



2023 Annual Report

Impact • Transparency • Ethics



Overview

Soul Lift Cacao is a social enterprise based in Portland, Oregon, USA, that sources **ceremonial cacao** through ethical direct trade with Mayan collectives in Guatemala.

We also make artisanal **drinking chocolate** that combines pure cacao, coconut sugar, and different spices and extracts.

We use a unique model that combines private labeling with **sourcing transparency**. Our labels show the sourcing region and processing group. Sources get to approve our label appearance and text.

We sell via retail – website, Etsy, and at our brick-and-mortar – as well as by wholesale.

In 2023 we are expanding our retail offerings to include other Mayan goods sourced from Guatemala and Mexico.

Company Snapshot

- 2016: Began as a "cottage foods" business
- 2018: Launched our inspected e-commerce food business
- 2021: Opened first brick-and-mortar
- 2022: Registered logo/name trademark and moved shop to new location
- Primary market: U.S., especially coastal
- 51,900 unique website visits in 2022
- 13,300 followers on Instagram as of February 2023



*Soul Lift Cacao
founder Nick Meador*

Mission & Objectives

Our **mission** is to share ceremonial cacao that is made with a majority percentage of indigenous people and practices.

That means the cacao is grown on small farms with no GMOs, without chemical pesticides or fertilizers, and with attention on **sustainability** and biodiversity.

The cacao is prepared using **traditional practices** of fermentation, drying, roasting, and peeling.

Toasting cacao over **wood fire** is central to our mission. We believe it creates a flavor and aroma that can't be replicated in a modern oven.



A lot of our work is centered on **educating** the public about how this type of ceremonial cacao is different from industrial and bean-to-bar chocolate in regards to agriculture, sourcing, production, and distribution.

We are becoming leaders in **testing** cacao for heavy metal, caffeine, and theobromine content, as well as transparency about the data.

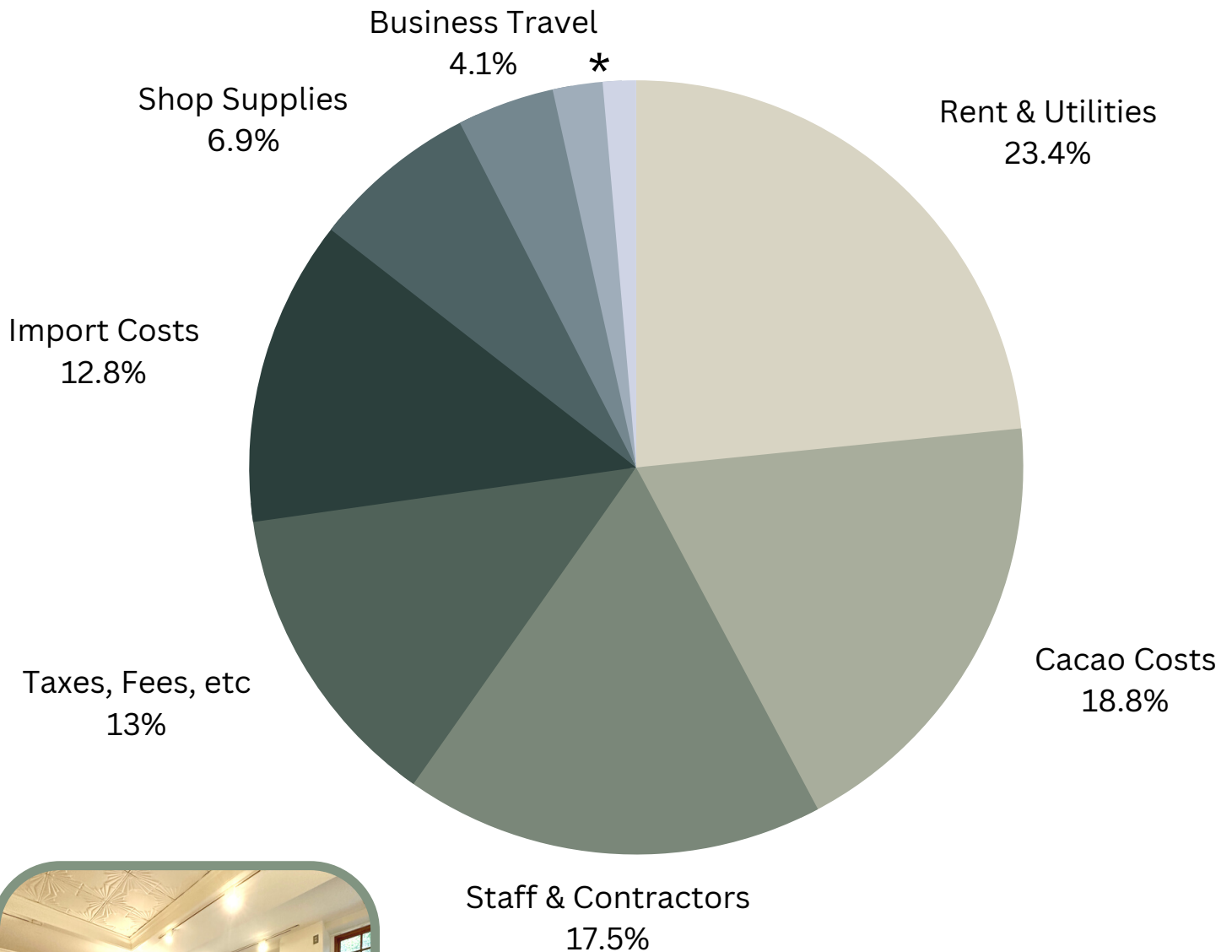
Another part of education is our **programming**. Currently we offer Guatemalan cacao tours, guided cacao tastings, and facilitator training courses.

Our **articles** on ceremonial cacao rank highly on Google, especially our feature on the subject of cultural appropriation (#1 average search result as of 2/21/2023; 13,700 unique article visits in 2022).*

*Ranking data from Google Search Console

Financial Snapshot

Here's the breakdown of our operational costs to give a sense of how finances are distributed in our business model.



Our shop on N Mississippi Ave in Portland, Ore.

Data from the entire year of 2022

*Not Labeled:

- Other Food Ingredient Costs - 2.1 %
 - Marketing - 1.4%
-

Impact Snapshot



Izaias of Lavalove Cacao gives a presentation on a Guatemalan Cacao Tour



Our business supports the employment of at least 230 indigenous people in Guatemala – a place still recovering from a decades-long civil war in the late 20th Century.



Average of \$2.53 USD paid to farmers per pound of dried seeds, compared to \$1.08 commodity and \$1.36 "fair trade" rates.* Average of 1100% (11x) the fair trade rate per pound stays in the source country.



Based on visits to many collectives and farms, we believe our supply chain is totally free of slave labor, forced child labor, and human trafficking.



Processing groups (i.e., collectives) pay workers at least minimum wage and create more employment opportunities for women.



Anecdotal evidence from our Mayan partners shows that the increased income from cacao work is leading to a significant improvement in quality of life.

*According to our partners at Cacao Source, with commodity and "fair trade," the actual farmers receive even less than these amounts.

Challenges

Concept Dilution

The term "ceremonial cacao" is being used to describe pure cacao paste regardless of where or how it was grown and prepared, sometimes bordering on food fraud.

Illegal Sales

The majority of authentic ceremonial cacao is sold on the black market without an inspected food business. This results in less transparency or verification of quality and ethics.

Market Disruption

The movement hasn't reached the critical transition from early adopters to a more mainstream market. This will require education, public relations, and enlisting the help of community leaders.

Profit Margin

Since 11x the "fair trade" rate stays in the source country, we have a smaller operating margin than most chocolate and cacao brands. This makes it more difficult for the company to be profitable.

Local Instability

We are based in Portland, Ore., which is experiencing a level of houselessness, drug addiction, and mental illness that many consider to be a state of emergency. We experienced break-ins at our first shop.



LEFT: Chopped ceremonial cacao paste.
RIGHT: A cup of rich, frothy drinking chocolate.



Goals for 2023

1 Build out Portland shop to revive the cafe aspect and solidify the model into something that can be replicated in other cities.



2 Expand programming, especially virtual events with sources, Guatemalan cacao tours, and educational events.



3 Create more definition and protection for the traditional practices underlying the term “ceremonial cacao.”



4 Establish distribution satellites in Canada, the UK, Europe, and Australia to reduce shipping costs for customers in those destinations.



5 Explore the possibility of sourcing from a country other than Guatemala for the first time.



Glowing after a ceremony with Utz K'aslema cacao collective, the makers of La Noche ceremonial cacao, on our Dec 2022 cacao tour.

Conclusions

Soul Lift Cacao holds an extremely unique position in the ceremonial cacao movement.

And we are poised to be a leader as authentic ceremonial cacao grows in popularity in the U.S. and worldwide.

We expect 2023 to be a year of profound evolution for our business and our community.

Thank you for being a part of it!



PHOTOS – LEFT: Pouring ground cacao into molds at the Ruk'u'x Ulew (Heart of the Earth) women's cacao collective. **UPPER RIGHT:** Nick and Ruk'u'x Ulew founder Cecilia Mendoza Chiyal. **LOWER RIGHT:** Peeled cacao seeds (aka "beans"), husks, and roasted seeds with the husks still on.