



Kennemer Foods

I N T E R N A T I O N A L

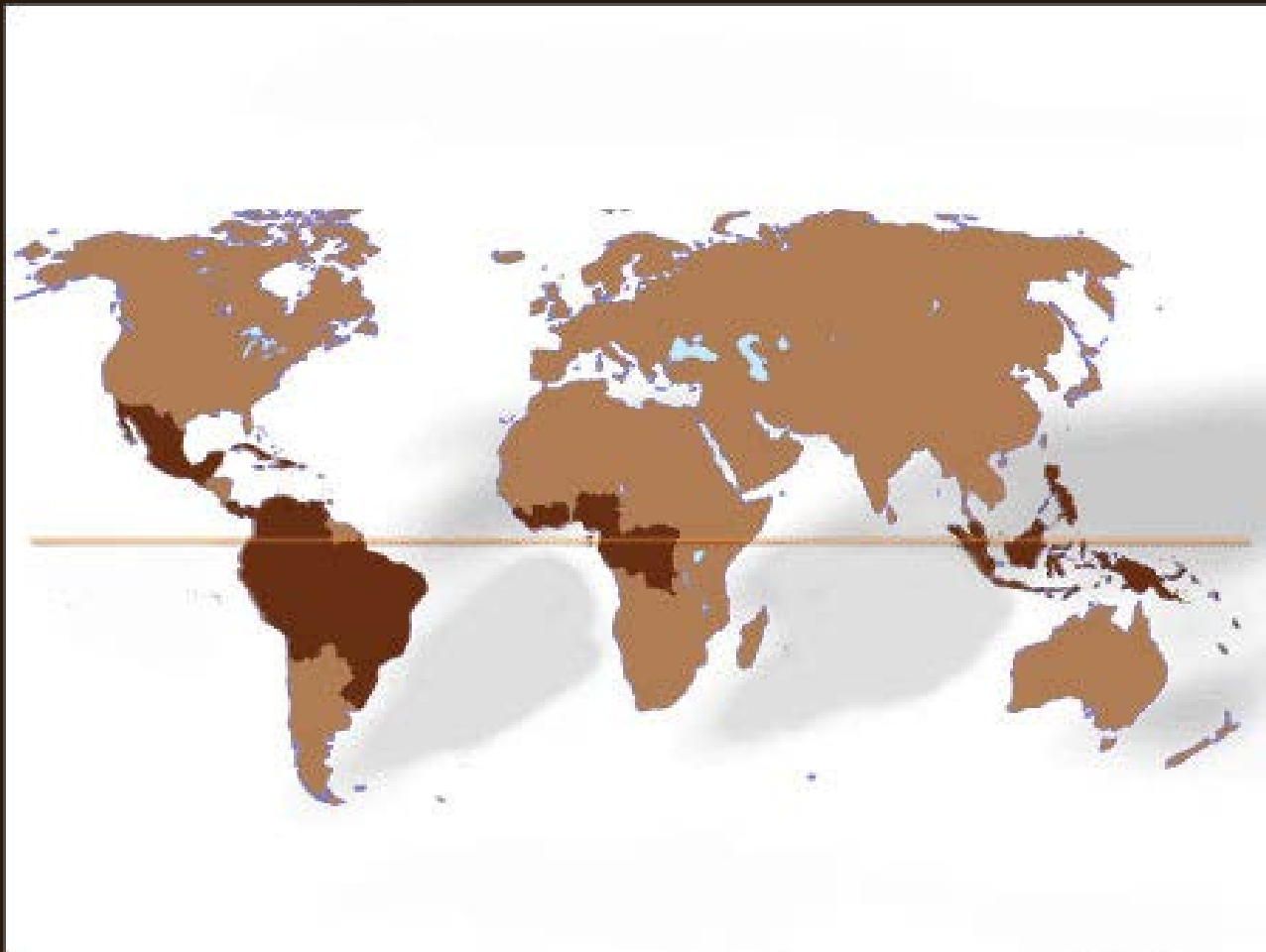
Introduction

March 2014







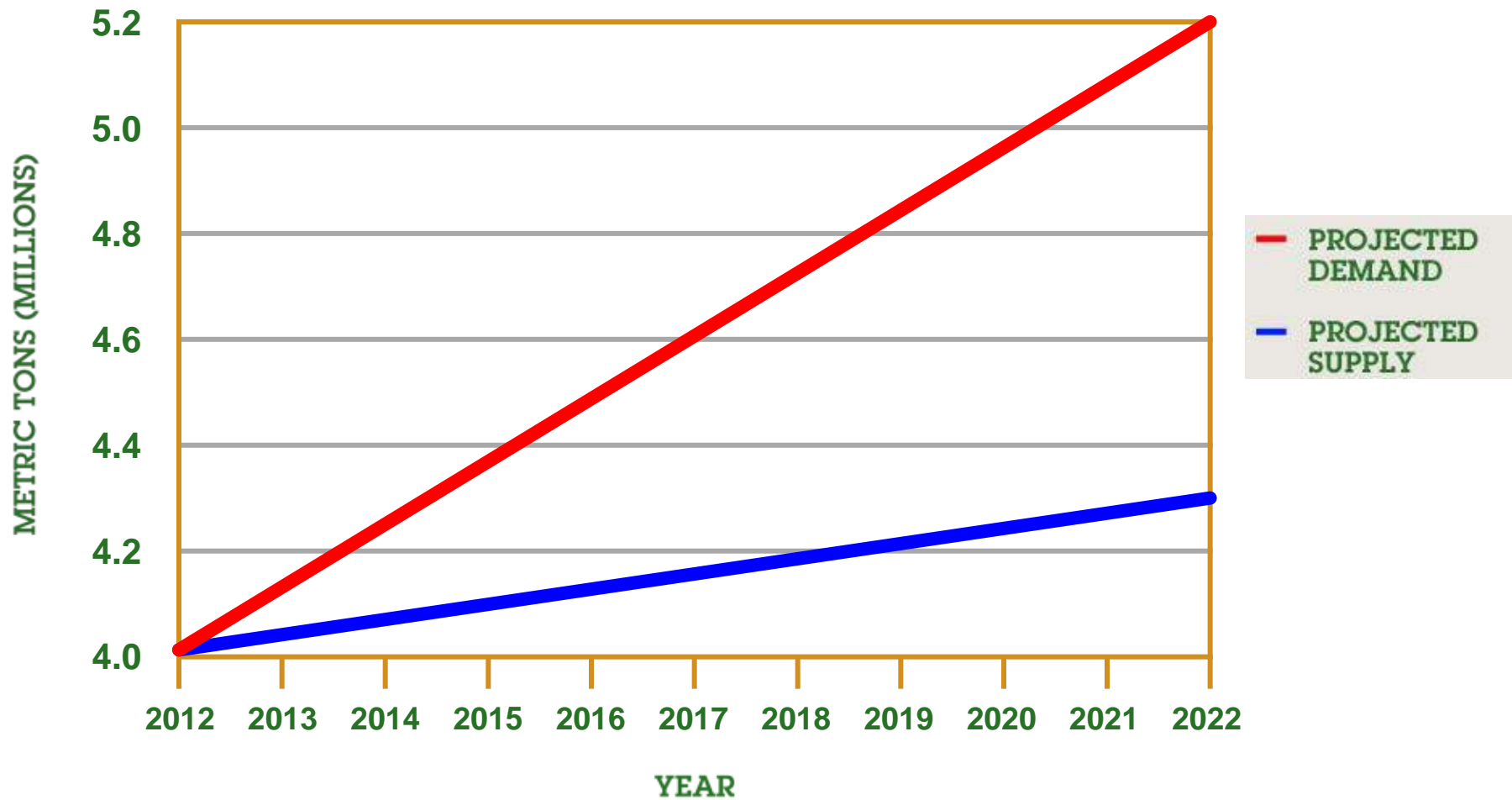


Product Overview



- 40 tropical countries
- World production of 4 million tons per year
- 90% of production comes from 5.5 mln small holders
- Current price of US\$ 2,900/ton

Projected Shortfall of Supply



Over next 10 years the world will need additional 1 mln mt's of Cocoa

Philippine Cocoa Industry



- Annual production estimated 6,000 – 8,000 tons
- Net importer of 30,000 tons bean-equivalent
- Existing trees old and low yielding
- Local cocoa farmers sun-dry their beans only
- 90% comes from Region 11 – Davao Norte, City, Sur

Philippine Potential





Kennemer Foods International, Incorporated (KFI) is a producer and marketer of food and agricultural products.

We specialize in growing and trading of high-quality agricultural crops, especially fermented cacao beans.

We are committed to rural development by promoting market transparency, providing fair value pricing for produce and the implementation of sustainable farming practices.

Our products and programs encompass complete agricultural value-chain from planting materials, training, agri-technology to market

Business Model

Open Market Buying



Wet bean buying



Buying stations



Post harvest facilities

Contract Growing



Financing assistance



KFI seedling and input sales



Training and supervision



Guaranteed buy-back

Managed Farm



KFI-Landowner Partnership



KFI finances and manages farm



Farmers as employees



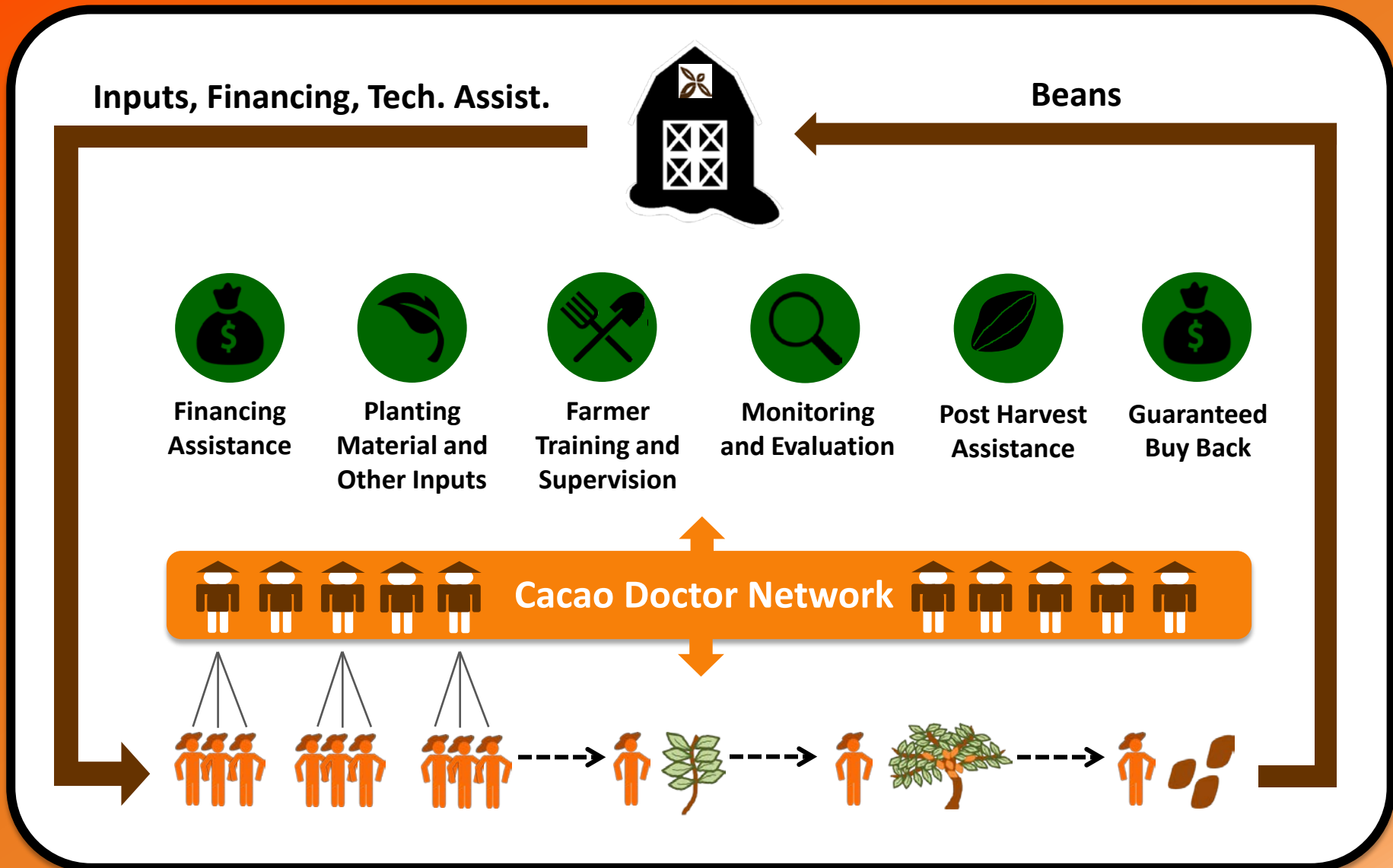
Lease payments / revenue share

Global best practices to increase yield and quality

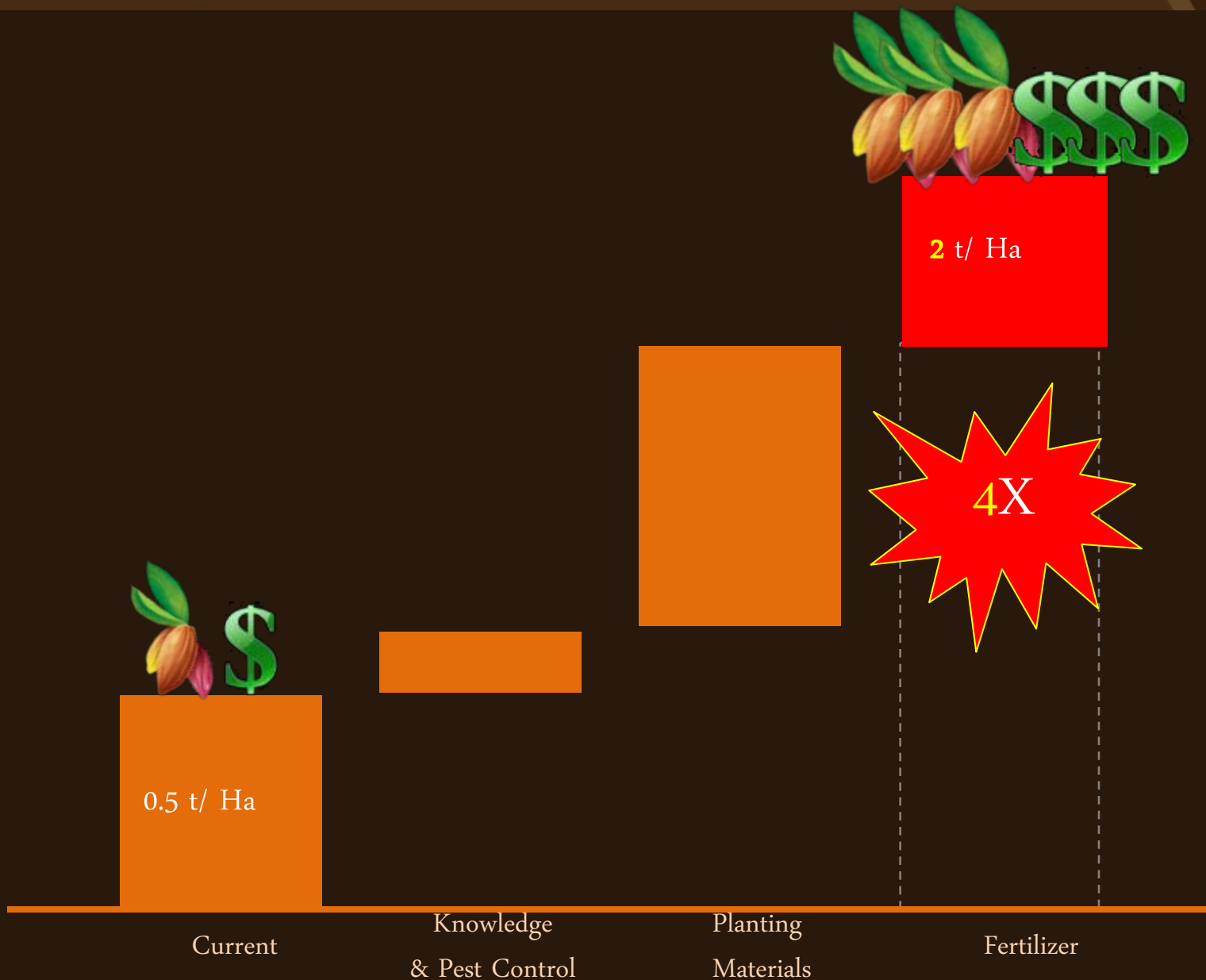
Sourcing financing for farmers

Grower clusters and technology as enablers for scale-up

Kennemer Cacao Growership Program



Creating the New Normal



Government Partnerships



**Cacao
100
Program**



**Philippine Rural
Development
Program**

**Pablo
Rehabilitation
Program**



**National
Greening
Program**



**DAR-KFI
National Cacao
Planting
Initiative**



**PCA-KFI
Cacao
Program**



KENNEMER FOODS INTERNATIONAL

PROVINCIAL HUB (KCDC)

- Model Farm
- Training
- Post-harvest
- Nursery
- Fertilizers
- Pruning Services



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FARMER ENTREPRENEURS

FIELD HUB (Cocoa Doctors)



- PLANTING MATERIAL
- TRAINING
- ONGOING FIELD ASSISTANCE

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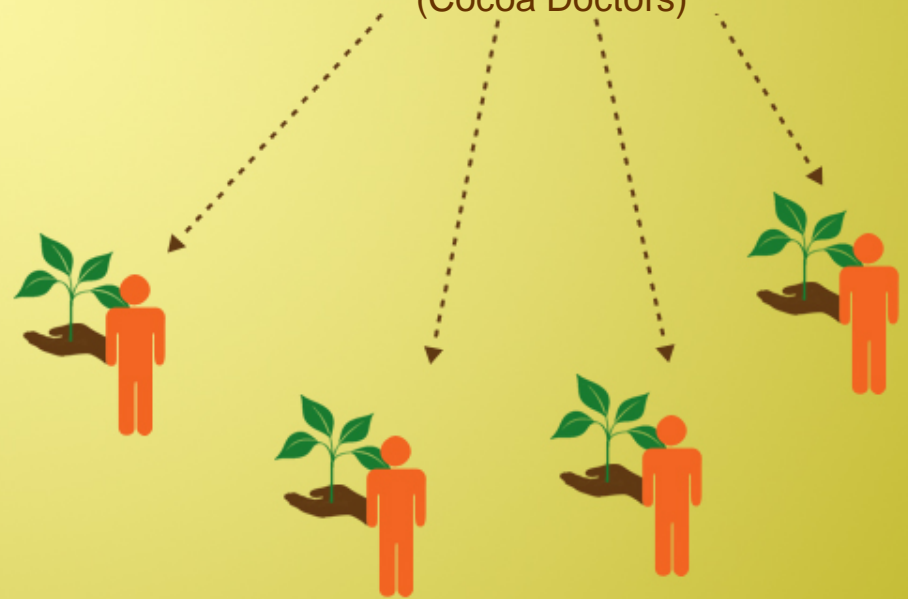
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WORKING CAPITAL



CACAO BEANS



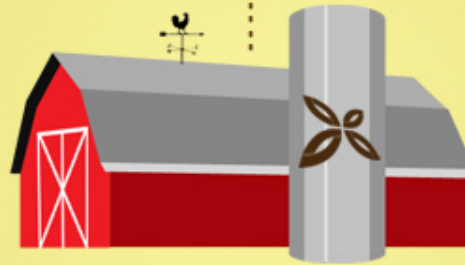
FARMERS



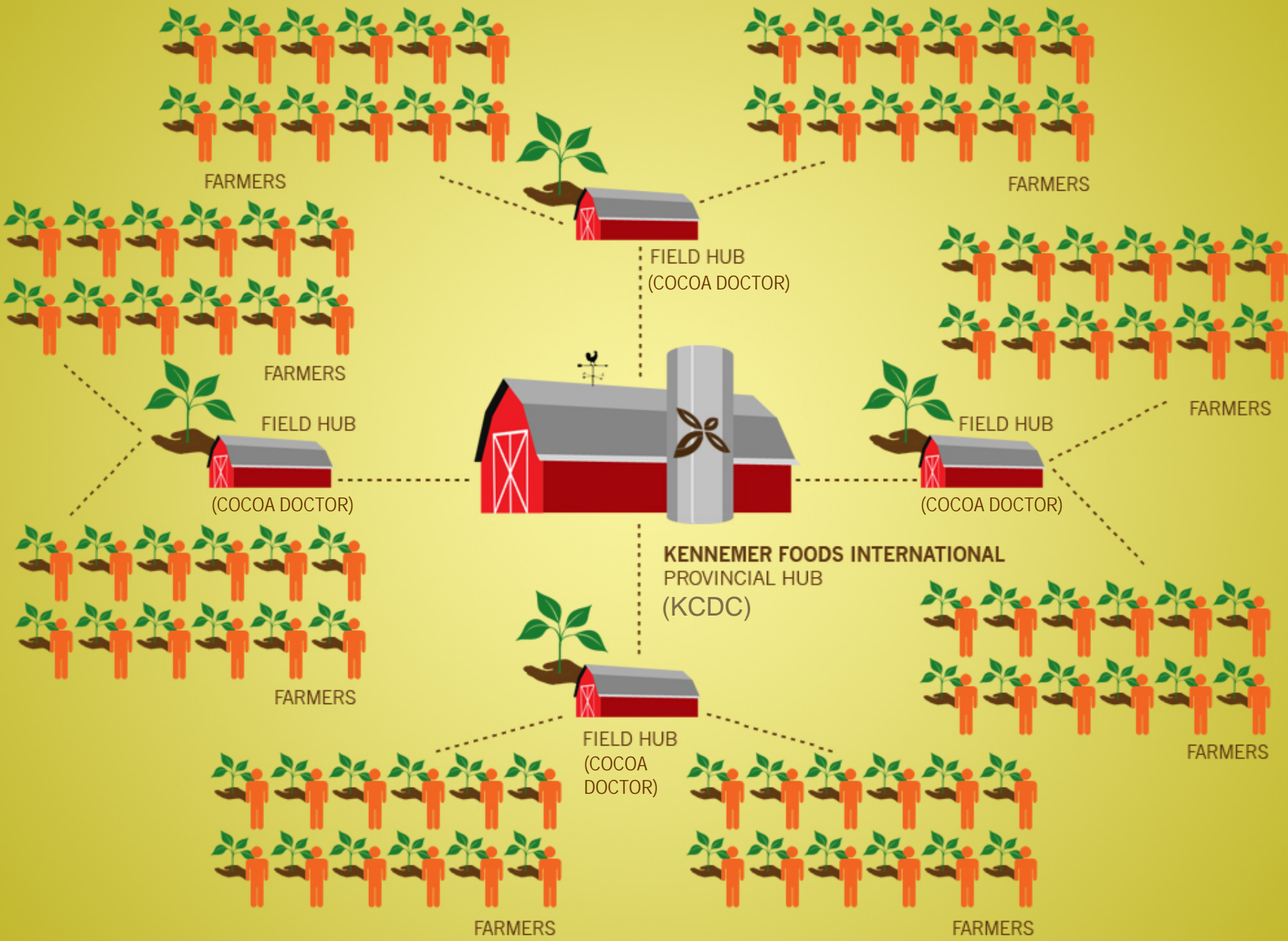
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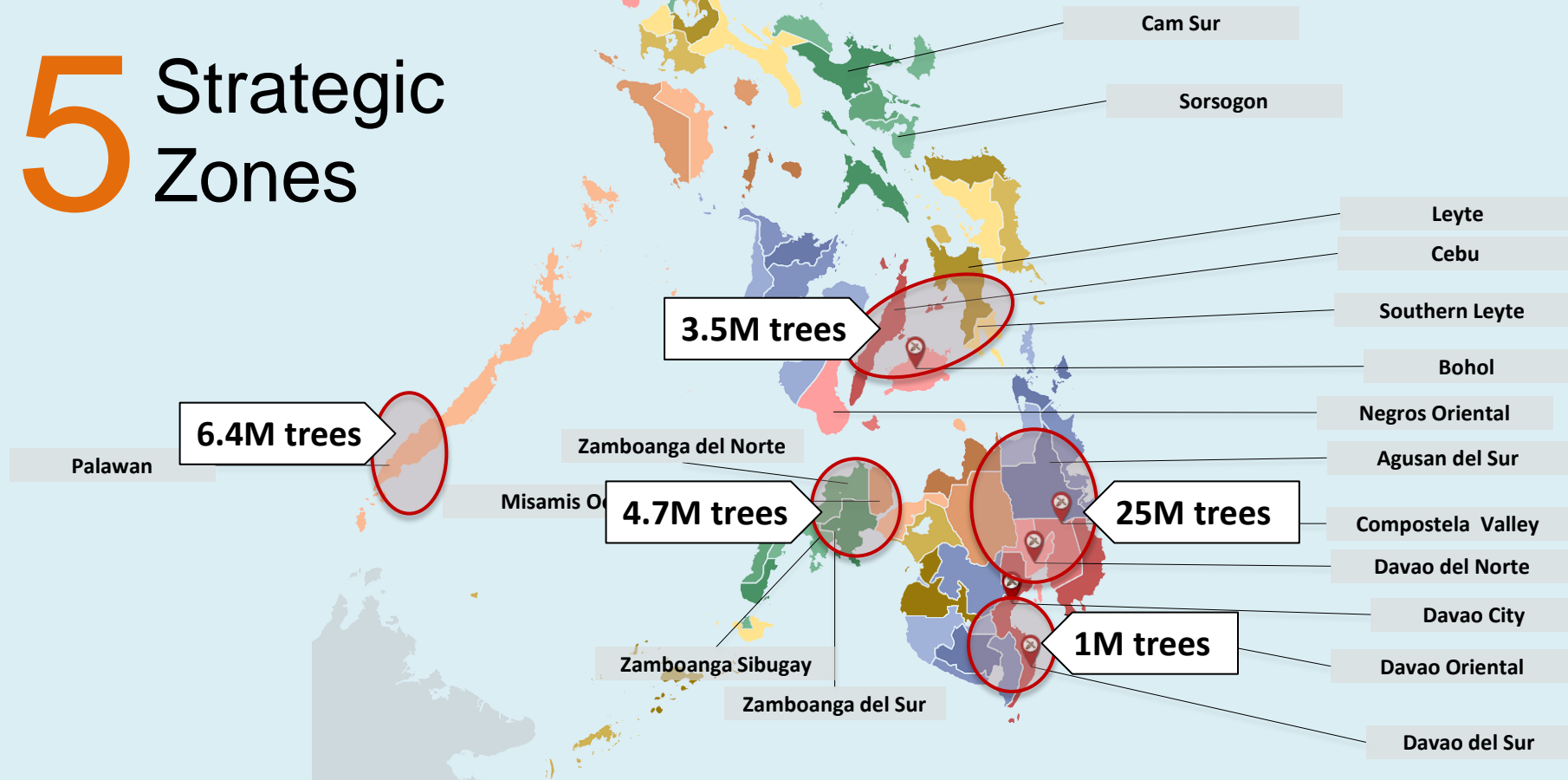
FARMERS

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Expansion Areas

40M
trees 2014-2020

5 Strategic Zones



Expected Impact – Growership Program



Expected Impact	2012	2013	2014	2015	2016	2017	2018	2019	2020	Yearly at Maturity	Total (2012 – 2020)
# of New Hectares Planted	250	3,700	8,250	10,000	10,000	6,250	5,000	5,000	4,750		50,750
# of New Trees Planted	250 K	1.2 M	6.6 M	8.0 M	8.0 M	5.0 M	4.0 M	4.0 M	3.8 M		40.9 M
# of New Farmers Employed and Trained	167	3,533	5,500	6,667	6,667	4,167	3,333	3,333	3,167		36,533
# of New Cocoa Doctors Employed and Trained	8	42	220	267	267	167	133	133	127		1,364
Additional Cocoa Beans Produced Per Year (mt)	0	0	63	894	5401	15,873	27,799	38,366	45,445		133,841
Incremental Income (in Million Pesos)											
Farmers	0	0	6	80	486	1,429	2,502	3,453	4,090		12,046
Cocoa Doctors / Farmer Entrepreneurs	0	0	0	4	27	79	139	192	227		669
Local Philippine Economy	0	0	6	85	513	1,508	2,641	4,157	4,317		13,227
	Today w/o KFI				With KFI Intervention				Increase		
Annual Income at Maturity per Farmer (1.5 hectares per farmer)	P 50,000				P 206,000				4x		



New Cacao Farm, UF18's – 2 years and 2 months after planting.