

# Malagos Choco: From Tree to Bar

Malagos Agri Ventures Corp.

*A family-owned business in Davao City distinguishes itself for producing the best chocolates from the tree to the bar, and is out to prove its point to the rest of the world.*

## FROM CACAO BEANS TO COCOA

A thorough process of turning and roasting cacao beans is followed in order to make the renowned high quality Malagos Chocolates.



## DID YOU KNOW?

It takes three to five years for a cacao tree to bear fruit, but once it does, it can bear up to 1,000 beans per year.

For near eternity, the world has been craving for pricy chocolates from Belgium, France, Germany, Switzerland, and the United States.

The cacao tree (*Theobroma cacao*) that produces the cocoa beans from which chocolate is derived grows in the uplands of tropical countries like the Philippines and Mexico, where it is believed to have been domesticated as early as 1900 BC with the discovery of archaeological evidence of its fermented beverages.

But whether or not the cacao trees in the Philippines came from Mexico through the Spanish Galleon Trade in the late 1500s, its best varieties could be found some 1,503 kilometers down south from Manila—up in the highlands of Davao City.

No place can be more tropical than this city of bloom and boom, from islands to highlands, as it lies near the equator. A hotter boon to cacao cultivation and propagation is that it lets the city's volcanic soil bask in the warmth of the tropics but tempered by elevation and a type-4 climate of evenly distributed rainfall year-round.

It was here where mother-and-son duo Charita and Robert Puentespina saw the business opportunity in cacao, making them lease a farm in the upland barangay of Malagos in Baguio District, Davao City in 2003.

The farm then already had cacao trees, which Charita rehabilitated to yield the cocoa pods, whose beans she open-roasted in firewood and then ground and molded to produce *tablea*, a round chunk of pure chocolate goodness.

After nine years, the duo established the Malagos Agri Ventures Corporation and started making premium single-origin cocoa liquor, a new addition to the Puentespinas' line of fine food products. In June 2013, the Malagos Chocolate was launched commercially.

At present, Malagos Chocolate also includes cacao nibs—the bits of fermented, dried, roasted, and crushed cocoa bean—as ingredients.

"I realized the advantage of value adding. This is it," Charita says in Filipino, referring to the chocolate liqueur and nibs.

## MARKETING CHALLENGE

However, getting the cacao products out on the market and gaining patronage constitute a big challenge.

The need to keep up with international brands has suddenly opened Charita's eyes to the realities of competition, which spans all phases of production—raw material sourcing, output capacity, new technologies, quality standards, market linkages, and distribution networks—all boiling down to cost efficiency.

Food safety standards and other export requirements also have to be complied with.

Thanks to the Department of Trade Industry (DTI), the Puentespinas have hurdled all these challenges over the nearly 14 years that they have been in the chocolate business.

"The marketing of our products started with DTI. We get the opportunities to be included in international shows. The subsidies that they give are very, very substantial," Charita explains, referring to her company's participation in many trade fairs across the globe.

Thus, she wants to expand further in the next five years for her company to truly rival the production centers of chocolate firms abroad, especially in Switzerland.



#### SOURCE OF INSPIRATION

To the Puentespinas, success requires belief in one's product, persistence, openness to learn, and the courage to ask for help.

The Puentespinas' concept of success, though, is about the economic upliftment of the cacao farmers and the joy of seeing a Filipino product compete with the best in the world.

Charita derives inspiration from growing both the chocolates and the business—from the tree to the bar—exactly her value proposition and brand statement that distinguish Malagos from the rest of the pack, making it a cut above the rest and worth its way to the top of the heap.

#### HOW DTI HELPED

Malagos Chocolate participated in DTI-sponsored **Sikat Pinoy** trade fair and **International Food Exhibition (IFEK)**, giving them marketing exposures locally and globally.

#### GROWING SUCCESS

Charita takes pride and joy in growing cacao trees. Her source of joy becomes a source of livelihood in the community of Malagos. The high quality cacao fruit is processed to make world-class chocolate products.