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### Chairman's Message

28<sup>st</sup> March 2007

Dear Members,

2006 was an eventful year with many activities accomplished. Top on the list was the continual emphasize on the importance of quality and food safety. We organized workshops and have had dialogues with the relevant government authorities to stress the importance of quality, in particular the quality standard of cocoa beans. I am pleased to advise we have had some successes that Vietnam has adopted our cocoa quality standard and Indonesia has also agreed to use our quality standard as a guide when revising their national quality standards.

We also actively participated in discussions and dialogues and work closely with regional government authorities/agencies, non government organizations (NGOs) and international trade bodies on sustainability programs to help to uplift the livelihood of the cocoa farmers. As a result of this, our efforts were finally paid off when we received a grant subsidy of Euro 85,136 from the Dutch government to sponsor a Sustainable Development Program in Papua New Guinea titled: "Confronting the Threat of Cocoa Pod Borer to Cocoa in Papua New Guinea". I would like to applaud the good effort rendered by Chow Boi and those involved in this project for the trust and speed in which the funds were disbursed to us. We hope this would help to train the farmers in Papua New Guinea on the proper farm practices and provide a sustainable livelihood for farmers.

Some of our members were also actively involved in the activities organized by NGOs such as ACDI/VOCA Success Alliance on sustainability programs in Vietnam, Philippines and Indonesia. Going forward, we will continue to support these efforts and offer our assistance where possible.

Listed are below were the activities organized and participated by the association:-

- 1) Talks on arbitration rules – by Mr Alan Cook former chairman of FCC (Federation of Cocoa)
- 2) Dialogues with Economic Development Board of Singapore (EDB), International Enterprise of Singapore (IES) & Singapore Commodity Exchange (SICOM) on the feasibility of setting up of a cocoa futures market in Singapore.
- 3) Dialogues with SICOM and New York Board of Trade (NYBOT).
- 4) Attended the FCC Cocoa Dinner and the chairman of CAA was invited as one of the guests of honor in the function.
- 5) Organized cocoa quality workshop in Sulawesi.
- 6) Participated the 9th ASEAN Cocoa Club Meeting in Kota Kinabalu, Sabah.

- 7) Meeting with Ibu Mari Pangetsu, Indonesia's Minister for Trade to discuss trade, export tax and quality issues affecting the Indonesia cocoa industry in the presence of officials from the Agriculture Ministry, Quality Standardization Board, ASKINDO, APIKI and Indonesia Cocoa Commission.
- 8) Presented a paper on "SE Asia Cooperation For Cocoa Development & Vietnam's Role in the Regional Industry - Outlook of the SE Asia Cocoa Market" organized by Vietnam's Ministry of Agriculture.
- 9) Presented a paper on "Partnership To Improve the Farmers' Link to the Value Chain in SE Asia" in the 3<sup>rd</sup> ACDI/VOCA Success Alliance Regional Conference in Vietnam.
- 10) Sponsored and organized a Sustainable Development Program titled: Confronting the Threat of Cocoa Pod Borer to Cocoa in Papua New Guinea" in Papua New Guinea.

I am also pleased to inform that the association has made significant progress in the drafting of the cocoa contract. The contract is now ready to be adopted and approved by the Council for implementation. The Contract Sub Working Group members should be commended and congratulated for taking on this difficult task and putting this "Master Piece" together. It is not an easy task given the complexity and legal issues involved.

In anticipation of the launching of the cocoa contract, the association will be organizing workshops to explain the market rules and highlight the main features of the cocoa contract for all players in the cocoa industry. Workshops will also be planned to train members and major players in the industry to be qualified Arbitrators and Cocoa Graders. As the cocoa contract may be adopted by the ASEAN Cocoa Club as the official cocoa contract for the region, we will also hold dialogues and discussions with the relevant authorities on the use of the cocoa contract.

For the past few years, the cocoa industry in this region continues to transform and evolve and has gained a foothold in the world cocoa scene. The launch of the cocoa contract is, therefore, very timely. The proposed contract would serve as a common "language" and provide the legitimacy and confidence for those involved in the industry to trade and to rely on to resolve disputes.

Lat but not least, on behalf of the council members, I would like to thank all members for their unwavering support and co-operation without which we would not be able to achieve what we seek out to do.

I wish you more success in the New Year and look forward to your continual support.

Thank you.

Sincerely yours,

(Yeong Chye)