

CIRCULAR ECONOMY BUSINESS CASE STUDIES IN SOUTHEAST ASIA

Chocolate Dream

Vientiane, Laos

Agri-food

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Analysis period: 2022-2025

Regenerative Cocoa Agriculture

Business Spotlight

The company Chocolate Dream in Laos has established local cocoa farming, processing and chocolate production through a dedicated programme of improved cultivation, harvesting and post-harvest handling (fermentation and drying). These improved practices were made possible with training. The improved cocoa is rewarded with a price premium and a direct trade partnership for farmers with the company.

Chocolate Dream practices regenerative agriculture through cacao agroforestry as substitute for land-degrading monocultures. This enhances soil biodiversity and promotes long-term soil health. The firm advocates zero waste: any cacao waste, primarily the husk of the pod, is composted and the resulting compost is applied in farm operations, returning agricultural by-products back to the soil. Another accomplishment: Chocolate Dream, unlike competitors, uses simple yet beautiful paper for its packaging. This minimalist, authentic and 100% biodegradable packaging reinforces the brand's traceable, single-origin identity.

The Chocolate Dream model offers a replicable blueprint for other high-value crops in the region, because it demonstrates that resource efficiency,

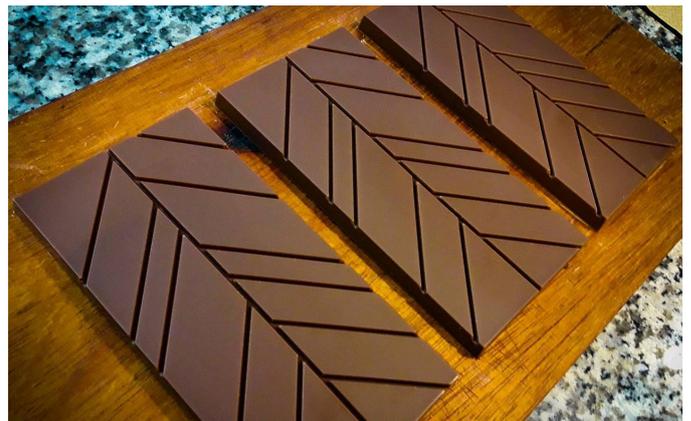
quality premiums, and local skill development can overcome infrastructure deficits to create resilient, sustainable, and profitable circular businesses.

Keywords

Local agriculture, Cocoa, Cacao, Craft chocolate, High-value product, Packaging

Innovation

Product/service design, Manufacturing, Resource circularity, Resource efficiency, Resource substitution



Analysis of Chocolate Dream

Context and baseline

Chocolate Dream in Laos is a bean-to-bar chocolate maker pioneering the local cultivation and production of quality chocolate. In the absence of established local chocolate producers, all cocoa beans and chocolate are imported to Laos. At the same time, agriculture is increasingly subjected to the overuse of unregistered pesticides, which are harmful for the environment and human health. In response, Chocolate Dream has created a local and regenerative value chain for cocoa cultivation and processing that minimizes industrial inputs, and produces a single-origin chocolate in Laos.

Chocolate Dream relies on direct local partnerships in the form of exclusive cultivation agreement with Lao farmer, making it possible for the company to source quality cocoa beans to produce a distinct single-origin chocolate. A bean-to-bar processing plant has been built, and local staff are trained to operate it. And a minimalist, artisanal philosophy with respect to packaging means that as little paper as possible is used to package the chocolate. This local model reduces imports, avoids using pesticides through organic and natural agricultural practices, and minimises waste generation. The result of this holistic approach is that economic value is ensured in Laos while environmental and social sustainability are being promoted.

Innovation

The founder and owner of Chocolate Dream, Mr Mikaël (Mike) Bronkhorst, overcame the initial lack of cacao cultivation and processing in Laos through ingenuity, resourcefulness, and establishing a new local supply chain. With no dedicated chocolate-making equipment available in Laos, he piggybacked on the local coffee industry, since the machines needed to crack, winnow, and roast cacao beans are mechanically similar to those used in coffee production. This approach allowed him to significantly reduce the capital investment and logistical hurdles of importing specialised machinery, while using a minimalist, artisanal approach to cocoa processing instead.

Initially, since Laos had no established cacao plantations and only few and scattered cacao or cocoa trees, Mr Bronkhorst had to rely on external sources to begin production. He started to import beans directly in small batches from Thailand, Indonesia, Vietnam, Malaysia and Timor Leste. He stayed with his ultimate goal of transitioning to local beans, for which he established an exclusive partnership with a local farmer from Vientiane province who owned one hectare of land planted

with mature cocoa trees. Through direct trade and this farming partnership, Chocolate Dream was able to produce the first all-Lao sourced, single-origin chocolate bar (77% cacao) in December 2022.

Circular Economy impact

The cocoa sourcing and processing for Chocolate Dream contributes to the circular economy through the local, low input, and regenerative farming practices in Lao. Efficient use of materials and energy in the growing and supplying of cocoa beans to the company reflect resource efficiency, and the composting of residues into a renewable fertiliser substitute reflect both resource circularity and resource substitution.

The key circularity element in regenerative cocoa farming is the management of the cocoa fruit residues. Dried beans represent 7%–10% of the total weight of the harvested cocoa pods, while the rest is composed of 50% fruit, used for the fermentation of the beans, and 50% pods. Chocolate Dream then composts the fermented fruit and pods and transforms the bean shells into cocoa husk tea. The resulting compost and mulched shrub and grass clippings, are returned to the land to enrich the soil with organic matter, reducing reliance on chemical fertilisers and closing the nutrient loop on the farm. The production of dried beans averaged 50 kg/month during first nine months of 2025, implying that on a monthly basis some 500 kg of by-products are being composted and reused.

The cocoa cultivation practices at Chocolate Dream include using shade-grown cacao cultivated within an agroforestry system, which results in water savings and a minimal use of pesticides. The presence of diverse, taller native trees, such as mango or banana, and soon acacia, to shade the cocoa plants, creates a cooler microclimate and a dense leaf litter layer that acts as a natural sponge, significantly reducing water evaporation from the soil. This natural temperature and moisture control lessens the need for irrigation, conserving water. Furthermore, this diverse ecosystem enhances biodiversity, attracting beneficial insects, birds, and other organisms that provide natural pest control.

The packaging used for Chocolate Dream is 100% paper, and is thus recyclable, which is not the case for common industrial chocolate packaging practices, where plastic or aluminium foil laminates are used for extended shelf life.

The chocolate produced from locally grown cocoa beans eliminates the need to import cocoa beans, which would otherwise have required energy use and generated emissions during transport to Lao.

Business and market impact

The artisanal, local model of Chocolate Dream required a high initial investment in time and relationship-building, which was however offset by the lower upfront capital costs as the company set up the cocoa processing facility with existing and locally manufactured equipment, initially designed for coffee processing. Their current premium-brand position as the 'first single-origin Lao chocolate' allows the firm to attract a high price, compared to imported and locally-reprocessed and repackaged high-quality chocolate. The combination of all of these factors made a relatively short payback time of three years for the fixed capital investment possible.

The firm has scaled up its product variety and consolidated its supply partnership for local cocoa beans with a single farmer from Vientiane province. The production has scaled up from a single founder using 'home-brew methods' to employing Lao women, providing them with specialised skills and increasing daily production capacity. Sales have expanded from exclusive retailers and cafes to a wider distribution network within Laos.

The vision of Chocolate Dream is to expand local cacao processing in Laos, which implies increasing the volume purchased from local farmers as more cacao trees mature in the country.

Stakeholders

Chocolate Dream operates on a direct trade model. At the outset, the company established an exclusive, personal relationship and supplier partnership with a local Lao farmer. The firm pays a price to this farmer that is significantly above the commodity world market price. This premium is not a subsidy, but rather a compensation paid to the farmer for the additional effort and his potentially lower cocoa bean yield, as well as a reflection of the higher quality beans being produced.

The farmer is responsible for the critical post-harvest steps of fermentation and drying. The company has transferred the necessary technical skills to ensure the post-harvest processing preserves the quality of the cocoa beans, and hence the suitability for producing premium chocolate. This further justifies the premium price, while building the farmer's expertise in the critical stage of the cocoa supply chain.



Implementation

The circular model of Chocolate Dream, which centres on sourcing locally grown, high-quality cacao, initially faced the type of barriers inherent to pioneering new cultivation and post-harvest practices and setting up new value chain. The main challenge was the near-total absence of post-harvest capacity for fermentation and drying, which are critical for achieving premium cocoa-bean quality. The firm addressed this by offering a powerful incentive: a guaranteed premium price through a direct-trade partnership with a farmer. The company worked with the farmer to perfect the necessary skills to create a high-quality, traceable 'Single-origin Laos' product.

To overcome the lack of specialised equipment in a new market, the firm repurposed existing coffee processing machinery and combined it with manual processing. This approach would be replicable in other developing countries in the region for high-value crops, offering opportunities for farmers to diversify income and access premium domestic and/or export markets. However, scaling is challenged by the slow maturation of cacao trees (3–5 years for yielding the first cocoa fruits), the difficulty of convincing farmers to choose cacao over existing, faster-returning crops, and the country's limited infrastructure for transport and logistics.

Takeaways

Chocolate Dream illustrates both the opportunities and the challenges of establishing a completely new value chain for regeneratively cultivated cocoa, instead of using established outside sources. The company has succeeded in becoming the first single-origin bean-to-bar chocolate maker in Laos, and their direct relationship with the farmer enables the firm to control quality, eliminate middlemen, and capture premium value within the country. The power of a minimalist, localised approach that prioritises quality over scale, using direct-trade partnership and hyper-local knowledge transfer as core business strategies, is highlighted and showcased in this study.



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Disclaimer

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