



FARM OVERVIEW

Farm Name: Fazenda Camboa

Farm Owners: Arthur Carvalho and Eduardo Carvalho

Location: State of Bahia, Brazil

Nearest Large City: Ilheus

Cacao Variety: Trinitario, Forastero

Farm Size: 500 hectares

Annual Output: 90 - 120 metric tons

Number of workers: 65

Organic Certifications: IBD (Brazilian organic certification body), USDA

Elevation: 100 meters

Main Harvesting Season: April – January

Farm Organization: Estate (growing, harvesting, fermenting, and drying all take place on the farm)

Fermentation method: Sweatboxes covered with banana leaves

Drying type: Direct sunlight



FARM LOCATION

Fazenda Camboa is located adjacent to the Almada River, in the southern region of the state of Bahia near the city of Ilheus. This region has traditionally been an epicenter of cacao production in Brazil. The farm is characterized by rolling hills that are covered by the thick Mata-Atlantica rainforest, one of the most bio-diverse locations on earth. Beneath the jungle canopy lie thousands of cacao trees, the majority of which are of the Trinitario and Forastero varieties.



HISTORY OF THE CARVALHO FAMILY

In 1942, during World War II, the Carvalho family purchased their first cacao farm in this region of Brazil from British trading companies which were hastily exiting the country to help finance the home war effort. During the ensuing years, the family acquired additional surrounding farms in the Bahia region and quickly became one of the largest and most successful cacao producers and exporters in Brazil.

During this time the family's customers included the largest cacao traders in New York and London as well as the world's largest premium chocolate companies and their processing partners. During the 1980's, the family-owned farms produced more than 2,000 metric tons per annum and employed several thousand workers.



The Carvalho family's fortunes in the Brazilian cacao industry changed abruptly in 1989 with the arrival of the Witches' Broom disease (or "Vassoura de Bruxa"). Witches' Broom disease is a fungus which travels by air and infects and kills the leaves of cacao trees, gradually reducing the yield of the tree until it no longer produces cacao.

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Within a year of the arrival of the disease at the family farms, production fell by 96% resulting in the bankruptcy of the family cacao business as well as the economic collapse of the greater cacao growing regions of Brazil.

By 1990, the family business was folded and the key family stakeholders exited the cacao business and moved on to careers in other industries across Brazil, leaving the farms to idle. The local economies surrounding the city of Ilheus collapsed and the local populations which made their living off of the cacao industry moved on to other areas of Brazil where they could find viable agriculture.

THE RISE OF FAZENDA CAMBOA

In the early 1990's as everyone was exiting the cacao business in Brazil in bankruptcy, two of the Carvalho brothers, Arthur and Eduardo, great-grandsons of the founding father of the Carvalho cacao empire, decided to remain in the cacao business. The two brothers developed a plan and began investing in and revitalizing one of the farms which they acquired pre-the onslaught of the Witches' Broom, called Fazenda Camboa. Fazenda Camboa was a small farm (approx. 600 metric tons of annual output pre-disease) located near the original family farms in the Ilheus region which the brothers decided would serve as their initial building block to re-establish themselves and the cacao growing industry of the region.

As a first step of their plan, the Carvalho brothers hired an Swiss-German agronomist to assist them in developing new methods to suppress the disease in infected trees and to prevent the further spread of the disease to healthy trees utilizing a mix of hybridization and grafting techniques.

The agronomist developed several successful methods to combat the disease including specialized bark-grafting techniques, whereby bark from healthy trees is grafted onto the branches of infected trees allowing the immunity of the healthy trees to be passed to the infected trees resulting in the gradual rehabilitation of the once-infected trees. Since the adoption of this method and other techniques, the farm has made a gradual and steady recovery from the devastating disease, reclaiming infected sections of the farm, section by section, year by year, for the past twenty years.

During the early 2000's as the farm was gradually reclaimed from disease, the Carvalho brothers decided to shift to organic production with a special focus on producing higher-quality or "fine" cacao catering to the world's top fine chocolate producers.

The brothers completed this transformation to organic and fine cacao production in 2007 when they received IBD (the Brazilian organic certification body) and USDA organic certification. In parallel to becoming certified organic, the farm also refined their pre- and post-harvest growing and processing techniques to significantly improve the flavor, quality and consistency of their cacao.



Today, the farm is largest organic and fine cacao producer in Brazil. In 2013, the farm exported its first shipment of cacao, marking for the first time in 25 years in which Carvalho-produced cacao was exported from Brazil.

CACAO PRODUCTION

The farm operates as an estate meaning that all growing, harvesting, fermenting, drying, and testing occurs on the farm grounds.



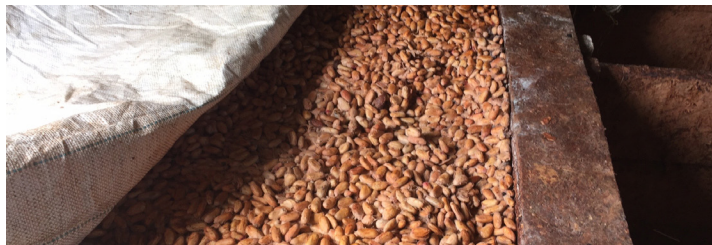
1. GROWING

The farm's cacao trees are fertilized with "vermicompost," a super-organic fertilizer developed by the farm.



2. HARVESTING

Once the cacao pods are removed from the tree, they are cut open with a machete and the "cacao seeds" (what we refer to as cacao beans) are removed.



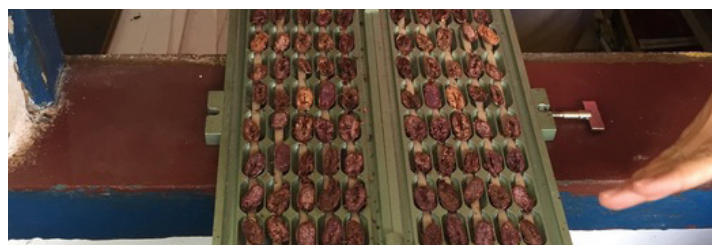
3. FERMENTING

After the cacao beans are extracted from the pods, they are fermented for 3-7 days (Trinitario cacao beans require longer fermentation than Forastero) in wooden sweatboxes arranged in rows. During the fermentation process, the staff places the cacao beans in the first box in a row and then rotates to different boxes in the row to ensure that all the beans in a batch are equally fermented.



4. DRYING

The farm dries the cacao beans under direct sunlight to reduce the moisture content from around 60% to 7.5%. Drying lasts for around one week.



5. TESTING

All batches of cacao beans at the farm undergo strict testing to ensure that they meet the high quality standards of the farm.

WORKING CONDITIONS

Fazenda Camboa compensates its' 65+ workers with both a cash salary plus production equity incentives. The farm workers receive above average wages for the region and the production equity incentives provide the workers with additional compensation tied to their partial ownership in the annual production of the farm.

Due to higher wages and a pesticide-free environment, the farm maintains a very high worker-retention rate. Many of the farm workers live in the neighboring village, which the farm supports by financing the local primary school along with the local bus system.



CACAO BAHIA'S RELATIONSHIP WITH THE FARM

The two owners of the farm, the Carvalho brothers, are the father-in-law and uncle-in-law of Jack Bell, founder and Managing Director of Pantek Partners LLC, which operates an exclusive cacao trading operation on behalf of the farm under the brand "Cacao Bahia". Jack and the Carvalho brothers partnered to establish Cacao Bahia in 2013 as the global sales and marketing arm of the farm.

Cacao Bahia transports and distributes the farm's cacao to fine chocolate makers and other premium cacao buyers in the U.S. and around the world. The staff of Cacao Bahia are intimately involved and familiar with the management and operations of the farm and together with the Carvalho brothers have implemented an integrated quality control and global logistics system which ensures the consistent delivery of the highest quality cacao in the world to its customers globally.

Cacao Bahia enables the farm to work and interact directly with the world's top craft chocolate makers who value the farm's commitment to producing the highest quality and most consistent cacao in the world while also enabling the farm to command premium pricing for its cacao.