

MAROU

A close-up photograph of a pair of dark-skinned hands holding a broken cacao pod. The pod is split open, revealing the white, fibrous pulp inside. The background is dark and out of focus.

CACAO REPORT 2021

Written by:
Vincent Mourou, Vung Dang Gia,
Trang Dang Thi Huyen, Pham Le Hong, Sonia Gregor

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Introduction

It's hard to believe that our company is already ten years old. A decade ago, two friends with a love of old cars and muddy adventures gave their names to a crazy idea: Marou, Faiseurs de Chocolat. Since then we've watched that seed grow into a company that spans continents and touches the lives of hundreds, even thousands of people.

When Marou turned five in 2016, we had a party and invited all 20 of our cacao fermenters. They hopped on buses from their respective farms to the chocolate factory in Ho Chi Minh City. We had eight kinds of chocolate birthday cake, and the fermenters each brought a bottle of home-brewed cacao wine for a taste-testing contest. The night ended with karaoke – pops songs from the young chocolate makers and ballads from the farmers, a rousing rendition of YMCA from the French interns.

That sense of familial love and loyalty is what has kept Marou going these past 2 years, through some of the hardest challenges we've faced as a company. Covid-19 hit us and the rest of Vietnam with a sharp loss in tourism, leaving our cafes empty and stacks of chocolate bars on the shelves. We were not able to continue our monthly visits to every cacao fermenter, as crossing province boundaries was prohibited, so we kept up with them via weekly phone check-ins. The volume of chocolate we were making dropped, but we continued buying as much cacao as possible, to support our network of small cacao producers.

The pandemic's cruelest blow came in January 2021, with the loss of our beloved co-founder, Sam. What carried us through was the outpouring of love from friends in Vietnam and the craft chocolate community around the world. Customers, competitors, employees, and farmers all had stories about their friendship with Sam. He approached everyone with equal openness, curiosity, and joie de vivre. We lost him too soon, but we're so grateful for the passion he gave to Marou.





At every hard decision we've had to make, we are motivated not by short-term profit but by what will help our partners and employees make it through this time. Without them, there will be no Marou worth coming back to. We feel a deep sense of responsibility to the farmers and fermenters who have taken time to learn from us and agreed to more labor-intensive methods to produce cacao meeting our quality standards. Unlike some larger chocolate and candy companies, we have no intention of simply pivoting to the cheapest cacao available.

Our cacao will always come from the farmers we have worked with long-term to track and improve their processes. That's how we achieve the spectrum of delicious flavors in our single-origin chocolate bars.

We have big plans for the future of cacao here in Vietnam. Just before Covid knocked us back, we were rolling out ambitious programs to reach more cacao farmers and help them produce better quality cacao in more sustainable ways. As this report spans 2019 and 2020, we will cover several initiatives that started up in 2019, even though we've had to pause them during the pandemic. Currently, we are focusing on supporting our existing producers and buying their cacao, so that they in turn can buy cacao pods from their network of farmers. But the plans are all there, and we hope to set several of these projects in motion once again when we have resources to do so.

Being in Ho Chi Minh City, we are used to difficult seasons. During the yearly monsoon, you can expect rain every afternoon, enough to flood the roads and shut off car engines. But eventually the storm clouds blow past, the waters recede, and neighbors will help each other restart their motor-bikes. 2020 and 2021 have been a very difficult season for Marou, but we are looking forward to when the sun will shine again. Someday this will all be stories we tell each other over hot chocolate at Maison Marou. We can't wait to see you then.

Our sourcing philosophy: Long-term relationships with producers

All the cacao for our award-winning single origin chocolates is sourced by us directly from the same small farmers and fermenters we have worked with for the past 10 years. Over that time, they have taught us and we have taught them. Together we've learned how to control fermentation in each province to achieve the consistent bold flavors each Marou bar is known for. Our relationship with our farmers and fermenters is everything. We talk to them every week and visit every month. Since Covid-19 has made in-person visits impossible, our weekly calls have gotten longer, and we message back and forth any time of day.

Even among craft chocolate companies, this level of relationship with our suppliers is rare. It is made possible by our being in the same country. We can visit any of our producers in a few hours time but more importantly, our sourcing team comes from the same culture as our producers. We understand when they are speaking from experience or when they are struggling but putting on a brave face. They know that they can call us any time for any reason. We have celebrated with them when their children succeed, and rushed to free up funds to help when we hear about a motorbike accident. We have been there for each other over the years, and we hope to continue for many years to come.



Our sourcing philosophy: Long-term relationships with producers

The backbone of this relationship is mutual honesty and long-term commitment. Just as in any family relationship, we treat them as we want to be treated. What surprises us is that this is so unusual in the chocolate industry. The typical arrangement is: buyers in one country demand low prices from cacao farmers in another country so that they can sell chocolate at low prices to satisfy consumers in yet another country. No one sees the hardship that these low prices create, and the imbalance in power perpetuates the cycle.

Because cacao can only be grown in tropical countries, consumers in Europe and North America will always be far from the source of their chocolate. But you can demand more information. If we don't take care of our cacao farmers, we won't have good chocolate for very long.





OUR IMPACT

Two years in review: 2019 and 2020

The side-by-side comparison of 2019 and 2020 shows some of the accommodations we've had to make for Covid-19, even as we worked to maintain as much of our sourcing program as possible.

One of the most unique things about Marou as a chocolate company is the number of sourcing trips we make in a year. Chocolate makers in the global north are lucky to visit their origins once a year, and certification programs will also send an inspector once a year. Meanwhile, we try to visit all of our 23 producers once a month. In 2019 that was 181 visits. In 2020 we weren't able to keep up monthly visits due to travel restrictions and out of concern for our fermenters, many of whom are grandparents. So we turned to our weekly phone calls to check in with producers and make sure we were supporting them through the harvest season.

The largest impact of the pandemic can be seen in the reduction of total cacao purchased in 2020,

but this number is still much larger than it could have been. As soon as travel restrictions shut down flights to and from Vietnam, we knew we were in trouble. We made the decision to prioritize buying cacao from our farmer network even if we didn't need it to make chocolate at that moment. Over the past 10 years, we have always based our cacao purchasing schedules on the needs of our small producers. If a fermenter calls us because their cacao storage is full, we want to buy that good quality cacao as soon as possible, so that they can buy more cacao pods and support their network of cacao farmers.

In spite of the pandemic, our average price for cacao increased in 2020 after we implemented our new purchasing policy with a higher price and guaranteed volumes for producers of high quality cacao. We are proud to be offering our highest price yet, as we want to encourage cacao farmers and fermenters in Vietnam to produce quality cacao.

	2019	2020
Provinces purchased from	8	8
Number of small fermenters who sell us cacao beans	24	23
Number of cacao farmers who sell to our fermenters	482	557
Cacao purchased	103.7 MT	84.3 MT
Average price paid by Marou	\$3,983 per MT	\$4,301 per MT
Average commodity price	\$2,341 per MT	\$2,370 per MT
Number of sourcing trips to farms	181	131

2019 and 2020: Financial support for small producers

BEYOND HIGH PRICES, WE SUPPORT PRODUCERS FINANCIALLY WITH A RANGE OF INTEREST-FREE LOANS, ADVANCES, AND DIRECT CONTRIBUTIONS OF MONEY.

6 MONTH INTEREST-FREE LOANS TO IMPROVE FERMENTATION FACILITIES

Unlike a bank, we aren't trying to make any money from a loan, our goal is to help our fermenters increase capacity for quality cacao. With us, they don't have to worry about interest rates or proving they are eligible for loans - we trust our producers and believe in their businesses. Before Covid-19 caused uncertainty, many fermenters made use of this program in 2019, borrowing over \$9,000.

MONTHLY ADVANCES FOR FERMENTERS DURING HARVEST SEASON

During Covid-19 we expanded this existing program. By getting money at the start of the month during harvest season, fermenters can pay their cacao farmers upfront and cover costs for transportation and extra help. In 2020, the advances we paid totaled over \$100,000.

DIRECT CONTRIBUTIONS: FERMENTATION EQUIPMENT

Fermentation boxes and drying racks have a big impact on the quality of cacao. We work with producers to calculate how much capacity they need, and find local tradespeople to build fermentation boxes and drying racks with our designs. For their part, fermenters agree to follow our advice to improve quality and trace every batch they produce.

By building the fermentation equipment locally in each province, we contribute to the rural economy and empower producers to make repairs and future additions without traveling all the way into HCMC.

DIRECT CONTRIBUTIONS: GRAFTED CACAO SEEDLINGS

To encourage our existing farmers to plant more healthy cacao trees, we are happy to pay for new seedlings. Our fermenters collect orders from their farmer network, and pass them to us so that we can place a big order with a reputable nursery. Months later we arrange for delivery to the fermenter, and farmers pick up their seedlings. In 2019 we paid for over 8,000 seedlings and their delivery to farmers. In 2020 we had to pause this program due to Covid-related logistical and financial challenges, but we plan to restart it as soon as we can.

DIRECT CONTRIBUTIONS: YEAR-END GIFTS

We give our farmers gifts for Lunar New Years, as is traditional for businesses across Southeast Asia. Marou may be an international company, but our goal is to meet farmers in their culture. It helps that the Marou Sourcing Team is Vietnamese, and that Marou has been buying cacao from the same producers for almost a decade. We want them to see Marou as a long-term partner for decades to come.

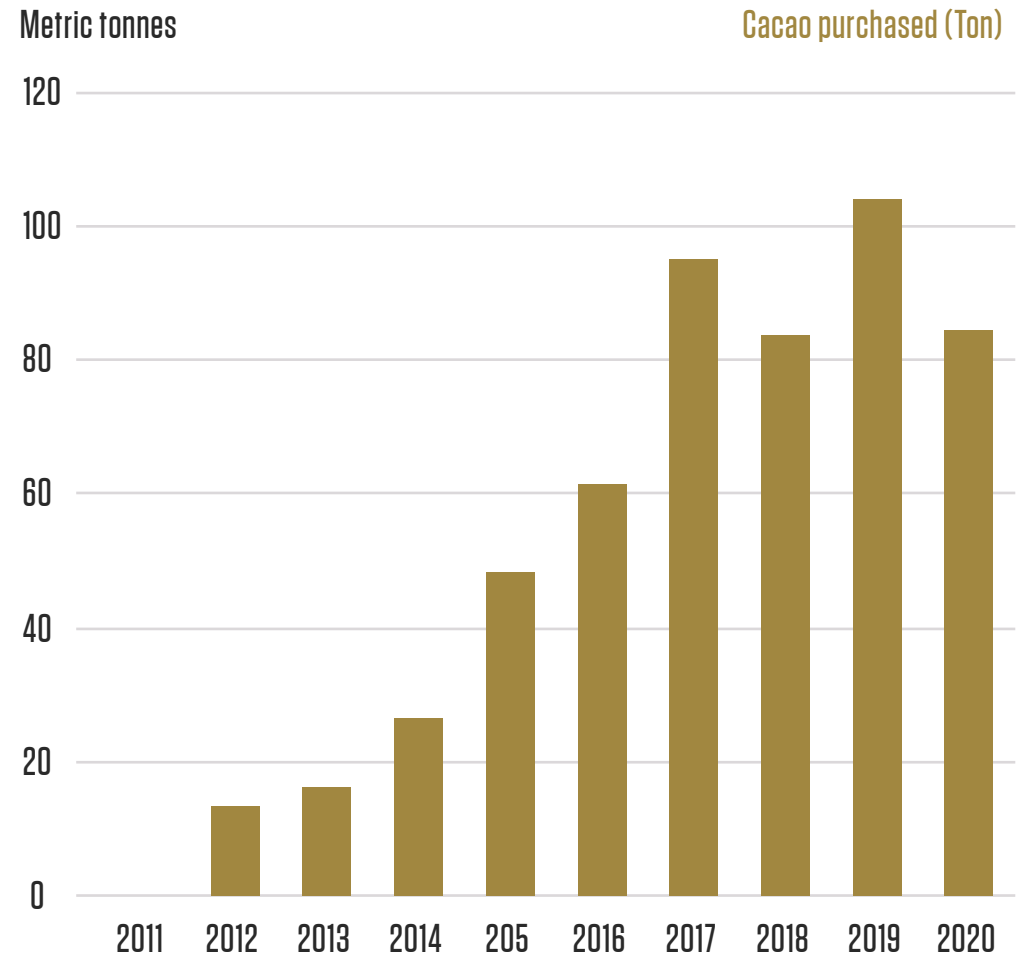
10 years of Marou

WE TAKE GREAT PRIDE IN WHAT WE'VE BEEN ABLE TO ACHIEVE IN THE LAST 10 YEARS.

OVER ITS LIFETIME, MAROU HAS PURCHASED 530 MT OF CACAO AND PAID OVER 2 MILLION USD DIRECTLY TO SMALL FERMENTERS.

Cacao we've purchased

To ensure our producers have cacao in years to come, we need to buy cacao from them consistently. This is the responsibility that comes with sourcing from small fermenters. So even though Covid-19 has challenged our own business, we've made it a priority to purchase as much cacao as possible, as close to previous years as we could. Our climate-controlled warehouse in HCMC is full of cacao, and we have been able to sell some of that onwards to our fellow craft chocolate makers.



What we pay for cacao, what others pay

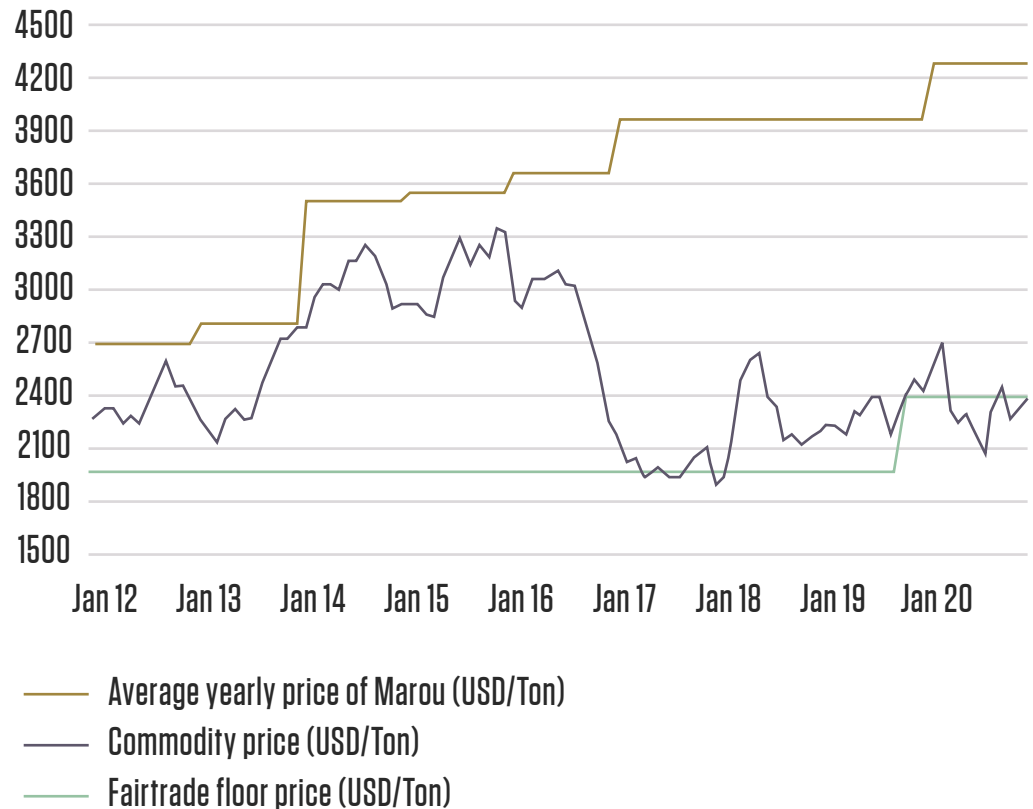
As Marou has grown we have been able to set and maintain higher prices, even as the commodity market price for cacao has fallen and remained volatile since 2016. Here we are graphing our prices in USD for comparison, but of course the price we pay fermenters is in VND. In 2020 we raised the price for all Marou quality cacao to VND 100,000 (approx \$4.39) per kilo of dried cacao.

Price stability is just as important as high prices. Unlike the commodity market price, what we pay does not vary with predictions about the weather in West Africa, consumption of candy bars in Europe, or international shipping costs. This volatility makes it very hard for small farmers and cacao fermenters to plan for the future and invest in improvements. When we start working with farmers who have only been selling cacao to the commodity market, their cacao is generally poorly fermented without proper equipment.

It's hard to blame them. any cacao farmers are tempted to cut their trees and change to other crops. Unfortunately, other crops sold in the commodity market have the same problem: the price of coffee, black pepper, or fruits can be equally volatile.

The price volatility of commodity trade actually extends to Fair Trade chocolate. The Fair Trade certification ensures farmers are paid the commodity price, plus a small premium. It fluctuates together with the commodity price, unless it falls below a set floor price, in which case the Fair Trade minimum price is paid instead. This is only one of the reasons most of our cacao farmers do not choose to be Fair Trade.

Another is that producers would have to be organized into a cooperative, and the producers we work with operate as small individual family business.



Essentially, the commodity price has no impact on our pricing because we do not believe all cacao is an interchangeable product.

In selecting the best cacao from each region of Vietnam to make our single origin bars, we have committed to working long-term with these producers. We need them as much as they need us.

Why our producers are not organic or fair trade

One of the most common questions we hear is whether our chocolate is certified Organic or Fair Trade. Our answer (no) has a lot to do with the size of cacao farmers and producers we choose to work with.

Third party certifications such as Fair Trade and Organic are useful tools when you have very little other information on the sourcing of a product's ingredients. These labels ensure a baseline: that the farmers were paid slightly better prices than average, and fewer pesticides and fertilizers were used on their farm.

The cost of yearly certification is easier to bear for large cacao cooperatives with hundreds of members, or plantations where the owner has money to invest in improvements. But all of the farmers and fermenters we work with are small individual family businesses. As farmers who ferment cacao, their houses look no different from their neighbors. On a typical sourcing visit,

we select which sacks of cacao we will buy and process paperwork in their living rooms.

There is nothing that a yearly certification inspection could tell us that we don't already know in our monthly visits to producers. Our goal at Marou is to help small cacao farmers and fermenters find success producing high quality cacao for many years to come. To achieve this, we pay high stable cacao prices, and encourage farmers to manage their farms sustainably with diverse shade trees to avoid boom-and-bust cycles. This has a lot of overlap with the goals of both Fair Trade and Organic. But we trust our farmers to make the best decisions for their small businesses, and we will be there to witness it each month. Rather than pay thousands of dollars for a producer to be certified, we would rather spend that money on helping producers directly, funding new fermentation equipment and cacao seedlings, sharing best practices, and simply paying higher prices.



How we select and purchase cacao

Everything depends upon the quality of our cacao. Each of our single origin bars has won awards for unique flavor because of the skilled cultivation, fermentation and drying of our producers in each province. To ensure these flavors are present in the cacao, Sourcing Team has spent years tasting every single batch from each producer in each province. To give you a rough idea of the work involved, think of one batch as 50kg. That would mean that one metric ton of cacao we purchased required 200 cut tests and tastings.

Tasting thousands of batches of cacao enables us to work with an ever-growing network of small cacao producers. We bring our mobile quality control lab to them each month, and discuss how to adjust their fermentation and drying to respond to seasonal variations in weather and harvest.

As we have grown, our relationships with producers have matured as well. To streamline the sourcing process for our long-term partners, while still maintaining education and outreach for new producers, at the beginning of 2020 we implemented a system of two categories: A and B.

As part of implementing the system, we raised the price for all the cacao we select to VND 100,000 (approx USD 4.30) per kilo. Based on our individualized fermentation advice, we hope to see farmers move from Category B to Category A as their production shifts to consistently high quality cacao.

FERMENTERS CATEGORY A

consistently produce high quality cacao that has full traceability. Many of them have been working with Marou for over 8 years by now, so we have a long history of mutual trust and communication. We still do monthly farm visits, but they are shorter now. Instead of testing every batch before buying, we mutually agree upon purchase volumes for each month, and pull samples for sensory analysis at the Marou warehouse. This system enables both sides to plan better, and reduces the time we spent analysing batch after batch of great cacao.

Our price goes directly to producers and does not need to cover transportation. In contrast, prices in international trade are often FOB. This shipping term, Free On Board, means that the price includes any costs to transport and warehouse the cacao before it is loaded on board the ship.

FERMENTERS CATEGORY B

are typically newer to Marou, with more variability from batch to batch. For these producers, it is beneficial for both sides that we test every batch at our monthly visits. For Marou it ensures the consistency and quality of our flavors, and for the fermenter it means we can give instantaneous feedback and adjust the fermentation process before the harvest season is over. We share with these producers the monthly purchase volumes we are hoping to meet of high quality cacao. For the cacao that does not meet our quality standards, we help them find buyers.

But at Marou, we coordinate and pay for all transportation from the producers to our warehouse in HCMC. These amounts are not deducted from the amount paid to the farmers, regardless of the actual cost to us.

Support for small fermenters – traceability and quality

Sourcing from small farmers who have become fermenters presents a unique set of challenges. On the one hand, our fermenters are dedicated and deeply involved in their local communities. On the other hand, they lack the resources and knowledge base that a large cooperative or cacao estate could invest in. Instead of having R&D or quality control staff working for each fermenter, the Marou sourcing team fulfills these functions, which is why our frequent visits and calls are important.

Our challenge at Marou is to help small fermenters learn to control the process of fermentation so that they consistently get high quality outcomes. While it ferments, cacao is a wild natural community of many different microbes. It passes through anaerobic and alcoholic, aerobic and acidic stages, reaching up to 50°C over the better part of a week.

Many things can go wrong in this time, and small changes to seem-

ingly unimportant variables can produce wildly different results - bright and tart cacao instead of rounded chocolatey flavors, for example. We have spent years working with the best fermenters in each province to understand what they are doing right, so that they can do it on purpose.

Tracking fermentation batch by batch is essential to understanding quality cacao. We developed a list of key variables for fermenters to record. For each batch, they write this data and the batch number on a paper inside a tube that is kept with the cacao. We also have a waterproof temperature data-logger that can record the temperature and turning times of a fermentation batch. When we visit to select cacao, we can compare the information with each batch of dried cacao to the information they gave us in our weekly phone calls, to ensure it matches. After sensory analysis, we can help them understand how these variables have impacted the flavor of the cacao.



As Covid-19 has made it impossible to travel to each province, we rely even more on our weekly phone calls during harvest season to trace each batch of cacao together with fermenters.

Thanks to our years of practice and trust on both sides, it has been working so far. During low season these calls and check-ins reduce to every other week, but we are always available if problems arise or when we have new programs to offer farmers.

Chocolate as local food



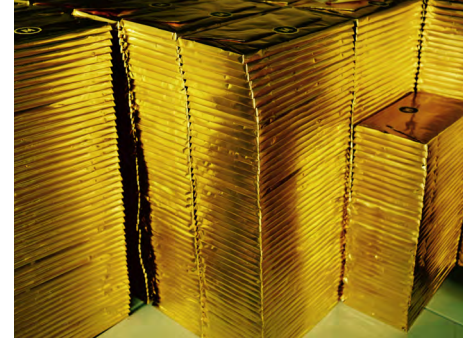
**POD
FARMER**

Local food stores and farmer's markets often choose 100 miles (160 km) as the measure for whether food is local.



**BEAN
FERMENTER**

Marou is one of only a handful of chocolate makers in the world that can satisfy this criteria. 20 of our 23 small fermenters are within a 100 mile / 160 km radius of our factory in HCMC. The farthest farm is less than 360 km from us.



**BAR
MAROU FACTORY**

Buying locally from small producers means we have better communication and traceability, and ensures that the price we pay is going directly to the local community. Just as at a farmer's market, knowing who grew your food leads to greater appreciation of their labor.



**BONBONS
MAISON MAROU**

When our cacao producers come to our cafés, they see their fellow citizens savoring the flavors of the Vietnamese countryside, delighting in regional variations. And when customers see a chocolate bar named for the province they were born in, they glow with pride.



THE PROVINCES

OUR CACAO ORIGINS



Six Vietnamese Terroirs

Our Single Origin chocolate bars are made with cacao sourced from six provinces in southern Vietnam: from north to south Dak Lak, Lam Dong, Dong Nai, Ba Ria, Tien Giang and Ben Tre.

The climate, soil, and water of each province (what we call terroir) as well as the mix of cacao varieties and post-harvest practices contribute to the different flavors of each origin, which in turn make the different flavors of each bar.

There are more provinces that grow cacao, and we are always interested in finding new farmers to work with and in encouraging new farmers to plant cacao in Vietnam.



À BÉNIN

Famous for its coconuts, Ben Tre Province is a triangle of land where the Mekong River Delta meets the ocean. The land is barely above sea level, netted with rivers and canals, connected by bridges and ferry boats. Cacao trees grow on narrow banks between irrigation canals, shaded by the large leaves of the ever-present coconuts.

The Mekong River Delta is well suited to cacao, with rich alluvial soil, abundant water and warm temperatures year-round. Ben Tre and neighboring Tien Giang province have many farmers who planted cacao in the 1990s, or even earlier with Soviet support. As a result, their cacao production is much higher than other provinces.

The future of cacao farms in this province is under threat from rising salinity. Every year during the dry season, sea water enters the river delta, but now it is flowing farther inland than ever before.

The causes are partially climate change (longer dry seasons and rising sea levels) but more importantly dams and sediment mining of the Mekong river upstream. Some crops such as coconuts can cope with salty soil, but cacao is not one of them.

During the especially long dry season from late 2019 to mid 2020, seawater spread up the delta rivers 30-40km farther than average. This drought and saltwater intrusion damaged cacao trees on many farms.

We are working with farmers to buy cacao seedlings for those who want to replant, and looking into what can be done to protect trees in the future.

Our two cacao fermenters in this province have decades of experience working with cacao. In 2019 we contributed financially to help both fermenters upgrade and increase their fermentation boxes and drying racks.

2020 snapshots

Cacao fermenters	2
Cacao farmers	121
Female cacao farmers	30
Number of farm visits	15
Average price paid by Marou	\$4.30 per kg
Technical support	On-farm fermentation troubleshooting, On-phone fermentation follow-up
Number of fermentation batches traced	204



TIÊN GIANG

Tien Giang province is the gateway to the Mekong Delta. Motorbikes and trucks laden with fruit, crabs, or rice, make their way to the city of My Tho, and from there on 70 km to HCMC. Everything grows in the rich alluvial soil - dragon fruit, longan, star apples, mango, guava and of course cacao.

Even the irrigation canals that flow between rows of trees can be used for farming fish.

For many years the district of Cho Gao benefited from a strong cacao growing program, having a rare cacao cooperative, supported by foreign aid organizations. They offered farmers training sessions and support for certifications, which was under way in 2012 at the time we started sourcing from them. Unfortunately, the co-op folded not long afterwards, but we maintained in contact with most of its former members. This enabled us to follow-up on fermentation directly, and pay more for quality cacao.

Through the 5 cacao fermenters we work with, we have been able to meet and hear from their cacao farmers. Whenever farmers are interested in planting more cacao, we try to order and deliver grafted cacao seedlings. In 2019 we distributed 6100 cacao seedlings to Tien Giang farmers.

Just as in Ben Tre Province, cacao farms here are under threat from rising salinity. The causes are partially climate change (longer dry seasons and rising sea levels) but more importantly dams and sediment mining of the Mekong river upstream. During the especially long dry season from late 2019 to mid 2020, seawater spread up the delta rivers 30-40km farther than average. This drought and saltwater intrusion damaged cacao trees on many farms. We are working with farmers to buy cacao seedlings for those who want to replant, and looking into what can be done to protect trees in the future.

2020 snapshots

Cacao fermenters	5
Cacao farmers	142
Female cacao farmers	21
Number of farm visits	31
Average price paid by Marou	\$4.29 per kg
Technical support	On-phone fermentation follow-up
Number of fermentation batches traced	287

Treasure Island Update

For those fans of our limited-edition Treasure Island and Heart of Darkness bars, the 2019 drought is more bad news.

Mr Cong, the fermenter of this treasured cacao, lives on the coastal island of Tan Phu Dong.

He and his neighboring farmers who sold him cacao were already badly impacted by the drought of 2016. Farmers here are choosing to replant with crops that can withstand the high salinity, instead of cacao. Mr Cong has managed to save just 65 mature cacao trees on his farm, which are not producing enough for his regular cacao fermentation.

Treasure Island was the first Asian cacao to be recognized for its fine flavor by the Heirloom Cacao Preservation Fund, but it may also become the first such cacao to fade away.



BÀ RỊA

The first time Sam and Vincent bought cacao was on a dusty road in Ba Ria Province. East of Ho Chi Minh City, this coastal land is sunny and dryer than the Mekong Delta. Cacao here grows in the shade of jackfruit, pomelo, water apples and black pepper.

We work with 6 cacao fermenters, who have shown dedication to understanding and improving both their farms and fermentation. The strong sun and wind help fermented cacao dry in record time, which contributes to the signature fruity notes of our Ba Ria chocolate.

Farmers also use the cacao juice to make a home-brewed cacao wine that tastes like brandy after aging for a year. Some have even found a way to raise goats by feeding them chopped up cacao husks.

Luckily for us, the local government has selected cacao as a crop to encourage small farmers to grow, so in 2019 three hundred hectares of cacao were planted.

To plan for this increased production, in 2019 we contributed financially to help one fermenter build new fermentation boxes and drying racks. We hope to see this new cacao transformed into high quality beans that will make their way into Marou bars.

2020 snapshots

Cacao fermenters	6
Cacao farmers	54
Female cacao farmers	218
Number of farm visits	36
Average price paid by Marou	\$4.30 per kg
Technical support	On-phone fermentation follow-up
Number of fermentation batches traced	157

A woman with dark hair, wearing a green short-sleeved shirt and a gold necklace, is shown in a cacao plantation. She is holding a small cacao seedling in a black nursery bag. The background is filled with lush green cacao trees and a netting structure. The text 'ĐÔNG NAI' is overlaid in large white letters across the center of the image.

ĐÔNG NAI

If you drive east and north of HCMC, you enter the gentle hills of Dong Nai province, long-eroded remains of old volcanoes. Some cacao farmers have built high walls with the rocks taken from their soil. The clay soil contains fewer nutrients here, but the sun is still strong.

Our farmers are spread out along the upper Dong Nai river valley, near Cat Tien National Park, one of Vietnam’s largest remaining areas of lowland tropical forest. Endangered primates such as black-shanked doucs and pygmy lorises make their homes within the park. Primate scientists think cacao plantations could be suitable habitat for lorises as well, with plenty of insects to eat and shelter from the hot sun.

The farmers we work with in Dong Nai all produce small quantities, so aggregating all that cacao has always been the challenge. From 2013 to 2016 we did this by setting up our own Fermentation Station.

Since 2016, we decided to invest in helping fermenters who live in the region improve. Marou has helped them build fermentation boxes, improve drying locations, and get their farmer network to plant seedlings. We have stayed for weeks to work on fermentation together with each fermenter. In 2019 we bought and delivered 400 cacao seedlings for farmers.

In 2020 we contributed financially to help our newest fermenter gain new fermentation boxes and drying racks.

2020 snapshots

Cacao fermenters	4
Cacao farmers	82
Female cacao farmers	19
Indigenous / ethnic minority cacao farmers	13
Number of farm visits	19
Average price paid by Marou	\$4.26 per kg
Technical support	On-farm fermentation troubleshooting, On-phone fermentation follow-up
Number of fermentation batches traced	157



LÂM ĐỒNG

On the other side of the river from Dong Nai, at the foot of the Bao Loc plateau, we turn off the highway, down dusty dirt roads and narrow suspension bridges to reach our cacao farmers.

Our cacao fermenters are small farmers who started out with very basic equipment. We first met in 2018, while searching for more cacao producers in the province. Our initial analysis of their cacao showed many flaws, but their attitudes were committed to the hard work of producing quality cacao.

We spent weeks helping them improve fermentation and drying. With their commitment, we agreed to fund more new fermentation boxes and drying racks in 2019. Our hard work on both sides has paid off, and their output of quality cacao has steadily increased.

We have also worked very closely with the cacao farmers in this province. Many are from the K’Ho indigenous ethnic minority group. In 2019 we bought and delivered 1000 cacao seedlings for farmers. In 2020 we had a full-day cacao seminar with 37 farmers about how to manage cacao farms to be productive in a sustainable long-term approach.

Further north in Lam Dong province is the famous town of Da Lat, created a century ago as a high-altitude resort to escape the heat of Saigon before air conditioning was available. Dalat is famous for its Arabica coffee, which we combine with cacao from Lam Dong to make our completely Vietnamese coffee chocolate.

2020 snapshots

Cacao fermenters	2
Cacao farmers	48
Female cacao farmers	11
Indigenous / ethnic minority cacao farmers	12
Number of farm visits	13
Average price paid by Marou	\$4.40 per kg
Technical support	On-farm fermentation troubleshooting, On-phone fermentation follow-up
Number of fermentation batches traced	82



ĐẮK LẮK

The highest cacao we source, Dak Lak Province lies in the central highlands of Vietnam. Of our origins, it is both the farthest north (8 hrs driving from HCMC) and at the greatest elevation (500 meters above sea level). The indigenous ethnic minority people of Dak Lak, the E De, were historically matriarchal societies living in longhouses. Many of the place names come from their language.

Cacao was introduced here in 2007 by the Success Alliance. This public-private partnership established a network of small scale farmers and fermenters that were still operating when Marou came to purchase cacao in 2015. Nowadays, Dak Lak Province has the most land area dedicated to cacao in the country.

Given the size of this province, and its many large state-owned farms, it can be hard to achieve full traceability over the supply chain. Cacao is sometimes sold from farmers to cacao pod collectors, then to a fermenter, and then to dried cacao collectors. That's why despite the volume of cacao being produced in this province, Marou's selection is a small percent.

We have had to work to find producers who are aligned with us on quality and traceability, and we feel lucky to have long-term relationships with them now.

2020 snapshots

Cacao fermenters	3
Cacao farmers	67
Female cacao farmers	8
Number of farm visits	12
Average price paid by Marou	\$4.31 per kg
Technical support	On-farm fermentation troubleshooting, On-phone fermentation follow-up
Number of fermentation batches traced	89

OUR PROJECTS





DEVELOPING PROVINCE

ĐẮK NÔNG

For years we have been sourcing from Dak Nong province, working with one couple who ferment and dry cacao. The most important indicator of a region’s potential for us is the personality of the farmers, and they are completely motivated and open to improvements and traceability.

The province as a whole has about 300 hectares of cacao planted, but much of that is sold at market rates. Working with fermenters to improve quality requires commitment from both sides, so we feel

lucky to have found good partners. As the name hints, Dak Nong province is in the central highlands of Vietnam, next to Dak Lak. At a similar elevation (500 meters above sea level), the region has the same cool weather and cloudy days that produce a cacao that is chocolatey, nutty and smooth.

This Dak Nong cacao is used in our couverture, nibs and powder, and at Maison Marou. We even created a special limited edition Dak Nong bar, and you might see Dak Nong chocolate in bars from other makers in the US.

2020 snapshots

Cacao fermenters	3
Cacao farmers	67
Female cacao farmers	8
Number of farm visits	12
Average price paid by Marou	\$4.31 per kg
Technical support	On-phone fermentation follow-up
Number of fermentation batches traced	89



DEVELOPING PROVINCE

TRA VINH

Deep in the Mekong Delta, farther south and with no major cities, Tra Vinh province lies next to the ocean with the same abundant water and rich soil as Ben Tre and Tien Giang. The cultural influences of nearby Cambodia are stronger, with Buddhist temples showing Khmer architecture.

We started working with this cacao fermenter at the end of 2019, staying with them on-site

to improve their fermentation and drying. They are passionate about cacao, and pay farmers well with a stable price, that they have maintained even during the pandemic.

We are hoping that once Covid-19 passes, we will be able to take up this project again and help them increase the proportion of high quality cacao that they sell to Marou.

2020 snapshots

Cacao fermenters	1
Cacao farmers	30
Number of farm visits	1
Average price paid by Marou	\$4.16 per kg
Technical support	On-farm fermentation troubleshooting, On-phone fermentation follow-up
Number of fermentation batches traced	40

Cacao farming manual

Raw materials are just as important for our cacao fermenters as they are for Marou. Good chocolate can only come from good cacao beans, and good cacao is only possible if the fruit was harvested well from healthy trees. We source from 23 independent small fermenters, but each of them is sourcing from as many as 75 cacao farmers.

Fermenters often relay to us questions from their cacao farmers about how to improve their yield or fight off pests and diseases. After hearing the same questions in each province, we decided to create a manual that we could share with farmers to help them proactively manage their farms according to the best practices we had learned from international cacao experts.

Our manual focuses on preventive measures to ensure the health of cacao farms long-term working with nature.

This is both better for the environment and cheaper than waiting until large problems appear and reacting with strong pesticides and chemical fertilizers. We wrote it in Vietnamese with small cacao farmers in mind, with example photos and diagrams taken from our experience.

In 2020, we first shared the manual with 37 cacao farmers in Lam Dong province during a full-day seminar on cacao farming. We then shared the manual with 48 farmers in Ben Tre, and we plan to share it with another 145 farmers in Tien Giang before the end of 2021. Our plans have been delayed by the recurring waves of Covid-19. In the meantime, we are developing our field team to continue sharing the manual in-person, along with individualized advice for each cacao farm.



Outreach and education for new cacao regions

CACAO SURVEY

As Marou grows, we are constantly looking for more quality cacao fermenters and farmers to work with in Vietnam. To find them requires going to each district and commune within a province where cacao is grown.

The only way to get accurate information is meeting farmers face-to-face and evaluating their farms. So in 2019 we embarked on a 2-month cacao survey of 9 provinces. Our goal was to understand the present state of cacao cultivation in Vietnam and find opportunities for future development. We started with a list of known cacao-growing regions and farmers and circled outward from there, asking everyone for introductions to farmers they knew. At the end of two months of non-stop travel, we now have a much more thorough network of potential contacts and suppliers to reach out to and educate.

Number of new cacao farms visited: 572
Distance travelled: 3571 km

FERMENTATION TRAINING

When we take onboard new fermenters, we also commit to educating them in Marou's traceability and quality methods.

The best way to do this is to stay in the countryside with them for several days so that we can start fermentation batches together, explaining techniques and traceability along the way. We also learn specific challenges and opportunities they face, which gives us a good background for future phone calls and sourcing visits.

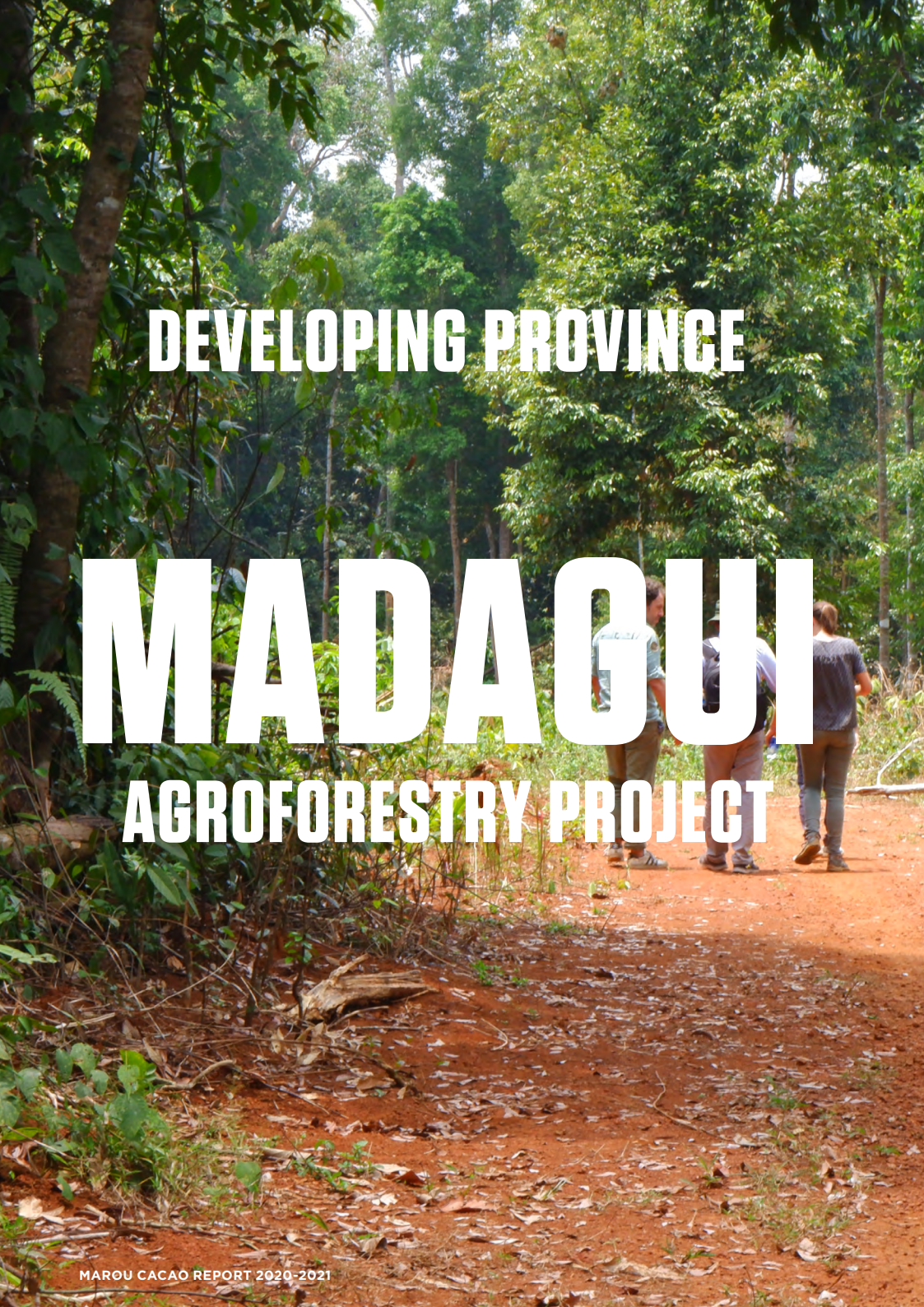
Over 2019 and 2020, we conducted seven on-farm fermentation trainings with fermenters in Dak Lak, Tra Vinh, and Dong Nai province.



CACAO SEMINARS

In 2020, we held our first Cacao Seminar for farmers in Lam Dong province. 37 cacao farmers who work with our fermenter were invited to learn about sustainable management practices that would increase productivity for their farms. Successful experienced farmers shared what had worked for them, and we presented the new Marou farming manual, emphasizing proactive management for a healthy and productive cacao farm.

For cacao farmers who sell their pods to a neighboring fermenter and have no idea what happens next, we explained how our award-winning chocolate flavors start with their work. To help the seminar lessons stick, we gave each farmer Marou chocolate bars and a Vietnamese-language copy of the cacao farming manual. In 2021, we plan to have Cacao Seminars for farmers in Tien Giang and Ben Tre as well.



DEVELOPING PROVINCE

MADAGUI AGROFORESTRY PROJECT

Five years ago, we met Xavier and Huyen, a French-Vietnamese couple who own a forestry concession in a remote part of Lam Dong province. The local government had deeded them 400ha of hilltop land, including 150ha of protected primary forest.

Over the years, we have helped them plant 9000 cacao seedlings of 9 genetic varieties, using native forest species as shade. The oldest trees have started to produce pods, but with added difficulties due to Covid-19, we have not yet begun a fermentation program.

Within that land, parcels of secondary forest were designated for planting, and the government required them to plant tree crops in order to keep the land. Like their neighbors, they had planted rubber, but Xavier and Huyen were looking for a more sustainable option. We introduced them to cacao, as it can be planted under a thinned forest canopy.

Cacao trees planted	9000
Area of shade-grown cacao	8 ha
Density of shade trees	>300 trees/ha

A close-up photograph of cacao beans inside a burlap sack. The beans are dark brown and have a slightly rough, textured surface. The sack is made of light-colored, coarse fabric. The lighting is warm, highlighting the texture of both the beans and the sack.

Contact

Feel free to contact us for any enquiries about Marou Chocolate at:

sales@marouchocolate.com

+84 283 729 2753

**120/4 Street 13, KP4, P Binh Chieu,
Q Thu Duc, Ho Chi Minh City, Vietnam**

Facebook: **Marou.Chocolate**

Instagram: **MarouChocolate**

www.marouchocolate.com

