



Better bean, better coffee: The uphill journey of Upcountry Brothers coffee



Asanka B. Kangana

Director of Sourcing and Production for UCB

Upcountry Brothers (UCB) is Sri Lanka's largest specialty coffee processor in terms of coffee processing capacity. The company sources 100 per cent of its coffee through smallholder farming networks and has created job opportunities for over 100 women as coffee sorters. In conversation with Asanka B. Kangana, Director of Sourcing and Production for UCB, MDF discussed business performance, weathering an economic crisis, and changes to the business since signing a partnership with MDF.

● MDF

● Asanka B. Kangana

Tell us a little bit about UCB.

We started our coffee processing centre in 2018, purchasing parchment coffee from coffee collectors and hulling it in our mill. Our annual sales were close to 20 tons per annum, and we sold green coffee to commodity buyers for average market prices. We were keen on starting a wet mill operation, and we extended our processing to approximately 5 per cent of our total volume using the wet processing technique. We had always wanted to be a quality-centric processor because we knew about its benefits, but knowledge and capital were challenging for us. Now, after partnering with MDF, we are producing specialty coffee with good cupping scores, selling green beans to buyers who offer higher prices and paying our farmers a higher price for selling us red cherries.



How did you get to know about MDF?

We were observing MDF's work with other coffee companies and noticed that the models developed were improving the organisations' turnover (revenue). MDF met us during their Arabica Coffee Value Chain Analysis interviews and explained the potential for developing the specialty coffee industry in Sri Lanka and the benefits that our organisation would gain, along with the support MDF could extend. This meeting led us to initiate discussions in 2020 and sign a partnership in 2021.

Did MDF's support change your business operation?

For us, MDF's key contribution was knowledge. Starting from the fundamentals, MDF supported us to understand the market better. MDF's technical knowledge contributed to the design of our coffee wet and dry mill and coffee drying house and most importantly, it broadened our understanding of specialty coffee processing.

Now, we are aware that farmers need to produce quality cherries for our coffee to be of a high standard. Based on this, we pay premiums to our farmers. As a result, our farmer base has grown exponentially! MDF helped us in designing our 'red cherry buying model' with extension services and, during the foreign exchange crisis, assisted us in importing a coffee pulper and huller. This equipment enabled us to expand the quality and volumes of our coffee processing, leading to a successful uphill journey.

How do you rate the partnership's progress?



We think the success of the partnership has exceeded our expectations; even amid national electricity and fuel shortages, MDF continued to support us. The best way to measure it is through our growth in profits, coffee quality and volumes, as well as the growth of our own team and farmer network. Our farmers are exclusive to us, and we have observed improvements in their living standards. They want to grow more coffee and work with us in the long term, which has led to ensuring the sustainability of our business and the relationship we have built.

In terms of growth, how have you independently enhanced your business?

We purchased a three-wheeler (auto-rickshaw) to ensure faster cherry collection, retained the two-extension staff (hired with MDF support) for the second year, hired two new staff members and built

another coffee drying house as we anticipate our volumes to increase exponentially. We also set up Sri Lanka's largest coffee nursery to cater to coffee seedling demand in the highlands.

What are UCB's plans?

We believe the future of Sri Lanka's coffee industry is specialty coffee. We say this based on our growing profits and expanding business. There are elements that we are yet

to tap into, like micro-lot exports, and we are looking forward to this year's season to export our first coffee shipment.



Before we started our partnership with MDF, our cherry selling farmer base was 20-30 and now it is above 400 smallholders – within just over a year. Our team is hopeful our model will grow, and we are ready to grow as a business over time.