystal Sugar Mills	Planning to invest US$30 million

These investments will reduce the country's dependence on sugar importation which has been costing the country millions of dollars. It will also encourage participation of local sugarcane farmers who have previously complained of low patronage thus boosting the nation's economic growth.

[VENTURES 02/04/14]

South Africa

Sugar-Fee Raise Means First Import Duty in 4 Years

South Africa's decision to raise the dollar-based reference price of sugar by 58% means importers will have to pay tariffs on shipments of the sweetener for the first time in 4-years. The country's International Trade Administration Commission increased the reference price to US$566/MT on April 4, from US$358/MT. Duties need to be paid on imports if sugar traded on NYSE Liffe in London is lower than the local reference, it said. While the new level will provide a measure of protection for the sugar industry current world sugar prices and exchange rates mean there is a possibility that the tariff may not curb imports.

Sugar fell for 3-straight years through 2013, slumping 42% on NYSE Liffe in the period after growers from Brazil to Australia raised output, leading to a global surplus and making it cheaper to import and harming South African producers. The country is Africa's biggest producer of sugar and its retail price is among the lowest globally. Imports cost the nation, which produces a surplus and enough to satisfy local demand, 50 million rand [US$5 million] a month.

The formula for calculating the tariff excludes the average cost to transport the sweetener by sea to South Africa and includes a so-called distortion factor. The sugar association had asked the commission to more than double the reference price to $764.34 a ton. Tongaat Hulett Ltd. is South Africa's biggest sugar producer by market value. Last year, the company said the country should give better protection to producers in the wake of low global prices.

[Bloomberg 08/04/14]

Fawu Press Welcomes Increase Protection to Domestic Sugar Producers

The Food and Allied Workers Union [FAWU] welcomes the announcement by the International Trade Administration Commission [ITAC] to increase the domestic dollar-based reference price from US$358 [R3 735] to US$566 a ton for imported sugar thereby effectively increasing protection to domestic sugar industry from foreign sugar supply, some of it subsidised. FAWU acknowledge that there may be increase in domestic sugar supplies and sugar-based products as a consequence but call on producers and processors of such products to be reasonable and responsible as we will equally call on government to reduce such measures should it be found that there is price abuse practices following this protection.

[Congress of South African Trade Unions 10/04/14]

COMMODITY NEWS
TEA

General

The 2nd World Tea & Coffee Expo 2014

Over 100 exhibitors from 8 countries and some 6,000 trade visitors are expected at the 2nd World Tea & Coffee Expo 2014 held in Mumbai, India from 11-13th September 2014. Leading companies associated with the Tea & Coffee trade will showcase products and technologies covering areas in certification, new infusions, roasters, processing and packaging, machinery, manufacturers and allied products and accessories.
http://www.worldteacoffeeexpo.com/

[Global Travel 12/04/14]

Kenya

Tea Farmers Threaten to Sue KTDA

The Kenya United Small Scale Tea Owners Association has threatened to go to court accusing the government and Kenya Tea Development Authority [KTDA] management over depreciating market prices, late payments and lack of integrity in tea factory management. The farmers petitioned KTDA to raise its prices from Sh14 to Sh100 per kilo and the bonus from Sh5 to Sh10. They also want the agency to reverse title deeds in all tea buying centres registered under KTDA to the community.

[The Star 21/04/14]

Kenyan Tea Prices Rise At Weekly Auction

The highest price for top grade Kenyan tea rose slightly to US$3.16/kg at the latest sale from US$3.00/kg previously according to the Tea Brokers of East Africa. Kenya is the leading world exporter of black tea and the crop is a leading foreign exchange earner.

	08/04/14 [per kg]	01/04/14 [per kg]	25/03/14 [per kg]
Best Broken Pekoe Ones [BP1s] TEABP1-BEST-KE	$2.57-3.16	$2.45-3.00	$2.65-3.20
Best Brighter Pekoe Fanning Ones [PF1s] TEAPF1-BEST-KE	$2.30-2.62	$2.15-2.60	$2.28-2.67
Unsold	7.54% of 117,489 packages / 7.59 million kg	16.47% of 130,808 packages / 8.42 million kg	16.57% of 140,994 packages / 9.1 million kg

Most of the tea offered at the Mombasa auction is from Kenya, but it also sells tea from Uganda, Tanzania, Rwanda, Burundi and other regional producers. The Tea Board of Kenya said earnings from rose 2% to 114.4 billion shillings [$1.3 billion], while total output jumped 17% to a record 432.4 million kg.

[Reuters 09/04/14]

Rwanda Dominates Mombasa Tea Auction

Rwandan tea dominated the Mombasa auction recording the highest prices by mark and country. Rwanda's Kitabi Tea Company recorded the highest with its BP1 selling for US$3.16/kg higher than the previous week when Gisovu Tea Factory also from Rwanda sold it's BP1 at US$3.00. During this year's 14th sale Kitabi also recorded the highest price on PF1 selling at US$2.62 while PDUST by the same company sold at US$2.75.

Kenya however managed a $3.12 price on DUST1 from Gathuthi Tea Factory in Nyeri a few cents lower than the previous week where it sold the same brand at a higher price of $3.16. During sale 13, Kitabi saw its PF1 go for US$2.60 while PDUST was sold at US$2.84. Rwanda leads with an average auction price of US$2.29 in this year's market while Kenya comes second with an average of US$ 2.20. Burundi is third with US$2.11.

[The Star 11/04/14]

Sharp Fall In Tea Prices To Eat Into Farmers' Earnings

More than 500,000 small scale tea farmers affiliated to Kenya Tea Development Agency [KTDA] are likely to earn less following low prices of the crop at the Mombasa tea auction for the last 9-months. The prices of tea at the auction have dropped by up to 30% since July 2013, a situation feared will have serious consequences on farmers' returns from the crop. The sharp price drop is attributed to oversupply of tea in the market as a result of favourable weather conditions and improved crop husbandry. The situation is also blamed on political instability in some of Kenya's key markets such as Egypt. Pakistan, Egypt and Afghanistan import 56% of Kenya's tea. The problem will persist owing to the fact that long rains have kicked off and thus may take longer for the prices to recover to previous levels due to high production.

In 2012/2013 financial year, Kenya produced 432 million kg of tea compared to 370 million kg in 2011/12, accounting for 17%. Global tea production stands at 4.8 billion kgs of made tea against a consumption of 4.6 billion kgs. In 2013, 384 million kgs of tea were sold at the Mombasa auction compared to 322 million kgs in same period the previous year. In 2012/13 financial year, tea production by the small-scale tea sub sector increased to 258 million kgs of made tea from 211 million the previous year, representing a 22% increase. Despite the drop in tea prices, small-scale tea farmers will still earn relatively good returns. Last year, the small scale tea farmers earned a total of Sh35.6 billion as second payment [bonus] at an average rate of Sh31.65/kg of green leaf.

Revenue from shipments of tea rose 1.9% last year as increased volumes offset lower prices. Export earnings grew to 114.4 billion shillings [US$1.32 billion] in the 12 months through December from 112.2 billion shillings a year earlier according to the Tea Board of Kenya. The amount of tea shipped grew 15% to 494.3 million kg, while average prices fell to US$2.68/kg from US$3.09.

[Standard Media 24/03/14]

KTDA To Launch New Orthodox Tea

The Kenya Tea Development Agency [KTDA] will soon roll out orthodox tea as 2-tea factories, Kangaita and Itumbe, have successfully conducted a pilot project in a bid to fetch better prices. The introduction follows the fall of price of Kenyan tea at the auction floors and last year's increased yields which are projected to fetch lower bonuses for farmers this year. Orthodox teas would be introduced to all tea processing zones. Such tea is popular in Russia, France, Germany and Iran. Orthodox teas are whole leaf teas manufactured using the traditional process. The orthodox grades are lighter than the granular CTC and offer a more complex and subtle multi-layered flavours of loose leaf teas. It also fetches higher prices than the CTC tea. KTDA is also targeting new markets in Far East countries like Indonesia and Malaysia.

[The Star 31/03/14]

Kenya Wants Turkey To Cut High Import Tariffs On Tea

Kenya has appealed to Turkey to reconsider the high export tariff that has been imposed on tea imports. The tariff currently stands at 145% and is seen as restrictive. The balance of trade currently favours Turkey. The 2012 figures show Kenya's exports to Turkey were estimated at US$18 million [Sh1.5 billion] against imports worth US$140 million [Sh12 billion].

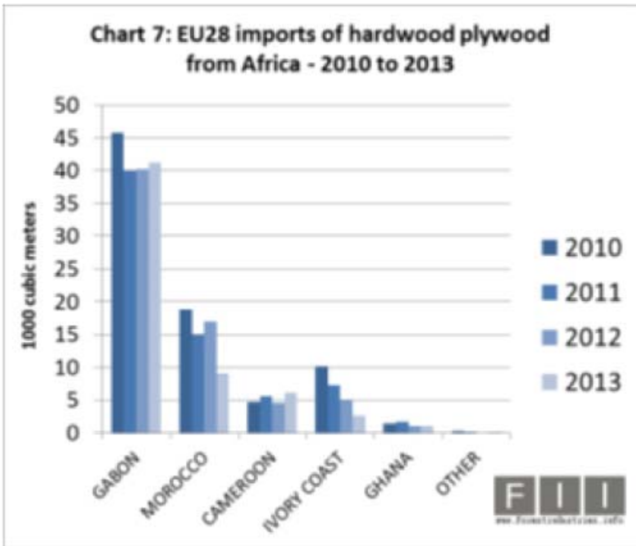
[Standard Digital 07/04/14]

COMMODITY NEWS

TIMBER

General

European Market For African Plywood Slows Again



EU imports of hardwood plywood from African countries declined 11% to 60,300 m3 in 2013. A sharp fall in imports from Morocco and Ivory Coast was only partially offset by a slight increase in imports from Gabon and Cameroon.

EU imports of okoume plywood from Gabon picked up a little at the end last year to beat the increase in import duty from 3.5% to 7% imposed on 1 January 2014 with the change in Gabons GSP status. Europe's domestic manufacturers of okoume plywood also recorded an uptick in demand at the end of last year. However with underlying consumption of okoume plywood in Europe still slow and stocks relatively high, new orders have weakened again in 2014.

Despite slow demand, availability of okoume plywood manufactured in Gabon by European companies is constrained by a long-term shortfall in veneer supply, particularly for FSC material which is increasingly demanded in Europe. Okoume plywood manufactured in France has the advantage for buyers that it can be sourced relatively quickly. Lead times for standard dimensions may be under 2 weeks, while more specialist products may be delivered within a month. However efforts to diversify sales of okoume plywood manufactured in Europe on the back of short lead times and robust legality and sustainability credentials have yet to gain traction. Prices for okoume plywood in the EU have changed little in recent months. Efforts by European manufacturers to increase prices in response to rising veneer costs and import duties are still hindered by slow consumption.

[ITTO 15/04/14]

Firm Demand Triggers Price Increases

Producers report that the price gains over the past weeks have been built upon further, especially for the main commercial species. The continued short supply of sapele, coupled with improving demand, has finally triggered price increase worth reporting. The rise in price for sapele has pulled up sipo prices for which demand is firm. Currently, the market for the prime red species is reported as very firm and producers anticipate further improvements in prices over the next month or two. Demand for iroko has also strengthened and this has allowed exporters to secure some much needed price improvements.

Analysts point out that, for the first time in a long while, both log and sawnwood prices for prime species have moved up at the same time. In the past, when the EU was the main market, it was usual for sawnwood prices lag behind changes in log prices. But as logs predominately go to China and India and sawnwood goes to traditional markets there has been an uncoupling of the link in price movements. Producers note that the firming of demand has emerged quickly and is mostly in EU markets and is well distributed across EU member states. Demand from Middle East and Asian countries is currently strong and even US buyers are more active in the market for mahogany and other prime species. Analysts suggest rising prices for US hardwoods, notably white and red oak, may be enticing EU buyers back to tropical timbers. In current contract negotiations it seems that buyers have a better understanding of the difficult log supply situation in West and Central Africa which limits the ability of producers to increase mill production at short notice.

[ITTO 15/04/14]

Good Market Prospects In Second Quarter

In most of the West and Central African producer countries the supply/demand equation is better balanced and the industry itself has a much better understanding of the various markets so can negotiate with confidence. Throughout the region there is virtually no excess raw material supplies or high stocks that would lead to any major increases in production or price discounting. Market prospects for the balance of the second quarter appear to be good and buyers are being advised to look to the medium and long term if they want a secure supplies of the most popular species.

[ITTO 15/04/14]

Congo

Changes In Congo Brazzaville May Boost Availability Of Logs

The availability of logs on the international market has been boosted as companies that are in the process of building mills in Congo Brazzaville have been granted permission to export a higher quota of logs during the mill construction phase. The government in Congo Brazzaville is strictly enforcing forest management plans and, as in Gabon, the authorities do not hesitate to withdraw and re-allocate concessions if companies do not comply with the terms of the management plans. The trade is hopeful that the availability of sapele could improve as more logs are coming out of Congo Brazzaville where there are untapped resources. As the new mills begin production the supply of sawn sapele and other prime timbers is certain to substantially increase.

[ITTO March]

Companies Using The Brazzaville-Yaoundé Suffer Unauthorized 'Tax' Burden

Trucking along the Brazzaville-Yaoundé corridor presents many challenges to the timber industry. Any company using the Brazzaville-Yaoundé corridor is frequently required to pay unauthorised taxes' demanded by groups on both the Congolese and Cameroonian sides of the border. In order to address this the Economic Community of Central African States [CEEAC] will launch an initiative to facilitate unrestricted transportation between the Congo and Cameroon in particular to improve transport along the Ketta Road in Congo to Djoum, Cameroon which is still under construction. Jean Jacques Samba of Uni-congo, an organisation of Congolese business leaders is on record as saying - illegal taxes significantly increase transportation costs adding up to 30% to the export transaction costs.

[ITTO March]

Ghana

Surprising Increase In Gmelina Log Exports

According to data from the Timber Industry Development Division [TIDD] of the Forestry Commission [FC], export contracts approved in Q4 2013 totaled 78,855 m3, a slight increase on Q3 2013 levels. The table below shows the breakdown by product category. Exports of primary products fell over 15% to 6,339 cu.m in Q4 2013 compared to the previous quarter. This was because of the sharp fall in teak log exports.

The decline in teak log export volumes was partially compensated for by an increase in gmelina log exports to India which jumped to 6000 cu.m in the fourth quarter. Exports of product categorised as secondary in TIDD statistics [mainly sawnwood] increased by 3.6% compared to the previous quarter and amounted to 69,792 cu.m. However, exports of tertiary products fell sharply [down 16%] to just 2,724 cu.m in Q4.

Rosewood and teak sawnwood exports increased in Q4. Rosewood exports amounted to 16,125 cu.m, up 30% on levels in Q3, mainly for the Chinese and Indian markets, while sawn teak exports rose 11% to 8,130 cu.m.

[ITTO 15/04/14]

Product Category	Q4 2013 m3	Q3 2013 m3	% Change
Primary	6,339	7,505.72	-15.54
Secondary	69,792.51	67,402.98	3.55
Tertiary	2,723.83	3,239.72	-15.92
Total	78,855.33	78,148.41	0.9

COMMODITY NEWS

TIMBER

Ghana's Plywood Exported Mainly To Regional Markets

Rotary cut veneer exports in Q4 fell a massive 79% but exports of sliced veneer improved and were up 14%. In the final quarter of 2013 exports of plywood to neighbouring countries fell by 3% but, despite the fall, the regional markets continued to be the main markets for Ghanas plywood. Of the 13,664 cu.m of plywood contracts approved, 94% in terms of volume was shipped to countries in the West Africa sub region with Nigeria being the major destination. Most exports of the tertiary products, such as sliced veneer and kiln dried lumber were for the European markets. The United States continues to be the major market for mahogany and cedrella sawnwood as well as for rotary veneer. The Middle East and Egyptian markets emerged as major importers of Ghana backing grade veneer.

[ITTO 15/04/14]

Ghana Mulls Importation Of Timber

The government is exploring the possibility of importing logs and lumber from other countries, to make up for the deficit in the domestic wood market. Reportedly arrangements were being made with Cameroon. This highlights the serious decline in the nation's timber resources caused by over-exploitation. A new wood procurement regime under which only legally produced lumber would be used for government's projects is meant to drastically reduce the volume of illegally traded lumber in the domestic market, currently estimated at about 80%. The growing degradation of the forest is estinated at 10% of the Gross Domestic Product [GDP]. The new policy focuses on biodiversity conservation, transparent forest governance, equity sharing and citizens' participation in forest and wildlife management. It also places premium on eco-tourism development. A forestry development action plan would be put in place to ensure its successful implementation with stakeholders invited to join in efforts at helping to achieve set targets.

[GNA 23/03/14]

Year-On-Year Growth In Exports

Ghana's timber exports for the 2013 recorded a year-on-year growth in terms of both volume and value according to available data from the Timber Inspection Development Division [TIDD] of the Forestry Commission. Overall the volume of exports increased just over 8% in 2013 compared to 2012 while the value of 2013 exports rose a healthy 19.5%. Sawnwood and veneer exports grew in terms of both volume and value in 2013 compared to 2012.Of the 21 products exported in 2013, air dried and kiln dried sawnwood and plywood [including overland exports] accounted for 35.6%, 23.2% and 21.8% respectively of total export volumes which totalled 271,740 cu.m earning €89.27 million. Overland plywood exports to neighbouring countries accounted for 96% of the total plywood exports [59,350m3] in 2013. The main markets were Nigeria, Burkina Faso and Niger. Primary product exports [mainly sawnwood, boules, veneers and plywood] accounted for over 90% of the volume and value of exports. The major species exported during 2013 were wawa, mahogany, ofram, sapele, rosewood, dahoma and denya. The United States, China, Germany, UK, Nigeria, Senegal and India were some of the major markets for Ghana's wood products in 2013. The ECOWAS countries , especially Nigeria, Burkina Faso, Niger, Benin and Senegal, were significant buyers of Ghana's wood products in 2013.

[ITTO March]

Weak Law Enforcement, Roots Of Illegal Logging

The Minister of Lands and Natural Resources noted inadequate monitoring and feedback mechanisms, as well as poor participation of stakeholders in the policy making process, among others, are some of the challenges affecting the fight against illegal logging. The Minister made these remarks at the inauguration of a 11- member Timber Validation Committee in Accra as envisaged under the Voluntary Partnership Agreement [VPA]. The committee will ensure verification and validation are performed in a credible, transparent and independent manner. The Committee will also resolve complaints regarding timber products imported into Ghana, and those destined for export from Ghana, as well as timber destined for distribution and sale on the domestic market.

[GhanaWeb 03/04/14]

Value Of Timber Exports Up 19.5%

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Product	2012 ['000's cu.m]	2013 ['000's cu.m]	% Change 2012-2013
Lumber [AD]	57.76	96.76	67.5%
Lumber [KD]	54.61	62.91	15.2%
Veneer [Sliced]	17.98	21.66	20.4%
Veneer [Rotary]	4.91	6.6	34.2%
Veneer [Curls]	0.04	0.03	-30%
Plywood	90.91	59.35	34.7%
Boules [AD+KD]	1.25	1.07	-14.3%
Other Products	23.77	23.37	-1.7%
TOTAL	251.25	271.74	8.2%

Source: TIDD, Ghana Forestry Commission

Product	2012 Euro Mil.	2013 Euro mil	% Change 2012-2013
Lumber [AD]	21.21	42.06	98.3%
Lumber [KD]	22.87	27.7	21.1%
Veneer [Sliced]	14.73	16.59	12.6%
Veneer [Rotary]	1.56	2.25	44.6%
Veneer [Curls]	0.35	0.22	-36.7%
Plywood	28.57	19.51	-31.7%
Boules [AD+KD]	0.58	0.49	-16.1%
Other Products	9.97	10.47	5%
TOTAL	99.84	119.29	19.5%

Source: TIDD, Ghana Forestry Commission

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[ITTO 09/04/14]

COMMODITY NEWS
TIMBER

Zimbabwe

Major Boost For Timber Industry

One of the country`s largest timber producers, Allied Timbers, has commissioned new machinery worth over US$1 million at Gwindingwi sawmill plant in Chimanimani. The new machinery, which was purchased from Germany, is part of the company`s grand plan to refurbish its 5-sawmills to increase productivity. Allied Timbers is also seeking ISO14000 certification, an assurance to customers that their operations were environmentally sustainable. Gwindingwi produces 4,000cu.m of sawn timber every month. New equipment is expected to generate US$1 million in sales per month.

[The Zimbabwean 04/04/14]

COMMODITY NEWS
TOBACCO

Malawi

AHL To Open Kabwafu and Mgodi Markets

Auction Holdings Limited [AHL] announced plans to open Kabwafu markets in Mzimba and Mgodi in Mangochi to reduce costs farmers incurr when transporting their tobacco to major markets. Plans also include construction of selling floors in the phase two of Chinkhoma market in Kasungu. Apart from reducing the cost of transport, the new markets will enable farmers to access the market at any time. Meanwhile the launch of the AHL commodities exchange has attracted the attention of both local and international buyers. Tobacco is the biggest country's foreign exchange earner contributing 15% to Gross Domestic Product [GDP].

[Malawi News Agency 26/03/14]

Tobacco Prices Good As 2014 Market Opens

President Banda was impressed with the maximum prices of tobacco at the opening of the 2014 market season on 24 March. The maximum price for tobacco in the contract farming category was US$2.90. The Tobacco Control Commission [TCC] and its stakeholders are working towards a decentralized rural tobacco marketing system which the President advocated for to ensure that transport costs for the farmers were reduced.

[Malawi News Agency 26/03/14]

Uganda

Tobacco Industry Cautions On New Legislation

The tobacco industry leaders in Uganda have expressed concern about the new legislation to regulate the industry saying it might suffocate tobacco farming and investments. Representatives of the industry have said they support the proposed Tobacco Control Bill 2014 bill but warn that it produces an unintended effect of banning tobacco growing instead of regulating the industry and consumption of cigarettes. They therefore want sections of the bill reviewed before it is passed by Parliament. In 2012/13, tax contributions from the tobacco sector amounted to sh105b and leaf exports earned over sh200b. Over sh81b is paid to farmers in crop purchase and transporters get over sh20b.

Clause 49 of the Bill seeks to abolish the Tobacco (Control & Marketing) Act without replacing it with any law. Over 60,000 farmers grow tobacco in Uganda under the sponsorship of licensed tobacco companies which are obliged to purchase the crop. Repeal of the Act would threaten the livelihood of farmers, the revenues and investments. Repeal of the Act will create a legal and structural vacuum for the governance of tobacco growing and buying operations since the Bill makes no provision to regulate it. The clause is not clear whether the subsidiary legislation made under the Tobacco (Control and Marketing) Act are repealed.

[New Vision 25/04/14]

Zimbabwe

2014 Tobacco Campaign To Exceed 2013

According to the industry regulator Tobacco Industry and Marketing Board [TIMB] since the launch of the tobacco season on February 19th Zimbabwe has exported 71.5 million kg of tobacco worth US$227.9 million. Belgium is the #1 trader purchasing 3.4 million kilograms with a value of US$9.1 million. United Arab Emirates followed with 2.2 million kg and China 1.8 million kilograms offering a higher price of US$13.8 million. The campaign, which started off slowly is now in full swing and projects 185 million kilograms of tobacco should be sold during this campaign against 166.6 million kilograms in 2013.

[Ecofin 23/04/14]