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PRESS RELEASE

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23 APRIL 2010

FORTIS BANK NEDERLAND/VM Group: Agricommodities Monthly – COCOA QUARTERLY

VM Group in partnership with Fortis Bank Nederland today publishes the April 2010 edition of *The Agricommodities Monthly*, which reports on and analyses key developments in the global markets for agricommodities.

The April issue is a **Cocoa Quarterly**, which contains adjustments to our previous estimates for the global cocoa supply-demand balance. We have increased our estimated deficit for the 2009-2010 season to 124,000t (13,000t bigger than our previous estimate), largely because of an across the board rise in grindings for all regions except Africa. We have also revised our estimate for the global supply-demand situation in the 2010-2011 season, from a 14,000t deficit in our previous report, in March, to a 21,000t surplus, largely as a result of a projected 6.7% rise in net global cocoa output. However it should be emphasised that any estimate for the 2010-2011 season must at this stage of the crop cycle be a matter of conjecture, given the inevitable uncertainties regarding weather conditions in the months ahead.

While both production and grindings are, in our opinion, likely to improve in the 2010-2011 season, the background to the world's cocoa sector remains somewhat insecure. The report highlights the fact that although cocoa prices have recently been relatively high, this has yet to evoke a substantial supply-side response. In the report we argue that: "the global cocoa market needs fresh cocoa plantations of around 100,000 hectares a year for the next few years...to fend off a structural deficit." Current prices may not be sufficiently high to ensure the necessary global expansion of the area used for cocoa production."

In addition, the report each month carries an informative commodity-related feature. In April we consider the phenomenal growth of genetically modified crops in many parts of the world – except the European Union. But is the EU becoming more willing to embrace GM crops, following a recent decision by the European Commission to approve – against much internal opposition – the cultivation of a GM potato?

The Agricommodities Monthly is free of charge and open-access and is available directly from the VM Group at www.vmgroupp.co.uk

If you have not received a copy of this report, or should you require further details or commentary, please contact:

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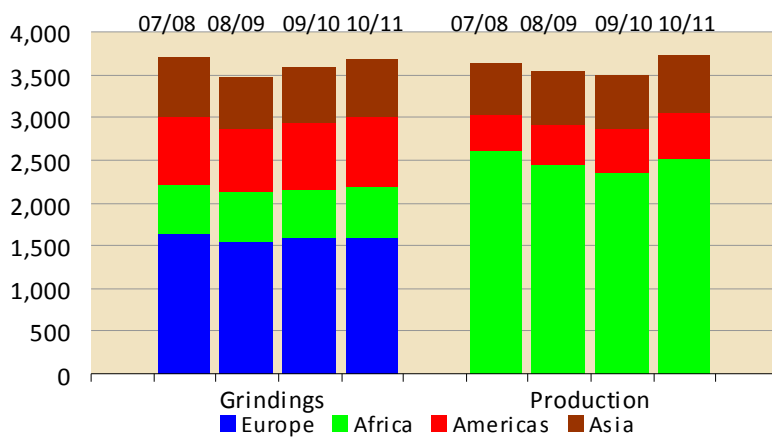
Cocoa supply & demand balance, 000 tonnes

	2007/08	2008/09	2009/10	2010/11
Africa	2607	2,454	2,363	2,521
Americas	430	464	501	540
Asia	599	615	633	671
Total production	3636	3,533	3,497	3,732
Net production*	3,600	3,498	3,462	3,695
Europe	1,652	1,540	1,589	1,588
Africa	560	582	567	612
Americas	800	752	790	807
Asia	693	599	640	667
Total grindings	3,705	3,473	3,586	3,674
Balance	<i>(105)</i>	25	<i>(124)</i>	21
End stocks	1,475	1,499	1,375	1,396
Stocks/grindings ratio**	40%	43%	38%	38%

Note: italics denote revisions to previous estimates

**1% less than total production to account for a loss in weight due to reduced moisture during transport*

*** Stocks as a % of total grindings*



Source: Fortis Bank Nederland