

# Moving up the value chain

## INTERVIEW WITH HÉCTOR RIZEK AND MASSIMILIANO WAX

CEO AND VICE-PRESIDENT, STRATEGY AND BUSINESS DEVELOPMENT, RIZEK CACAO S.A.S.



**HÉCTOR RIZEK**  
CEO, Rizek Cacao



**MASSIMILIANO WAX**  
Vice-President,  
Strategy and Business  
Development, Rizek Cacao

The Dominican Republic may be one of the world’s smallest producers of cocoa, exporting around 85,000 metric tonnes a year – a drop in the ocean compared to Côte d’Ivoire’s 1.5 million tonnes – but it has earned a reputation in international markets for the quality of its organically grown beans.

Over the last two decades, the country’s oldest and largest producer, Rizek Cacao S.A.S., has been driving the transformation of the cocoa sector, establishing the Dominican Republic as a source of high-grade beans.

Having established itself as a trusted supplier to some of the world’s leading chocolate producers, such as Meiji, Mars, Storck, Scharffenberger, and Kraft, along with smaller manufacturers like the UK’s Green & Blacks, or French luxury chocolatier Valrhona over the last two decades, in 2011, Rizek decided to become the Dominican Republic’s first cocoa producer to take the bean to the bar. The result is Kah Kow, a range of four 50-gram full-milk, 55 per cent, 62 per cent and 70 per cent bars, along with a “milk-no milk”, all-vegetable creamy chocolate, made with almond and coconut.

For the moment Rizek has no plans to export the Kah Kow range, which is available through selected high-end outlets in the DR, as well as from its own Kah Kow shop in Santo Domingo’s Blue Mall shopping centre. The establishment is not only a retail outlet, but provides customers with a “full chocolate experience,” explaining the production process from

bean harvesting through to fermentation, and then the different stages involved in producing chocolate bars. Visitors are invited to learn to identify the qualities that make Rizek’s chocolate special at tasting sessions. Also available at Rizek’s ‘house of chocolate’ are chocolate cones, and its spreadable *Chocodamia*, a blend of chocolate with macadamia; *Ganache*, a low-sugar chocolate mousse; and a lighter product, called *Parfait*.

Founded in 1905, Rizek is the largest producer of fine or flavour cocoa in the DR. The family-owned business has some 2,000 hectares of cocoa cultivation, and also buys some beans directly from its network of around 6,000 small-scale farmers, as well as sourcing through intermediaries, producing around 14,000 tonnes a year.

Traditionally, Dominican cocoa, known as ‘Sanchez’ after the port from where it was originally exported, had a poor reputation on international markets. Recognising that the DR couldn’t compete with the major cocoa producers of West Africa in terms of quantity, in the 1990s, Rizek decided to focus on producing high-quality cocoa beans that would differentiate it from other competitors. This has allowed it to meet the demands of luxury chocolate makers constantly in search of subtle variations in taste and bouquet. “Since then, we’ve become a very different animal: we create new things in the cocoa world,” explains CEO Héctor Rizek, whose great-grandfather began the business.

The transition toward high quality production has involved what Mr Rizek calls “a new definition of who does what” that started with persuading growers to introduce new varieties of cocoa and then creating a control system that allows the company to trace the cocoa throughout every step of the supply chain.

Producing luxury chocolate starts with growing the type of cocoa beans that upscale chocolate makers want. “Using genetic material already in seed banks and clone gardens, we have improved on the varieties that have been here for more than a century, such as *criollo*, *nacional*, and *trinitario*, sometimes creating new, successful hybrids” explains Mr Rizek.

The next stage in differentiating Rizek’s beans is the fermentation process, vital for bringing out the subtle differences in flavour. This begins with drying the beans. In the past, the poor quality of the DR’s beans was in large part due to incomplete drying, says Massimiliano Wax, Rizek’s Vice-President Strategy and



Business Development. “Heavy rainfall at particular times of year in the DR can make it impossible for smallholdings to dry cocoa to international standards by sun-drying alone, so we decided to build the biggest drying and fermentation plant in the world.”

In the same way that the best wine producers choose grapes from specific areas, Rizek describes its beans in terms of *terroir* (the qualities associated with certain soil and climatic conditions) and *cru* (the system of buying from specific vineyards or groups of vineyards).

“The purpose of fermentation is to form the precursors of the flavour, aroma, and colour of chocolate by provoking biochemical reactions in the beans. This is the most important part of the whole process; there are an infinite number of flavours that we can fine-tune during fermentation. This is what gives our beans *terroir*,” explains Mr Rizek, adding: “One infallible way to recognise a high-quality cocoa product: smell it. The first note you perceive must be the typical cocoa note. If you smell vanilla or sugar...move on.”

#### A sustainable approach

More than 85 per cent of cocoa farming in the Dominican Republic is carried out by small-scale farmers, who cultivate plots or around 2.5 hectares on average, most of who use outdated agricultural practices and lack the finance to invest in their plots. “This has meant that traditionally, crop yields are low, profitability is negligible, and farmer incomes subsequently remain at poverty level,” explains Mr Wax. This negative cycle has discouraged younger generations from cultivating cocoa, he adds, arguing that Rizek’s long-term approach to the business will persuade younger people to stay in what should be an increasingly profitable business.

“The big challenge has been how to earn money from growing and producing cocoa. The DR has seen large numbers of people leave the countryside for the cities,” he explains, adding, “but we can manage this, because the demographics make it an emerging market: the DR is experiencing big population growth. We will have labour available. Families will stay. It’s a challenge, but we can manage it. We have to help them to produce more efficiently.”

Rizek’s long-term approach has also seen it garner a series of certifications for its organically grown beans from the US Department of Agriculture, the European Union, the Rainforest Alliance, UTZ, the largest sustainability program for cocoa in the world, Fair Trade USA, Japanese Agricultural Standards (JAS), and Bio Swiss Standards.

“Certifications are more than an endorsement of a compliance scheme: they represent our commitment to a system of values and practices that are crucial to the sustainability of the cocoa sector,” says Mr Rizek.

Similarly, the company is also looking to differentiate its beans by creating denomination of origin (DO). It currently has two: Los Bejucos and El Ramonal, produced by more than 200 farms. “DO is now an important part of traceability. People want to know where the product comes from, right back to the grower,” explains Mr Wax.

The company also has an active programme of Corporate Social Responsibility and funds the non-profit foundation for cocoa producers known as Fuparoca, which includes its 6,000 cocoa farmers.

Rizek provides its Fuparoca-affiliated farmers with advice and education on a variety of issues including grafting, replanting/conservation, child labour, rubbish disposal, non-use of chemicals and water purification initiatives. At the same time, the Fuparoca Foundation has initiated many community support activities, donated items and provided important development assistance such as building bridges and installing piped water.

“It’s hard to overestimate the importance of sustainability to a sector like ours. You have to remember that the DR had virtually no primary forest: much of it was planted, while historically, successive governments have protected it,” explains Mr Rizek. “Today, around 40 per cent of the DR’s forest is dedicated to cocoa and coffee; around 40 per cent of our rivers originate in the forested highlands. In short, cocoa is one of the DR’s national treasures, and so we have to protect it.”

When well managed, cocoa trees can be productive for up to a century. “And those trees have different flavour profiles that help make our cocoa more competitive. We’re studying cloning to create recipes for the future,” explains Mr Wax, adding: “Sponsoring fine or flavour will keep the DR at the top in terms of quality. Ours is a constant quest for differentiation, to create individual flavours, in short, to have the best cocoa process in the world.”

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Opposite and below: From bean...to bar

