



## Feature No. 41: CBPAK



Claudio Bastos had plenty of reasons to found his sustainable packaging company, [CBPAK](#), in 2002. He had a strong academic background as an engineer, decades of executive-level experience managing business turnarounds, a unique product and, he adds, a drive to create a business that would leave a

better future for his children. “The world is changing,” Claudio explains, “I needed to be involved in a business that takes care of the planet.” He decided to create a company that would meet these criteria while helping to satisfy a vast market demand for biodegradable packaging materials.

This material is the primary CBPAK product, a polymer made from cassava starch that, when mixed with a special adhesive, is compressed in CBPAK’s patented machines to be thermo-molded into virtually any shape. The durable nature of the CBPAK material makes it ideal for penetrating Brazil’s \$50 million per annum national food packaging industry. Claudio’s other target market is buyers of tubes made for incubating plants. These heavy plastic devices are used mainly by paper companies seeking to replenish their supply of raw materials. This is roughly an \$80 million market in Brazil with half of the tubes being discarded after the first or second use.

Claudio developed a product that taps into these considerable markets while addressing the environmental challenges that the substantial material consumption poses. CBPAK packaging is made from 96 percent biodegradable materials which are sourced from vegetable crops that are heavily abundant in Brazil and completely renewable. The packaging itself is exceptionally sturdy, a difficult achievement for biodegradable substances. CBPAK’s key innovation to address this is a protective, environmentally safe film supplied by BASF that makes the final product’s durability competitive with unsustainable alternatives.

Despite the price premium, Claudio points out that he is selling more than a commodity; he is marketing a solution that consumers will understand and value. In taking this holistic approach, CBPAK satisfies the demands of two types of buyers, those that are seeking sustainable solutions because of regulations that encourage businesses to reduce their footprint, and buyers that actively seek these solutions to complement a sustainability focus in their business model. Both segments are growing rapidly, and CBPAK is in discussions with numerous potential partners, such as organic food producers, food exporters, and supermarkets including Wal-Mart, to form sales channels.

Growth prospects are high for Claudio’s company – CBPAK has entered into a partnership with BNDES, Brazil’s Development Bank which is associated with the Ministry of Development, Industry and Foreign Trade. BNDES now owns a 30 percent stake in the company and is opening credit lines for the purchase of equipment and materials. Claudio estimates that CBPAK will begin operating by the end of the year and will reach \$7 million in revenue by year five. The company’s unique product could revolutionize the way people think about packaging, with tons of discarded Styrofoam containers being replaced by biodegradable packaging. With no directly competing products, the potential for market penetration in Brazil and abroad is tremendous.

*Written by Derek Newberry, World Resources Institute ©2007 – The Rising Ventures Series features articles, announcements and profiles of investors and entrepreneurs related to the theme of innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These business models have been identified through the New Ventures ([www.new-ventures.org](http://www.new-ventures.org)) and Development through Enterprise ([www.nextbillion.net](http://www.nextbillion.net)) projects. To view other Features in the Series, visit <http://www.new-ventures.org/risingventures>.*