

TOBACCONIST



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**Inside
Chateau
de la
Fuente**

Taking risks

Hard work, a huge investment and prayer help Fuente farm grow beyond 'wildest dreams'

By Phil Bowling

Everyone scoffed at the mere mention of such a venture. Some had tried it and lost everything. Others thought about it, but backed off because of previous track records. But, four years later, and a third consecutive good harvest has proved the doubters wrong.

Carlos Fuente, from his early days, dreamed of creating the perfect cigar. Millions of cigars currently on backorder would indicate the Fuentes have at least come close to reaching this goal. But, Fuente Sr. and his son, Carlos "Carlito" Fuente Jr., moved the goalpost farther back, extending their hopes and dreams.

Not only did they want to make a perfect cigar and to provide it to the appreciative cigar smoker, but now they wanted to become involved in the nurturing of the tobacco seedling, seeing it through maturity and curing it to meet their established demands and expectations. They wanted to become farmers as well as manufacturers.

Redefining a mission

"It was always a dream we had," says Carlos Fuente Jr., relaxing during a visit last year. The setting for the interview, a courtyard of a hotel—sounds of tropical birds nearby and water gently splashing from the nearby ocean. Seemingly, a perfect background for a talk of the Domini-



can Republic, cigars and tobacco.

However, almost as soon as the conversation begins, Fuente becomes unaware of his surroundings, sinking deeper and deeper into the romance, the mystique of Christopher Columbus' discovery some 500 years ago—a doctrine the Fuente family believes in firmly.

The passion is visible on his face, in his manners and can be heard in his voice. "I have grown up around tobacco, spending time as a child in my grandfather's factory in Ybor City (near Tampa)," he says. "It is something that I love. It is not like a job to me."

The Fuentes have moved their factory several times as history has played out—formerly having facilities in the U.S., then Nicaragua, and finally, for the past 15 years, in the Dominican Republic.

The family has now found a home in the DR, and a true friend in its people. If all goes well, as you read this article

the Fuente family will be producing its first cigars from its third and largest factory. The family now has two factories in the city of Santiago, within walking distance of each other, and a smaller factory in nearby Moca.

The Fuentes first became intrigued with the possibilities of the farming process some 20 years ago in Nicaragua. "Our partner grew habana seed wrapper in Jalapa, Nicaragua, and there was something about the characteristic, the style of that tobacco that was close to our heart," Fuente Jr. says.

After the revolution in Nicaragua when the Sandinistas took over, Fuente says this "special" type of tobacco was lost. After the revolution, the market went to a milder cigar with a lighter color wrapper, he says.

"We always believed the true brown, the natural wrappers, would come back," Fuente says. "By nature, they're the ones with the most taste, and usually the sweetest."

Images of this wrapper failed to subside for the father-son team. "We were thinking about the possibility of obtaining that style of wrapper even as far back as the mid-1980s, but it wasn't readily available," Fuente says.

The Oliva family, a premier farming family in the cigar world, began growing a Connecticut-style wrapper on a farm in the Dominican community of Caribe in 1984. "Every leaf grown on the farm was sold—a customer for every single pound," Fuente says.

Now based in the once-booming U.S. cigar capital, Ybor City, Fla., the daily Oliva operations are handled by father, sons and grandson. The youngest Oliva member, John Jr., is about the same age as Fuente Jr.

It wasn't until 1990 that the Oliva family decided to grow an experimental crop—piloto cubano (a light Cuban wrapper leaf) on their farm—now owned by the Fuentes. This was the same leaf the Fuentes fell in love with in Nicaragua some 20 years before.

"They ran an experiment with piloto cubano, and when I saw the tobacco I just couldn't believe it," Fuente says. "I recognized the possibility of successfully growing habana seed wrappers in the Dominican Republic."

Fuente appears to float above his chair when describing his first look at this crop. "It was just so—elastic. The oil was shiny. It was completely different than the piloto cubano I was used to seeing grown in the Santiago area."

While it is only a 45-minute drive from Santiago to Caribe. "The climate where the farm is located is different—there's more humidity," he says. "The microelements are different and the tobacco does grow thinner, more elastic, than the location where we grow our fillers, near Santiago."

Fuente credits the success of the experiment to the many years of experience the Olivas had with Cuban tobaccos. "They were the first in Nicaragua, Honduras, Ecuador—their roots are Cuban," he says.

A Dominican first

"Logically, if you can grow wrappers in Nicaragua, Honduras, Mexico, Brazil, Ecuador, Africa, Indonesia, Florida, and especially Cuba—literally a canoe paddle away from the Dominican Republic—why can't you grow

"Our intention, regardless of the market pressure, is to grow the very best in limited amounts."

wrappers in the Dominican Republic?" Fuente asks. "The Olivas were pioneers in Nicaragua when it was only known for its strong military government and exporting bananas."

Industry friends and colleagues were not so optimistic about the Oliva experiment or the possibility of the Fuentes entering the farming venture. "The mindset was everybody has tried, and lost a lot of money, and no one has been successful," Fuente recalls.

"We had no need to make this change," he says. "It was a need we had personally—to achieve what we really liked."

It wasn't long after this "amazing" harvest that the Fuentes took the plunge. They bought the farm, but only with the promise of continued support and advisement of the Oliva family.

With its new venture, the farm was renamed Chateau de la Fuente. Visits to the farm the past two Novembers gives the visual effect of quite the success story.

In late 1993, the farm had three tobacco storage barns and six planted greenhouses. Just a year later, an eighth barn was being constructed and 10 greenhouses were being used.

Nestled in the valley near the river banks in Caribe, the farm has flourished. To show its gratitude and to help make the farm the "showplace it deserves to be," the company recently constructed a gazebo near the entrance to the farm and a swinging bridge was built to allow crossing over the brook that cuts through part of the plantation.

The formerly dirt-road entranceway was reconstructed—with a path of concrete flower boxes leading into the main entrance. Miniature palm trees and tropical plants will line the wide entranceway to the farm's office, greenhouses and barns.

The Fuentes planted their first crop in 1992. "If it wasn't for the moral and technical support of the Oliva family, we would not have entered this challenge with so much confidence," Fuente admits. "We're not farmers or agronomists. We're cigar makers and our life is in cigar making."

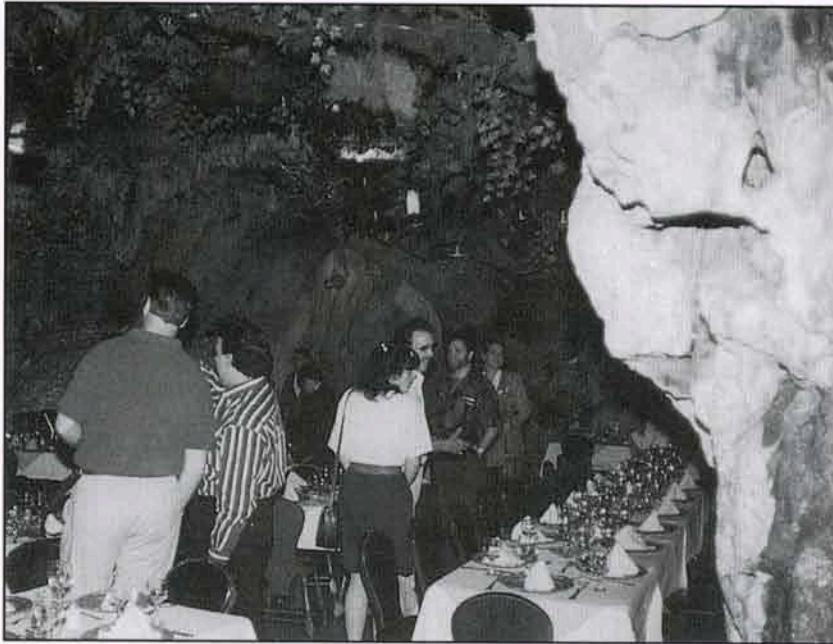
However, the venture has turned into a success story for the Fuentes. "In house, we've been smoking cigars made with the Chateau de la Fuente wrapper since August 1993," Fuente says.

However, this item has not been made available to the market until recently. "We wanted to wait until we had two crops harvested," he says.

The second crop proved better than the first and the third crop has exceeded the second. "You learn from things you've done in the past and improve upon this experience," he says.

Is the Chateau de la Fuente line ready to take over and lead the way for other Fuente brands? Without pause,

Scenes from the



The winding course of Tropical Storm/Hurricane Norman in the Caribbean in November proved quite personal for three grand prize winners in the Arturo Fuente display contest.

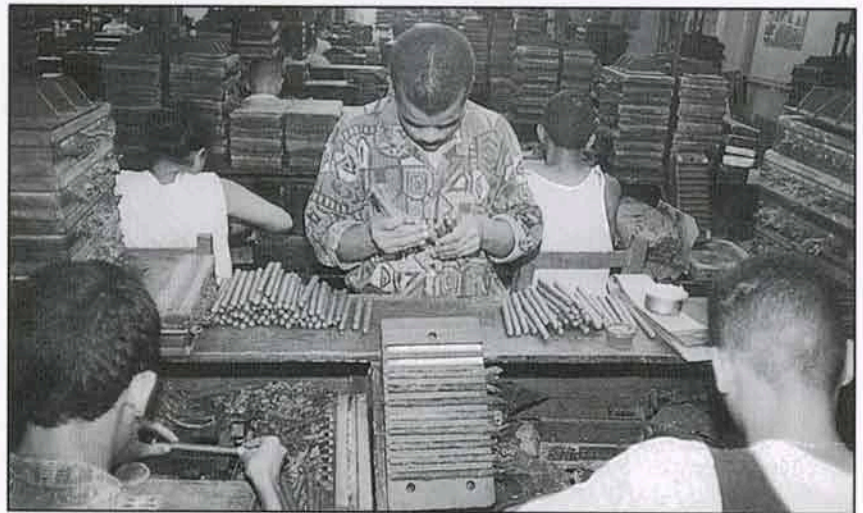
Fortunately, the weather hit Haiti, the Dominican Republic's next-door neighbor, then left the island of Hispaniola. The only remnants of the storms proved to be some rough waters along the coast of the Dominican Republic in Santo Domingo, the first stop on this visit.

Nearly 320 retailers submitted entries in the contest. Three entries were selected as grand prize winners, and one as honorary grand prize winner. Each winner received a five-day trip for two to the Dominican Republic, being treated to meals at some of the finest restaurants, getting a personal look at the cigar process and seeing all the sights.

Grand prize winners were Gary and Barbara Kolesaire, The Tobacco Shop, Ridgewood, N.J.; Shane and Brenda Pappas of Briar Rose, Carson, Calif.; and Tim and Kerry McSperrin, of JT Connolly's Tobacco Bowl, Westdale Mall, Cedar Rapids, Iowa. Previous winners Danny and Sheryl Kolod, Old Erie Tobacco Co., Cleveland, Ohio, were named honorary winners and planned a later visit for early winter.

While in the capital city, the three winning couples stayed at the Hotel Jaragua, overlooking the coast. Dinner on Monday night was at The Cave, named quite appropriately for its location. On the drive back to the hotel, the guests made a quick stop at Guacara Taina, a tri-level disco in a cave.

On Tuesday, the group visited the Church and Convent of



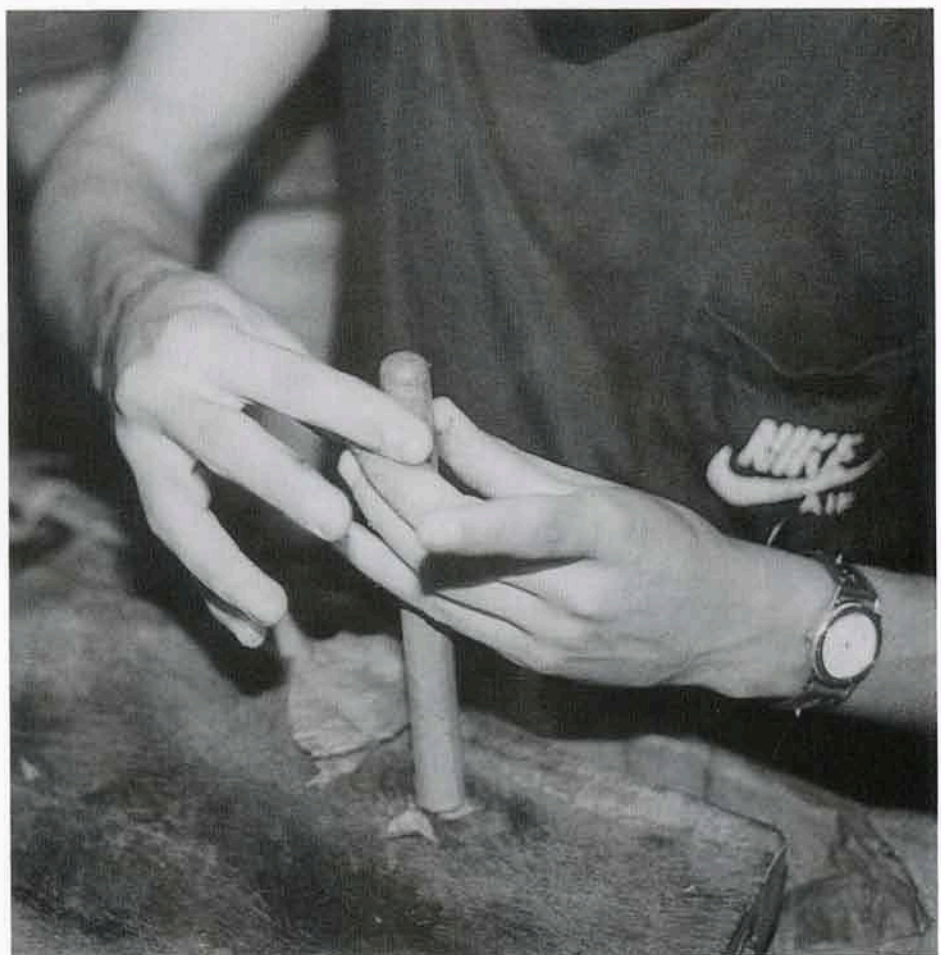
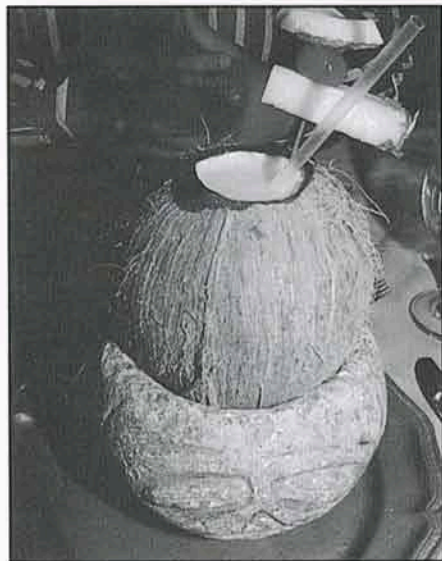
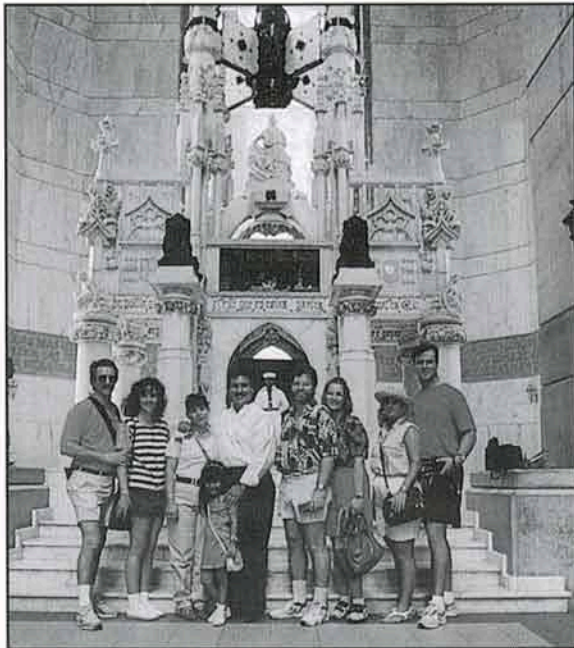
Santa Clara, built in 1522 and noted as the first church of the Americas. They also visited the Columbus Lighthouse, a multi-national museum dedicated to Christopher Columbus. Navy guards stand at four points around the remains of Columbus, located within the facility.

That afternoon, the group drove to Chateau de la Fuente, the family's plantation in Caribe. Appetizers, drinks and live music greeted them. An in-depth tour of the farm followed.

On Wednesday, the contest winners visited the main Fuente factory in Santiago and walked through the lengthy process of making a cigar. Later that evening, the group visited the nearly completed Fuente factory.

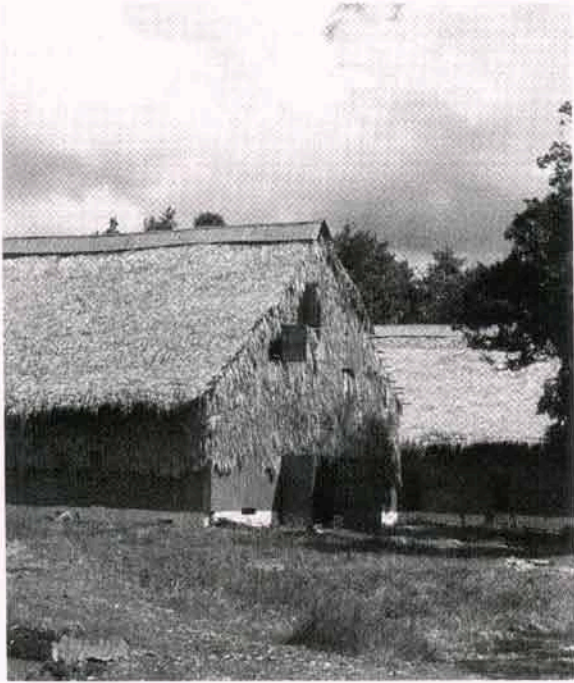
Thursday was spent as a day of relaxation on the beach and

island of cigars



Left page: (clockwise) Dinner at The Cave; a worker checks the elasticity of tobacco leaves at the Santiago factory; one of the supervisors checks the work of cigar rollers. This page: The contest winners with Carlos Fuente Jr.'s family at Columbus' tomb; the new factory at Santiago; the Columbus Lighthouse; the art of the cigar; a fresh pina colada, symbolic of the tropical island.

in the shops in Puerto Plata. A late evening dinner finished the week off perfectly. ■



Fuente says this will not be the case. Instead, the new line will be a limited product, even if sales figures prove as encouraging as expected.

“We want it to be something special for our customers,” Fuente says. “We’re never going to grow great amounts of tobacco. Our intention, regardless of the market pressure, is to grow the very best in limited amounts.”

Making the farm work

“To be honest, the reality has been much greater than our dreams,” Fuente says. “If we would have just accomplished growing an elastic, well-burning, good-tasting wrapper, that would have met our dreams.”

Fuente speaks with passion about the dream and the accomplishments of the family brand, but rarely takes any of the credit for the company’s success. Instead, he speaks, with high admiration, of the sacrifices of his father and his father’s father when asked about cigars.

“Everything I learned about cigars came from those two men,” Fuente says. “Even though my grandfather passed away in 1973, we feel he is still looking over us and guiding our hands.”

While he takes pride in the accomplishments with their cigar line and the farming venture, Fuente is reluctant to accept credit for anything but having lots of luck and dreaming big. “It’s not that the Fuentes are anything extraordinary as far as tobacco is concerned,” he says. “It’s just having the passion, the belief and having the support and faith of families like the Olivas.”

Fuente also credits the success of the farm to those who oversee its daily operations. When the Olivas owned the farm, they brought in Danilo Moncada, once a successful tobacco farmer for them in Nicaragua, out of exile in Costa Rica.

They also found agronomist Ariosto Mendez, the former director of the tobacco institute for the Dominican Republic. He now serves as farm administrator for the Fuentes.

The two men work together—Mendez with his book knowledge of tobacco and Moncada with his “feel” for the crop. The combination of the two styles working hand-in-hand has paid off, Fuente says.

“Danilo doesn’t work tobacco with numbers or by the books—it’s with his heart. He says the tobacco talks to him. He looks at the tips, the textures of the leaves, and knows when the time is right,” Fuente says. “Ariosto knows the history, the latest advances and has the experience of the industry—all helping him lead the farm. It’s a teamwork.”

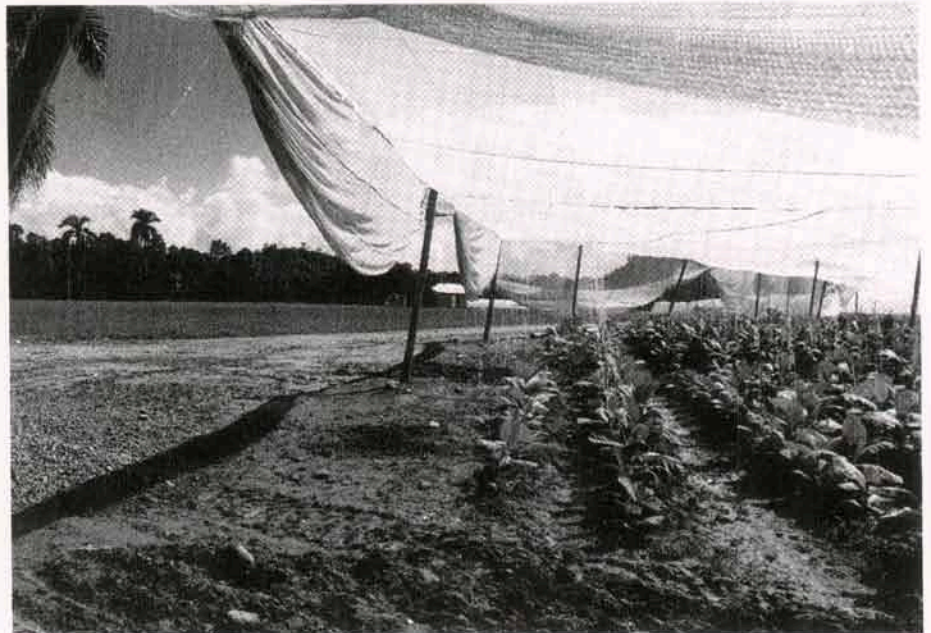
Some of the modern technology came into play this past year, when an engineer was hired to develop a natural drainage for the farm’s fields. Machinery, featuring laser equipment, was brought to the Dominican Republic. The engineer used his equipment to shift the soil slightly—sometimes by tenths of an inch—to create a natural flow of the land.

While the process was quite expensive, Fuente says the water runoff at the farm works perfectly now, allowing for something of a natural irrigation, while avoiding any flooding of low-lying areas.

In addition to this, the Fuentes planted crops of beans and corn in the tobacco fields during off-season to help return nitrogen to the soil before the next growing season.

Growing season

Filler tobacco for Fuente cigars is grown in the Santiago area, closer to the factories. This is being grown by indepen-



dent farmers under contract with the Fuentes. "We supply them with the technical support, fertilization, with preparing the soils, seeds, financing the tobacco sheds," he says.

At their farm, the Fuentes employ about 80 people at peak times and about 15-20 in down times. The growing season gears up around the end of August. The tobacco seeds are planted individually in plastic trays. This step will continue into the fall.

The tobacco seedlings are allowed to build their roots in the protected atmosphere of a gauze-tented greenhouse for several weeks. During their stay in the tents, the trays are rotated on a regular basis. Much of this work is done by young boys who live nearby.

With half-day school sessions, the boys come to the farm to help out before or after school, Fuente says. Mendez in turn helps their families out, he says.

"That farm is one of the only sources of work in the community of Caribe," Fuente says. "There is some mining in this town of about 300 people, but the city of Santiago is 45 minutes away and work is hard to come by."

As the seedlings begin to mature, they are planted in the field, typically with the shadegrown being planted first. The field planting of the tobacco goes from mid-October to the end of November. Harvest, from the end of November and into February, keeps the tobacco from ripening at the same time, which would require hiring a large number of individuals for a short period of time.

Sharing philosophies

"I think things have worked out well for us," Fuente says. "We're growing a Cuban type wrapper in the Dominican Republic, where the soils and climates are similar; and genetically, the seed has adapted very well in the Dominican."

However, there are going to be differences from the original product, he says. "If you grow Connecticut tobacco in the DR, it's going to be Connecticut wrapper dancing the merengue," Fuente jokes. "The soils are different and the tobacco is going to be a little different style, because Connecticut has glacier soils and the Dominican Republic has volcanic soils."

"With the piloto cubano, it's not the same as Cuban—it's Dominican," Fuente says. "It can be compared to fine Cuban, but it is different."

This difference is good, Fuente says. "Our heritage is Cuban and the way we blend comes from Cuba, but we don't want to duplicate the Cuban cigar," he says. "I believe very strongly in having our own identity."

Part of this identity comes through in the hands-on approach, Fuente says. As with the factories, both Fuente Sr. and Jr. find it crucial to spend a lot of time at the farm, visiting with the workers and keeping an eye on the progress of each tobacco plot.

"My father and I sit down with the people who work on the farm, talking with them about the history of tobacco in the Dominican Republic," he says. "Getting them personally involved with the goal of what

we want to achieve makes a difference."

As he often states, the success behind the Fuente brand is found in its team-effort style of leadership. "Our greatest resource is not the land, it's not the climate, it's not the seed, it's the people," Fuente says.

"We invested the money and risked our reputation because our company has received a great deal from the Dominican Republic," Fuente says. "I feel in life we have to give something back."

Things are starting to synchronize and the farm employees are starting to work as one, Fuente says.

"We haven't accomplished at the farm what we have done with the factories, but that will come in time," he says.

"When I first started going there, no one spoke to me," Fuente says. "Now, when I stop by, it's 'Carlito!' and they tell me what is happening with the farm and with their lives.


"I want them to feel that I'm one of them. They can tell us things we don't see because we're not involved directly in the daily work."

While things are running along smoothly right now—with the biggest problem being filling all the orders—Fuente says there are no plans to settle down into a daily routine.

"We've only reached the latest goal in the game," Fuente says. "Now, we move the goal post across the field again." ■



Chateau de la Fuente
from
Seeds of Hope
to
Birthplace of a Dream

A photograph of two men, father and son, standing in a lush tobacco field. They are both wearing white short-sleeved shirts and white hats with dark bands. The man on the left is smiling and holding a large green tobacco leaf. The man on the right is also smiling and holding a cigar. In the background, there are rolling hills and a thatched-roof structure. The entire scene is framed by a decorative border of tobacco leaves.

Carlos Fuente, father and son, dared to achieve the impossible...
The dream came true on Chateau de la Fuente,
where sun, soil, seed and soul consistently produce a crop of exquisite, silken leaf
on the ultimate "vega fina de tabaco" in La Republica Dominicana.
Share the passion and enjoy the triumph of the Fuente family,
when you savour the world's most exclusive tobacco...
estate grown on Chateau de la Fuente.

ARTURO FUENTE

The Reigning Family Of Premium Cigars