

# TOLEDO CACAO

*Specialty Cacao Farm Real Estate Ownership Program*



*You own the land...an appreciating real hard asset that is safe,  
secure, private and offshore.*



## *One thing is for sure. There is a shortage of cacao all over the world*

- *\$80 billion a year global cacao industry.*
- *Demand outweighing supply and industry forecasts projecting a 30% growth by 2020.*
- *Belize's premium cacao producing region – Ranked as one of the top growing regions in the world.*
- *Over 100 Premium Chocolate Makers and Buyers on a waiting list to procure Belize Premium Cacao Beans*
- *You own the offshore land that is safe and currently non-reportable*
- *Professional Management*
- *Turnkey Farm operations, cacao processing and sales all done for you*
- *Sustainable income*
- *Cash flow for years to come. An investment for your family and heirs.*
- *You are directly involved in improving the lives of the impoverished Mayan Cacao Farmers of Belize by helping us to provide them with good honest work, fair wages, medical and pension benefits.*

## ***The Opportunity***



- *The opportunity is the physical ownership of an existing, titled, cacao-producing, income-generating cacao farm that you can opt-in to be professionally managed on a turnkey basis.*
- *It is a real estate and agricultural investment with a sustainable and conservatively projected operating income for years to come. In addition, there is projected capital gains from the value of the land.*
- *It is an opportunity to provide good work with a living wage with medical and pension benefits for very poor cacao farm workers and their families.*

## ***Business Model***

- *Toledo Cacao offers single variety, single origin, fine flavor cocoa in volume. We maximize the fantastic flavor potential of the beans through grafting and fermentation.*
- *Harvest buds from mega trees for grafting to insure high yielding fine flavor cacao for our reproduction program.*
- *Procure underutilized premium cacao growing areas within the Toledo District of Belize. Toledo is considered one of the top cacao growing areas in the world.*
- *Commitment to Organic Agroforestry*
- *Premium growing areas are acquired and planted with fine cacao grafted tree varieties from our nurseries. Each and every tree is carefully grafted with buds from the best of the best mega trees.*





- *Profits from the premium cacao can be realized in as little as 3 years and will continue to increase every year as the trees mature and become more productive.*
- *The majority of income from the cacao bean sales will be distributed to individual investors who own farm parcels and to the operations and management teams involved in creating the farm's income.*
- *The farms will be divided into parcels, typically of 1 acre each and offered individually to investors. Larger portions of certain farms may be made available to a smaller number of investors.*
- *Opportunities are on a first-come, first served basis based on the date of actual funding of the parcel purchase.*
- *The exact physical location of each parcel purchased will not be available until the farm subdivision is completed and parcels have been assigned in the order purchased.*
- *The title to each farm will be held by the farm management company and recorded in the appropriate Public Registry.*
- *A private agreement will be provided detailing each individual's rights of ownership to specific identifiable parcels of each cacao farm. This document will also be recorded at the same Public Registry as proof of individual ownership.*

## ***International Trends***

*Belize represents less than 1% in the international export market in relation to West African and Central American producers and does not factor in the global export market. However, all cacao is not created equal. If Belize cannot compete on quantity, it fares better in the realm of quality. The international cacao market is divided into two categories: bulk cacao and fine flavored cacao. Bulk cacao is generally used for cocoa butter and bulk mass, while fine flavor cacao is sought out for its specific, unique flavors. Bulk cacao is treated as a commodity, where prices are set by the international commodity markets. Industrial chocolate makers use a combination of bulk and fine flavor cacao to make their products, while craft chocolate makers use only fine flavored cacao.*





## Organic Cocoa

*The organic cocoa market represents a very small share of the total cocoa market, estimated at less than 0.5% of total production. ICCO has estimated production of certified organic cocoa at 15,500 tons, sourced from the following countries: Madagascar, Tanzania, Uganda, **Belize**, Bolivia, Brazil, Costa Rica, Dominican Republic, El Salvador, Mexico, Nicaragua, Panama, Peru, Venezuela, Fiji, India, Sri Lanka and Vanuatu. However, the demand for organic cocoa products is growing at a very strong pace, as consumers are increasingly concerned about the safety of their food supply along with other environmental issues. According to Euromonitor International, global organic chocolate sales were estimated to have increased from a value of US\$ 171 million in 2002 to US\$ 304 million in 2005.*

*Fine chocolate makers do not buy bulk cacao because it will not provide the variety of flavors they need to make fine chocolate. This means the price they pay is not based on the bulk commodity price. When they purchase cacao, they pay a price based on its value, which depends on a variety of attributes ranging from the quality of the flavor, to the work the organization producing the cacao is doing, etc. So, as producers improve their product, they are able to get better prices. For example, the price Dandelion (a US chocolate maker) has paid varies from one and a half to two and a half times higher than the world price. These figures provide an interesting case for better quality beans fetching a higher price.*



## ***Is this a high risk investment?***

- *Long term ownership of land has always been a strong, reliable investment.*
- *The premium organic cacao market is in high demand with all indications for this to continue for many years to come.*
- *Toledo Cacao has proven channels to market for cacao already in-place and with sustainable high profit margins.*
- *Even if high-quality premium organic cacao has a reduction in demand any and all of the cacao can be immediately sold on the \$80 billion per year global cacao market.*
- *Farm revenues are pooled from an individual farm's cacao crop operations. This strategy lowers the risk of the impact on earnings on any individual parcel from lower or no crop yield.*
- *These individual-parcel issues are mitigated by the pooling strategy for revenues and expenses over the entire farm.*
- *You own the land.*

## ***Cost of the opportunity***

- *Parcels are currently \$18,500 each and are subject to change at any time.*
- *Discounts usually apply for multiple parcel ownership.*
- *Contact us for up to date pricing on available parcels.*





## ***Projected Return***

- *Average annual return (IRR) between 10% and 16% (proforma).*
- *The one time, turnkey cost includes the purchase price of the land and all the costs of developing the farm and deeding to you.*
- *There will be no future fees or expenses to you the parcel owner.*
- *The target net IRR is based on a distribution to parcel owners and others of 80% of the net earnings pool derived from each farm's net operating profits. The other 20% of farm operating profits will be allocated to the direct farm operating personnel.*
- *Distributions will be made annually dependent on the harvest season and timing of the sale of the cacao produced.*
- *Reporting will occur semi-annually and include sales, operations and the annual harvest report.*
- *Accounting will be performed and reported by an independent outside accounting firm.*



# Toledo Cacao

## Proforma (1 acre)

Year	Initial Investment	Initial Funding Includes all One-Time Items Below						Internal Rate Return (IRR)
		Acres	Plants, Clearing, Planting, Surveying, Title, Subdivision Costs	Annual Maintenance Included in Initial Investment	Estimated Annual Harvest Value	Estimated Annual Harvest Investor Payback	Payback for Investor	
1	\$18,500.00	1	\$5,000.00		\$0.00	\$0.00	-\$18,500.00	\$(18,500.00)
2				\$500.00	\$0.00	\$0.00	-\$18,500.00	\$0.00
3				\$500.00	\$1,503.60	\$1,202.88	-\$17,297.12	\$1,202.88
4				\$500.00	\$3,007.20	\$2,405.76	-\$14,891.36	\$2,405.76
5				\$500.00	\$4,698.75	\$3,759.00	-\$11,132.36	\$3,759.00
6				\$500.00	\$4,698.75	\$3,759.00	-\$7,373.36	\$3,759.00
7				\$500.00	\$5,638.50	\$4,510.80	-\$2,862.56	\$4,510.80
8				\$500.00	\$6,578.25	\$5,262.60	\$2,400.04	\$5,262.60
9				\$500.00	\$7,142.10	\$5,713.68	\$8,113.72	\$5,713.68
10				\$500.00	\$7,518.00	\$6,014.40	\$14,128.12	\$6,014.40
11				\$500.00	\$7,518.00	\$6,014.40	\$20,142.52	\$6,014.40
12				\$500.00	\$7,518.00	\$6,014.40	\$26,156.92	\$6,014.40
13				\$500.00	\$7,518.00	\$6,014.40	\$32,171.32	\$6,014.40
14				\$500.00	\$7,518.00	\$6,014.40	\$38,185.72	\$6,014.40
15				\$500.00	\$7,518.00	\$6,014.40	\$44,200.12	\$6,014.40
Totals				\$7,000.00	\$78,375.15	\$62,700.12		16%



## ***Ownership Options for US Citizens***

- *Citizens of countries outside of the US may have different government rules to follow and therefore different options for ownership. Please contact an accounting or legal professional of your choice to understand your countries land ownership rules.*
- *Option one is to hold the parcel directly in your own name or the name(s) of other individuals. Currently this ownership option is not required to be reported to the US government under the FBAR or FATCA regulations.*
- *Option two is holding the parcels in the name of a legal entity.*
- *IRA funds are allowed to be used for land purchases.*
- *Ownership option one is typically a less complicated way to register your ownership in foreign countries.*
- *Ownership option two as a legal entity often requires quite a bit more effort and the additional paperwork can be time-consuming and costly.*
- *Toledo Cacao and its staff are not tax, accounting or legal professionals and consequently do not provide advice on any such matters. The above listed comments are meant to be general in nature and are in no way to be construed as professional advice.*
- *Should you require accounting or legal consultation contact a professional of your choice.*



*For additional information contact us  
at: [www.belize-cacao.com](http://www.belize-cacao.com) or  
[chefstanchfield@msn.com](mailto:chefstanchfield@msn.com)*



