

SUCCESS STORY:

Hornbill Coffee Cafe: The First Cafe in Southern Chin State

Demand for coffee in Myanmar has been rising, and although the country has the capability, climate, and land to produce high quality beans, production has been neglected. Arabica coffee was first introduced to the Mandalay hill town Pyin Oo Lwin in the 1930s and is still grown there today. Myanmar Agricultural Ministry officials intend to increase the production volume for domestic and export consumption and international buyers are present to secure high quality coffee for export.¹ The farmers who grow coffee usually sell dried beans to local traders, with all of the processing and added value earned in Pyin Oo Lwin, where the country's key processing facility is located. Farmers typically receive low prices for their beans due to improper cultivation and drying methods, reducing opportunities to retain additional profits locally and earn higher incomes.

The Myanmar Fruit Flower and Vegetable Producers and Exporters Association (MFVP) is committed to improving coffee production. The Coffee, Avocado and Elephant Foot Yam (CAEFY) project is implemented by MFVP in Southern Chin and Shan State, funded by UK aid through the DaNa Facility managed by DAI Global and KPMG. MFVP is supporting coffee-growing members in Southern Chin State through training, technical assistance, linking farmers to buyers, and facilitating farmer participation in trade fairs. MFVP also supports local entrepreneurs to open coffee shops or cafes to take advantage of growing local demand and international tourists who visit the area.

U Mar Hung, the former Secretary and an Executive Committee member of MFVP in Mindat and his wife, Daw Naing Hlu, had dreamed of opening a cafe serving high quality coffee. However, they were limited by financial constraints and lack of knowledge on operating a business. After participating in training and receiving a Danish Government grant from the Responsible Business Fund (RBF) for MMK 240,000,000 (£12,000), they were able to open the first cafe in Mindat Township, Southern Chin State, called 'Hornbill' in January 2019. U Mar Hung now employs four local residents and buys coffee directly from farmers, saving them the transport costs required to deliver beans to town, in turn helping them increase their income. He is also producing his own green coffee beans, roasted coffee beans, ground coffee, instant coffee and coffee wine using organic Ara-



U Mar Hung, the owner of Hornbill Cafe and his wife at his coffee shop in Mindat township, Southern Chin State.

bica coffee cherries from Chin State. His team selectively picks the best quality cherries and dries them using innovative solar dryer domes, in addition to extensive quality control procedures. Before establishing the cafe, U Mar Hung ran a ground coffee production business from 2016-2018, using Chin coffee beans roasted in Nan Myaing, Pyin Oo Lwin, the nearest Myanmar-based facility with proper processing equipment.

In December 2017, U Mar Hung participated in the "China (Ruili) Trade Fair" through MFVP supported by the DaNa Facility. He had the opportunity to link with a Chinese trader to sell his coffee during the trade fair where he sold 50-100 packs (250 grams of ground coffee per pack) for MMK 3,000 (£1.50). U Mar Hung also participated in two trade shows sponsored by the Myanmar SME Department in 2018 in Magway and Nay Pyi Taw, in addition to the DaNa Facility-supported Chin State Investment and Product Fair in March 2019 in Yangon. At each trade fair, he sold 150-200 packs of his ground coffee at MMK 3,500 (£1.75) for 220 grams.

In April 2018, U Mar Hung participated in business plan training organized by DaNa Facility and MFVP. Inspired by what he learned, he submitted a proposal titled "Hornbill Coffee Production, Processing and Trade" to a business plan competition, and on May 2, 2018, received first prize in the contest.

¹<https://www.mmmtimes.com/business/22908-myanmar-moves-to-jump-start-coffee-cultivation.html>



U Mar Hung participating in the business plan competition in April 2018

U Mar Hung stated: “Before participating in the project with MFVP and DaNa, I did not have enough knowledge and information to open a cafe. After I participated in, and won, the business plan contest and received training on business management and coffee growing, I felt confident in myself to manage my business effectively. I was overjoyed when RBF provided me the financial support to actually establish my cafe. It helped me get started and I had saved enough money to purchase 1-2 tons of dried coffee beans from farmers around Mindat Township who attended production training and improved the quality of their beans.”

U Mar Hung, used to source cherry beans from about 100 farmers in nearby villages; however, he has now invested in 1,000 trees on his own and plans to expand to 5,000 trees in 2020. He previously processed about five tons of beans every year, though has now doubled his production, processing up to 10 tons a year after receiving the additional technical and funding support from MFVP, DaNa Facility and RBF. He is planning on supplying roasted coffee beans to other cities such as Yangon and Kalaymyo. In the future, he will distribute his roasted beans and ground coffee widely in the domestic market. He currently has two sales representatives in Yangon, searching for appropriate deals, and is collaborating with “Mr Candy Coffee Training Center” in Yangon selling this training center 30 kg per month of roasted beans in 2019. He is also trying to sell his products in City Mart after meeting their representatives last year.

U Mar Hung is just one of many farmers benefitting from UK aid support through MFVP and DaNa Facility. The MFVP project has already trained 1,097 coffee growers through 60 training of trainers sessions, almost triple the initial target of 400 farmers. U Mar Hung intends to support other MFVP members by purchasing their coffee and helping them gain the confidence to start up new enterprises.

“After participating in the project with MFVP and DaNa, I felt confident in myself to manage my cafe business effectively.”

U Mar Hung
The owner of Hornbill Cafe
Mindat township,
Chin State
