

Chocolate Market Growth - Barry Callebaut Sales- Nestle - Hershey - Lindt Chocolate Lovers 75

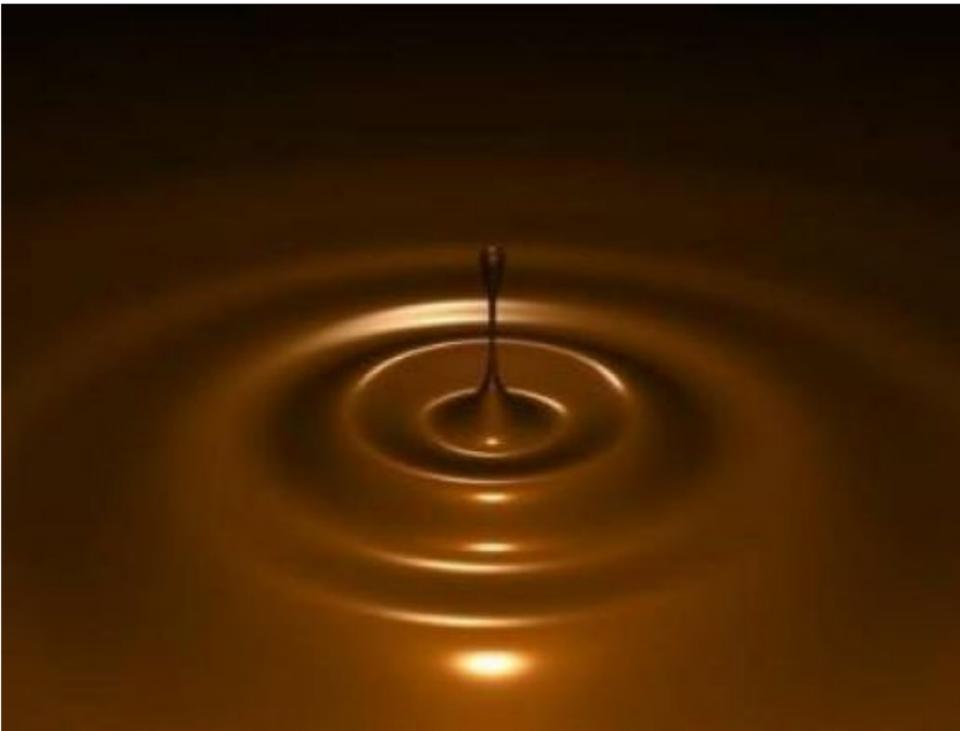
BY [BILLYAUSTINDILLON](#)

Chocolate Market Growing, Barry Callebaut, Nestle, Hershey and Lindt Chocolate Lovers

The chocolate market is growing, Barry Callebaut said after posting better-than-expected sales. This comes after the chocolate big three of Nestle, Hershey and Lindt Chocolate all have given positive outlooks. Barry Callebaut is the world's biggest chocolate maker. This is a relief for chocolate lovers and [chocolate company investors](#). The [global financial crisis](#) saw the first slump in demand chocolate has seen. Hard to believe it shows you deep this economic crisis really is.

Chocolate faced a plethora of barriers. There of course is the financial crisis, then the soaring Swiss Franc (Barry Callebaut, Nestlé and Lindt are Swiss companies) and cocoa prices reached record highs.

Charlie Wonka showed it is hard to keep chocolate lovers away. Barry Callebaut financial results are always eagerly awaited. The company makes chocolate for many of the large brands including Nestle, Lindt and Hershey. Thus they are the barometers for the chocolate business. You see the chocolate market growing, Barry Callebaut, Nestle, Hershey and Lindt chocolate lovers are buying. New products aimed at the health aspects of chocolate (yes that's right!) have also lifted demand. [Dark chocolate flavanols](#) have become one of the most popular antioxidants. It is hard to argue against them as the best tasting antioxidants.



Chocolate Market Growth

Barry Callebaut earnings report

The financial markets positively received Barry Callebaut's earnings report. At the first market opening after the results were announced Barry Callebaut shares traded up 2.9 percent. The shares were trading at 669.00 Swiss francs. This was particularly encouraging as the STOXX European food and beverages index was trading moderately to the downside.

Barry Callebaut announced sales for the last nine-month sales had risen to 3.9 billion Swiss francs (US \$3.60 billion). This was a 7.9 percent rise for the period. Barry Callebaut also reiterated its financial goals and expectations.

Barry Callebaut CEO Juergen Steinemann said in an interview with Reuters that, 'the first half was still negative but now demand (in the global chocolate market) is picking up. I still see a flat trend for our fiscal year but the trend is turning from negative to positive.'

The result was expected, but not by this much. Expectations had been lifted after Barry Callebaut's major outsourcing clients Hershey, Nestle and Lindt & Spruengli all had given optimistic outlooks in the recent past. Barry Callebaut is targeting average volume growth of 6 to 8 percent. They also see 6-8 percent rise in operating profit in each country's local currency. This would be impacted by any Swiss

Barry Callebaut Chocolate



[Paillete Feuilletine Barry](#)

Amazon Price: \$47.00



[Food Companies of Switzerland: Barry Callebaut, Thomy, Coffee World, Villars-Maitre-Chocolatier, Emmi AG, Hero Group,](#)

Amazon Price: \$14.14



[Cacao Barry Extra Dark Extra Red Cocoa Powder - 2.2 lb](#)

Amazon Price: \$14.75



Franc valuation.

Barry Callebaut is hungry for more chocolate business. CEO Steinemann said 'Targets are rather small. We are looking for the string of pearls. There are no big targets in the (gourmet) business.'

Emerging Markets Chocolate Demand Sweetens Barry Callebaut

Over the last six-month we have seen the demand for high and assets from the [emerging markets](#). This has been reflected in record auction prices in [jewelry](#), [gold watches](#) and in priceless art like [Manet](#) and [Picasso](#). Buyers from China, Brazil, Mexico and Russia have pushed up all these auctions. However this is not limited to the high end the gradual increase in the lower middle class has pushed up chocolate demand.

Barry Callebaut now achieves 17 percent of it's total sales from [emerging markets](#). CEO Steinemann sees growing potential in these markets. He sees Brazil and South East Asia as great growth markets. 'South-East Asia is important as its inhabitants are advancing in the income chain.' Explained Steinemann.

Steinmann added that 'Brazil is a great market with great growth where people are waiting for another industrial chocolate producer.'

Kepler Capital Markets analyst Jon Cox says that 'The chocolate market is growing in volume terms and Barry Callebaut won share in its third quarter driven by emerging markets and the implementation of its big outsourcing contracts with the majors.'

Cocoa and Sugar Market Affects

Barry Callebaut expects cocoa prices to remain high and volatile given the political and weather impacts in Africa. Sugar prices are less susceptible to political impact and Barry Callebaut sees sugar prices remaining stable over the foreseeable future.

Barry Callebaut CFO Victor Balli explained his outlook in a Reuters interview. 'We do not see a further increase of the cocoa price but rather a stabilization in a range of 2,100 to 2,400 pounds per tonne'.

Barry Callebaut through its size and successful cocoa and sugar trading and hedging operations is attractive for chocolate companies wanting to outsource that risk. CEO Steinemann sees 'a nice pipeline of outsourcing deals' and added 'We are confident that you will see another outsourcing deal but we cannot speak about the timing.'

Barry Callebaut and Chocolate Demand

The future price of Barry Callebaut shares is dependant on many factors, the Swiss Franc, Cocoa and sugar prices and of course chocolate demand. The stock trades around 13 times the projected earnings for 2011. This is significantly lower than it's peers. Part of this is because if the whole chocolate market sours their earnings sour. By contrast Lindt & Spruengli. who specialize in the luxury end for chocolate retail trades around 21 times estimated 2011 earnings. So as always if you are investing make sure you do your homework in all these variables.

Current financial results show the chocolate market growing. Barry Callebaut, Nestle, Hershey and Lindt Chocolate lovers all seem to be supporting this trend. The [risks of financial markets](#) are subject to many vagaries. They are not subject to only the peculiar risks to that business. These risks include [geopolitical risk](#), [currency risk](#), and [economic risk](#).

The past months have shown also that the [European economic contagion](#) still holds sway. In the U.S. we continue to see a very fragile economy. The U.S. economy has been made even more vulnerable by the [BP oil spill](#) affects and worsening consumer confidence. We saw chocolate demand fall for the first time a few years ago will we see it again? I am off to get a Kit Kat out of the fridge and ponder that thought.

Chocolate Market Research

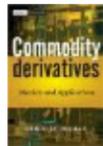
- [Free Radicals, Investing in the Chocolate Business](#)

Trading Cocoa and Sugar Markets



[Industrial Minerals & Rocks: Commodities, Markets, and Uses](#)

Amazon Price: \$220.00
List Price: \$259.00



[Commodity Derivatives: Markets and Applications \(The Wiley Finance Series\)](#)

Amazon Price: \$61.82
List Price: \$120.00



[How to Make Profits Trading in Commodities: A Study of the Commodity Market](#)

Amazon Price: \$15.34
List Price: \$17.95



Lindt Chocolate



[Lindt Chocolate, Lindor Milk Chocolate Truffles~60 Ct Bulk](#)

Amazon Price: \$29.99



[Lindt Lindor Truffles White Chocolate, 60-Count Boxes \(Pack of 2\)](#)

Amazon Price: \$33.18



[Lindt Lovers Chocolate Gift Basket](#)

Amazon Price: \$29.99



There are free radicals destroying your health and your wealth. Investing in the chocolate business is a novel way to take charge of both free radicals. In these days of European debt crisis and 1000 point...

- [Chocolate Flavanols Slow Aging, Improve Blood Flow, ...](#)
Chocolate flavanols slow aging according to Barry Callebaut, the world's largest chocolate maker. Great news if you are looking for an excuse to eat chocolate. Dark chocolate is loaded with antioxidants and...
- [Lindt chocolate gift ideas for customers, friends, a...](#)
Chocolate makes excellent gifts for customers, friends, and family. A nice quality chocolate to purchase is Lindt chocolate.
- [Research Mutual Fund Risk in Global Financial Contag...](#)
Mutual fund research is imperative before you invest. Research Mutual Fund Risk in Global Financial Contagion is critical. The rules have changed since the subprime meltdown of 2007 and the Greek economic...
- [Mutual Fund Advice in the Global Financial Crisis](#)
Mutual fund advice always needs to be filtered from self serving and customer serving sources. In the harrowing days since the global financial crisis devastated investments this becomes more pertinent. You...

Chocolate Market Growth - Barry Callebaut Sales- Nestle - Hershey - Lindt Chocolate Lovers in the News

- [New finance deal for Fakenham chocolate manufacturer](#)
EDP24 - Eastern Daily Press
6 hours ago
The parent company of Fakenham-based chocolate manufacturer Kinnerton has agreed a new finance deal giving it access to £45m of cash. Zetar, based in London, has agreed the deal with HSBC after its banking facility was coming up for renewal with its previous bank.
- [Macy's Markets Elvis, Blackhawks to Revive Sales](#)
BusinessWeek
1 second ago
Macy's Inc. is touting Elvis Christmas tree ornaments in Tennessee and Blackhawks decorations in Illinois ahead of the holidays, tailoring goods for local markets to squeeze more out of its biggest shopping season.
- [New chocolate ideas to Whittaker's](#)
Scoop.co.nz
2 days ago
24 September 2010, Waitakere . As part of a class project on advertising, several students at ACG Sunderland got to pitch their chocolate ideas to David de Ryke-Tomlinson today. David works for Twin Agencies, the sales and merchandising agency which holds the Whittaker's account.

