

The Circle Initiative

White Paper

Balancing Capitalism

Transforming Commodity Trade into Shared Wealth

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Executive Summary

This white paper introduces **The Circle Initiative**, a pioneering model that offers a parallel, ethical approach to the raw produce economy.

For thinkers like Grace Blakeley, Richard Wolff, and Yanis Varoufakis—who have long critiqued the excesses of capitalism—this paper presents a complementary solution rather than a replacement.

We also address philanthropic entrepreneurs who have thrived in a capitalist system and are now seeking new ways to create impact.

The Circle Initiative is not about rejecting capitalism but balancing it by providing a fair and sustainable alternative for raw materials.

With The Cocoa Circle as our proof of concept, we invite you to explore how this model can coexist with and enrich the current economic landscape.

Introduction

Context: Capitalism's Uneven Scales

Capitalism has driven innovation, global trade, and wealth creation for centuries. But left unchecked, it can tip into *extreme capitalism*, where profits consolidate at the top, social and environmental costs are externalised, and those at the very start of the supply chain are left with the smallest share. In the cocoa industry, this imbalance is stark: farmers—responsible for cultivating one of the world's most beloved products—often receive only a fraction of the final retail price, while market volatility and climate pressures threaten their livelihoods.

The Problem: Structural Inequities

In today's cocoa trade, intermediaries dominate distribution channels, supply chains are opaque, and power dynamics heavily favor large corporations. Farmers face:

- **Low income security** despite rising global demand for cocoa.
- **Vulnerability to climate change**, including droughts, fires, and biodiversity loss.
- **Limited access to market intelligence** and direct consumer relationships.

The result? An industry in which cultural heritage and ecological stewardship are undervalued, and communities remain dependent on external actors for survival.

The Opportunity: A Shift in the Model

There is a growing appetite among consumers for products with transparency, traceability, and purpose. Social media and e-commerce have collapsed traditional distances between producers and consumers, opening the door to *direct trade* and *community-driven economies*. This is where **The Circle Initiative** steps in—a parallel economic model that hardwires the pursuit of impact into the business model, rather than profit, proving that profit and purpose can not only coexist but strengthen one another.

What is The Circle Initiative?

Definition

The Circle Initiative is an economic model that redefines how value flows through the raw materials industry. It is built on a dual-entity structure designed to balance purpose and profit—two forces that traditionally compete but, within the Circle Initiative, coexist in harmony.

At its core, the model consists of two entities that function in lifelong partnership:

1. **The Foundation (Public Benefit Corporation)**

This entity holds the trademark, intellectual property, digital assets, and the social media channels through which the movement operates. All revenue from product sales initially flows into this entity. Its primary mission is to ensure that the majority of funds return to the cultivators and communities that make the products possible.

The foundation operates under a **Cost+10% operational agreement** with its servicing partner, ensuring that all essential activities—logistics, technology, and management—are carried out efficiently and transparently. This structure guarantees that operational costs are covered while capping the servicing company's profit at 10%, maintaining accountability and alignment with the Foundation's mission. All remaining revenue stays within the Foundation and is distributed directly to producers—ensuring transparency, fairness, and measurable impact.

2. **The Servicing Company**

This entity operates within the framework of capitalism. It focuses on innovation, profit-driven efficiency, scalability, and global reach. It manages the technology platform, logistics, marketing, operations, and employee salaries—all of which are critical for stability and expansion.

Crucially, this company holds a lifetime exclusive service contract with the foundation. It can raise capital, attract top talent, and operate competitively in the open market—but its earnings per unit are contractually limited to its fixed service

margin. In doing so, it leverages the best of capitalism's infrastructure while preventing profit extraction beyond what is necessary to sustain the model.

Together, these two entities form a closed-loop system where profit powers purpose and purpose sustains profit—a true “circle” of economic balance.

Mission & Vision

Our mission is clear:

> To create a sustainable, transparent, and scalable model where innovation and fairness reinforce each other, not compete.

We envision a circular economy in which every product that originates from the earth benefits those who cultivate it, without stifling the entrepreneurial drive that propels industries forward.

The Full Circle Concept: Three Pillars

1. Dual-Entity Synergy

The Foundation and the Servicing Company operate in permanent partnership—one dedicated to impact, the other to growth. Together, they form a system where capitalism serves purpose, not the other way around.

2. Social Media as an Economic Engine

The Circle Initiative could not exist without the democratization of media. Social platforms like Instagram, TikTok, YouTube, and Pinterest give anyone the power to build a community without gatekeepers.

We leverage this to imprint a new economic layer on top of social media—transforming it from a tool for sharing into a marketplace for ethical trade.

Content creators become active participants in the circular economy:

- They showcase products that meet Circle Initiative standards.
- Their audiences can buy directly, knowing 90% of profits go to the start of the supply chain.
- Creators receive a small share, not to get rich, but to reinvest in their own platforms—expanding awareness and, in turn, sales.

This creates a feedback loop: more awareness → more sales → more funds for both creators and producers → more community and environmental impact.

3. Transparency and Accountability

The Circle Initiative's structure is built to be verifiable. Because the Servicing Company operates publicly and the Foundation manages distributions transparently, consumers can see precisely where their money goes. Trust becomes not a marketing claim but a measurable reality.

The Growth Mechanism

The Circle Initiative is built to be self-reinforcing. Growth is not an afterthought—it is embedded in the design. By maintaining a lean 10% operational margin, we sustain ourselves while scaling reach, impact, and diversity of raw materials.

Addressing the Traditional Business Objections

Objection 1: “Margins are too thin to survive.”

In traditional business thinking, low margins are a red flag. Entrepreneurs are taught to protect the bottom line, cut costs, and maximize profit per unit. On the surface, giving 90% of profits back to producers seems impossible.

But this overlooks a key factor: **volume**.

Our model follows the **horizontal growth principle**:

- **Traditional model:** higher per-unit margin, smaller customer base.
- **Circle Initiative:** lower per-unit margin, much larger revenue driven by ethical differentiation

Simply Put, the model follows the following principle - earning smaller amounts from a vastly larger pool of transactions. If a conventional cocoa company earns \$3 from a \$10 sale, we might earn only \$1. But if we sell 1 million units instead of 100, the operational outcome is stronger and the social impact is exponentially greater.

Because the Circle Initiative offers the same raw material quality at a competitive price **plus** the ethical guarantee that 90% of profits go to the source, consumers have a compelling reason to choose us over any conventional alternative.

Objection 2: “Consumers won’t switch brands.”

For raw materials, quality parity is the great equalizer. Whether it’s cocoa, rice, or vanilla, the differences between one producer’s raw ingredient and another’s are minimal once quality standards are met. Consumers rarely choose a bag of rice or cocoa powder for its unique sensory profile—the real distinction typically happens later, in the hands of the maker.

That’s where ethics becomes the true differentiator. When two identical bags sit side by side—one from a conventional supply chain and one from the Circle Initiative, where profits flow transparently back to producers—the choice is clear. Given equal quality and price, consumers will naturally favour the option that creates measurable good without any compromise in performance or taste.

Objection 3: “You won’t attract top talent or investment with only 10% retained.”

This is a valid concern—great talent and innovation often require competitive salaries and growth capital. The Circle Initiative addresses this through a **dual-entity structure**:

The solution is a dual-entity structure: The Initiative Company owns the brand, while a Servicing Company fulfills operations, can go public, and attract capital—while bound by lifetime exclusive contracts and capped per-unit fees.

As awareness and adoption grow, the Servicing Company can thrive as a public entity, distributing dividends to shareholders who are choosing not speculative risk, but steady, ethical returns. These investors effectively back a model where profit is predictable, impact is measurable, and growth is grounded in transparency.

- **The Initiative Company** - Owns the IP, social media channels, tech platform, and brand. Operates on the 90/10 principle, ensuring 90% of profits return to producers.
- **The Servicing Company** - A for-profit company, bound by a lifetime exclusive contract, is responsible for carrying out the entire operation for the Initiative at a fixed minimal fee.

This company is will be able to,

- Go public*, tapping into the existing capitalist infrastructure to raise capital.
- Offer competitive salaries to attract top talent.
- Innovate in logistics, marketing, and customer experience while bound by its contractual commitment to the Initiative.

Going public adds an extra safeguard: public companies must disclose their financials. If the servicing company ever broke the 90% return rule, the model's credibility would collapse, the Initiative's value would vanish, and consumers would abandon it. This **catch-22 protects the integrity of the model while allowing measured use of traditional capitalist growth tools.*

Model In Action

While The Circle Initiative is a universal economic model for raw materials, cocoa provides a clear proof of concept. The following cases utilise documented farm realities and demonstrate how the dual-entity structure (Foundation + Servicing Company on a Cost+10% agreement) yields practical, measurable outcomes.

Case Study 1: Finca Cacayo — Converting Constraints into Capacity

Context. Finca Cacayo is a 13-hectare plantation with ~4,128 productive plants and a family team committed to agroforestry. Key operational bottlenecks include: failed irrigation technology, lack of a protected drying area (over-drying in intense sun / excess moisture in rain), and the need for a proper storage space to preserve post-harvest quality. Medium-term projects include vermicomposting and a nursery to strengthen circular soil health.

Circle Initiative application. - Direct access on the platform channels consumer demand straight to the farm's inventory, with line-of-sight on pricing and payouts. - Creator activation (social media as an economic engine) turns farm narratives into qualified demand, linking content directly to product SKUs. - Cost+10% service funds logistics, tech, and customer service while returning the remaining revenue to the Foundation for distribution to producers.

Priority micro-projects funded by flows through the model.

- 1) Climate-proof drying house and raised beds to stabilize fermentation/drying curves year-round.
- 2) Storage and packaging improvements to protect quality post-drying.
- 3) Irrigation redesign with field expert input to reduce crop stress.
- 4) Soil circularity pilots (vermicompost + nursery) to close nutrient loops and improve resilience.

Expected outcomes. Higher, more consistent cupping scores and reduced post-harvest loss; steadier volumes that improve revenue predictability and enable step-wise expansion.

Case Study 2: Hacienda RC — Climate Resilience + Quality Uplift

Context. Hacienda RC has faced severe drought, fires that damaged a notable share of the plantation, and reduced environmental humidity impacting pollinators. The farm has invested in fermentation boxes and is building toward specialty-grade processes, with raised drying beds and reforestation on the roadmap.

Circle Initiative application. - **Direct access** provides transparent unit economics that justify on-farm quality investments.

- **Creator campaigns** convert climate-resilience storytelling (shade regeneration, water access, biodiversity protection) into real demand and cash flow.
- **Cost+10% service** ensures stable operational support while maximizing returns to the Foundation for producer distribution.

Priority micro-projects funded by flows through the model. 1) Reforestation and shade-tree planting to rebuild canopy, humidity, and habitat.

2) Raised, covered drying infrastructure to control moisture and protect against erratic weather.

3) Fire-breaks and basic water points to lower future catastrophe risk.

4) Fermentation QA (tools/monitoring) to reach consistent specialty benchmarks.

Expected outcomes. Faster recovery from climate shocks; improved bean quality and yield stability; strengthened eco-tourism potential once basic infrastructure is secured.

Case Study 3: Hacienda La Luz — Education as a Growth Flywheel

Context. A historic estate that combines a working plantation with a chocolate factory and an educational museum, receiving visitors and schools and showcasing both fermented and washed methods.

Circle Initiative application. - **Direct access** monetizes the educational funnel (factory tours → D2C product sales on the platform) with transparent producer distributions.

- **Creator-led education** (short courses, behind-the-scenes content) scales the museum experience globally and drives qualified traffic to SKUs.

- **Cost+10% service** provides the operational backbone (checkout, compliance, logistics, support) without eroding producer returns.

Priority micro-projects funded by flows through the model. 1) On-farm biodiversity and shade-tree diversification aligned to the estate's educational mission.

2) Equipment upgrades for post-harvest consistency across seasons.

3) Youth training modules that formalize the farm-to-chocolate curriculum and expand paid tour capacity.

Expected outcomes. Larger, recurring D2C revenue tied to educational content; compounding brand equity around transparency; measurable biodiversity gains tied to visitor engagement.

Balancing Capitalism

Capitalism has proven itself as a powerful engine for innovation, wealth creation, and global connectivity. But in its extreme form, it can drift toward *winner-takes-all* dynamics—where wealth concentrates at the top, markets prioritize quarterly profits over long-term well-being, and those at the beginning of the supply chain are treated as cost centers rather than value creators.

The Circle Initiative does not seek to replace capitalism. It seeks to **rebalance it**.

Capitalism's Structural Tilt

In traditional commodity supply chains, the rewards are unevenly distributed:

- Producers bear the risks of climate change, price volatility, and crop failure.
- Intermediaries and retailers capture the bulk of the margin.
- Consumers are often disconnected from the origins of the products they buy.

This structure perpetuates inequality and leaves producers trapped in cycles of dependency.

The Circle Initiative as a Counterweight

Our model introduces three balancing forces into the capitalist framework:

1. **Value Redistribution** - By returning 90% of profits to producers, the model shifts wealth toward the start of the supply chain, where it can generate the most equitable impact.

2. **Democratized Market Access** - Social media and direct-to-consumer technology eliminate the gatekeepers that once controlled access to markets, allowing producers and content creators to participate directly in global trade.
 3. **Measured Capitalist Leverage** - The servicing company model uses traditional capitalist tools (public markets, competitive hiring, investor funding) but constrains them through lifetime exclusive contracts and capped earnings per unit, ensuring growth without mission drift.
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Why This Moment Matters

We are in a cultural and economic moment where inequality is a mainstream concern. Consumers, particularly younger generations, increasingly expect the brands they support to align with their values. In this environment, the Circle Initiative offers a practical choice—not just for ethically minded shoppers, but for investors, creators, and producers who want to participate in an economy that rewards fairness without abandoning efficiency.

In doing so, the model doesn't dismantle capitalism—it **anchors it in a more equitable distribution of benefits**, creating a healthier system that can endure without eroding its own foundations.

Challenges & How We Overcome Them

No economic model, however promising, is immune to challenges. The Circle Initiative's strength lies not in claiming immunity, but in anticipating obstacles and embedding solutions into its structure from the start.

Challenge 1: Market Adoption Speed

Risk: Even with growing awareness of inequality, consumers may be slow to switch purchasing habits—especially for staple goods.

Our Approach:

- **Trust through transparency** - Detailed profit-return tracking for each purchase.
 - **Story-driven marketing** - Leveraging social media to turn producers and creators into compelling brand storytellers.
 - **Low-friction entry points** - Keeping prices competitive with conventional products to remove cost as a barrier.
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Challenge 2: Climate Change & Environmental Risks

Risk: Extreme weather, pests, and biodiversity loss threaten raw material production.

Our Approach:

- Invest in **climate-resilient practices** such as agroforestry, shade management, and diversified planting.
 - Channel part of the 90% producer profit share into local sustainability projects that protect ecosystems and secure long-term yields.
 - Partner with scientific and agricultural institutions for continuous innovation in sustainable farming.
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Challenge 3: Maintaining Talent and Innovation

Risk: The 90/10 model could limit funds for high-caliber hires and innovation within the initiative.

Our Approach:

- Use the **servicing company model** to leverage public markets for capital without compromising the 90% return principle.
 - Offer mission-driven incentives—many top-tier professionals today value purpose alongside pay.
 - Build partnerships with universities, accelerators, and research labs to co-develop innovation.
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Challenge 4: Governance & Mission Integrity

Risk: Without safeguards, future leadership could drift from the initiative's founding principles.

Our Approach:

- Legally bind the 90% profit return into the servicing company's lifetime exclusive contract with the initiative.
 - Consider adopting **Public Benefit Corporation** or similar status in jurisdictions where it strengthens accountability.
 - Maintain radical transparency—annual impact reports, open financials, and third-party audits.
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Challenge 5: Scaling Beyond One Commodity

Risk: Each raw material market has its own dynamics, making expansion complex.

Our Approach:

- Pilot expansion into closely related commodities first (e.g., coffee, tea, vanilla) before entering highly complex markets.
- Adapt the platform's tech layer for flexible onboarding of new producer groups.
- Build cross-commodity creator partnerships to speed adoption across categories.

Measuring Impact

The Circle Initiative's value is not just in its philosophy—it is in its measurable results. By defining clear metrics from the outset, we make it possible for partners, investors, and consumers to see the tangible effects of their participation.

Economic Impact Metrics

These indicators show how the model transforms the financial well-being of producers and the stability of the supply chain:

- **Producer Profit Share** - Percentage of total profits returned to producers (target: 90%).
 - **Producer Income Growth** - Year-on-year increase in farmer household earnings.
 - **Market Access Expansion** - Number of new buyers or markets reached by producers through the platform.
 - **Creator Revenue Participation** - Percentage of active content creators earning supplemental income through the model.
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Social Impact Metrics

We measure how producer communities benefit beyond direct financial returns:

- **Community Project Funding** - Number and type of local projects initiated by producer groups using their profit share (e.g., schools, clinics, training centers).
 - **Employment Creation** - Jobs generated both in producer regions and in servicing operations.
 - **Cultural Preservation** - Number of traditional practices, recipes, or heritage events supported through initiative funding.
 - **Gender Equity in Supply Chain** - Percentage of women-led producer organizations in the model.
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Environmental Impact Metrics

Our commitment to sustainability is tracked through:

- **Agroforestry Coverage** - Percentage of production under biodiversity-friendly farming systems.
 - **Carbon Footprint Reduction** - Measured reduction in emissions per unit sold, including logistics improvements.
 - **Climate Resilience Investments** - Amount reinvested in practices like shade tree planting, soil regeneration, and water conservation.
 - **Deforestation Avoidance** - Verified hectares of forest preserved as part of production agreements.
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Consumer Engagement Metrics

To ensure long-term adoption, we also track:

- **Repeat Purchase Rate** - Frequency of return customers within a given period.
 - **Social Media Reach & Engagement** - Growth of creator-driven awareness campaigns.
 - **Consumer Awareness Index** - Survey-based measure of understanding of the Circle Initiative model.
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Why Metrics Matter

Transparency is our strongest way to build trust. By publishing these metrics in annual impact reports and making them available to consumers—by directly harnessing the strength of socialised media platforms—we close the loop—showing exactly how every purchase contributes to economic fairness, community resilience, and environmental stewardship.

Call to Action

The Circle Initiative is more than an economic model—it is an invitation to participate in a new way of doing business. We have proven that a commodity can be priced competitively, deliver high returns to producers, and scale globally, without abandoning the efficiency and innovation of capitalism.

For Consumers

Your choices shape markets. Every time you choose a Circle Initiative product, you send a signal: that fairness matters, that producers deserve dignity, and that quality and equity can coexist. Look for the Circle mark, share the story, and make each purchase count.

For Content Creators

Your platform is powerful. By integrating Circle Initiative products into your content, you join a global network of creators who are not just selling but *reshaping the economy*. You can add a revenue stream, grow your audience, and help producers thrive—all with one link in your bio.

For Producers

You are the heart of this model. By joining the Circle Initiative, you gain direct access to markets, transparency on pricing, and the security of knowing that 90% of profits will return to you and your community.

For Investors & Partners

Innovation in the raw materials economy is overdue. By supporting Circle Initiative servicing companies, you can help scale a proven model, retain the safeguards of the 90/10 principle, and create lasting systemic change while generating sustainable returns.

For Policymakers

Economic reform does not always require new laws—sometimes it just needs a new model to follow. Encourage adoption of frameworks that balance profit and fairness, incentivize transparency, and recognize social-media-driven market access as a legitimate tool for economic growth.

The Circle Initiative is ready.

The tools exist, the demand is growing, and the model is proven. All that remains is for enough of us to choose it—again and again—until it becomes the standard, not the alternative.