

**Chester World Development Forum**  
Prior to the AGM on 13<sup>th</sup> May 2021 -  
A talk by Henry Sidsaph on the theme  
**Miténgo coffee - tree planting through ethical coffee**  
(an innovative project in Malawi)



### **Background**

Henry is a new lecturer in Business Studies at the University of Chester. He is a graduate of UoC with degrees in Geography and International Development Studies and Sustainability for Community in Business. He also holds a PhD in Sustainable Development - Alternative Food Networks

As a way of introduction Henry told us a little of his background which led to his twin “loves” – coffee and planting trees.

The tree planting began in 2017 – just simply planting acorns – which was successful and samplings were given to friends and schools. This gave him the love of tree planting. He also loves coffee, one of the world’s most traded commodities but often inequitably traded. So he decided that perhaps he could build a sustainably orientated business around coffee growing and he was lucky to receive some funding to start his business from Santander.

### **The Coffee Business**

There are some considerable problems/issues around coffee growing:

- The carbon footprint for coffee is quite high especially with regard to transport
- Areas of forest have to be cleared
- Farmers often do not get a fair price for their produce or are not owners of the coffee plantations
- Farmers can experience ‘lock-in’ to rates and contracts
- There’s not enough fair trade coffee purchased for all coffee growers to join.
- There are many more, of course...



And these are the mitigation efforts with Henry’s business model:

- Selection of the coffee in an ethical manner – social and financial benefits to the farmer (farmer owned);
- A fair price for production;
- Tree planting (1 tree per 250g coffee sold) both locally and in Malawi (through Ripple Africa and James);
- Minimise the environmental impact of the business as a whole.

Considerations as regards the coffee itself and its distribution:

- Selling high quality coffee beans and grounds to commercial and domestic customers;
- Single origin from farmers known by the roasters
- Coffee is roasted by Neighborhood Coffee in Liverpool (they buy direct for Henry)
- Typically retailing to cafés and farm shops, who then sell to consumers
- Individual bags sold at events such as farmers markets.

One issue of concern was the use of plastic bags for the coffee but Henry simply couldn't afford a better option at the time.

**This table shows the cost margin**

Table 1. Retail- 250g

	250g Coffee
Number of Units	12
Product Components	
Packaged coffee in bag	£4.25
Label cost	£0.05
Tree donation	£0.25
Total cost for product	£54.60
Cost per unit	£4.55
Price per unit	£5.80
Miténgo Profit margin (£)	£1.25
Miténgo Profit margin (%)	22%
RRP	£7.00
Farm shop profit margin (£)	£1.20

Table 2. Catering - 1kg

	1kg Coffee
Number of Units	6
Product Components	
Packaged coffee in bag	£15.00
Label cost	£0.05
Tree donation	£1.00
Total cost for product	£96.30
Cost per unit	£16.05
Price per unit	£21.50
Miténgo Profit margin (£)	£5.45
Miténgo Profit margin (%)	25%

The profit margins for a product like this are very good but are only economically viable in very high quantities. Roasting the coffee himself would reduce costs, but he'd need to have a higher volume of sales to justify the outlay on equipment and training.

**Market and target market included:**

- Coffee lovers (single origin, high quality coffee can sell for a premium);
- Owners of retailers; cafes, bars, restaurants, farm shops, delis etc...;
- Ethically minded consumers.

**And the challenges:**

- Price for consumer and retailer - difficult having an offering that would be commercially interesting and also exciting to put on farm shop shelves. Price point was always a big factor (they wanted more %).
- Low quantities as a start-up – very difficult to get a supplier in place. Henry had mapped over 200 farm shops in the UK, sent samples to 50 and had a success rate of 2.
- Finding a tree planting partner
- Developing transparency with the brand
- Plastic packaging – even brown paper ones have a foil lining (which is glued) and therefore not recyclable
- COVID-19 – shut down of cafés and resistance to take stock from retailers. There has been no trade this financial year as a result of Covid

## The Tree Planting –

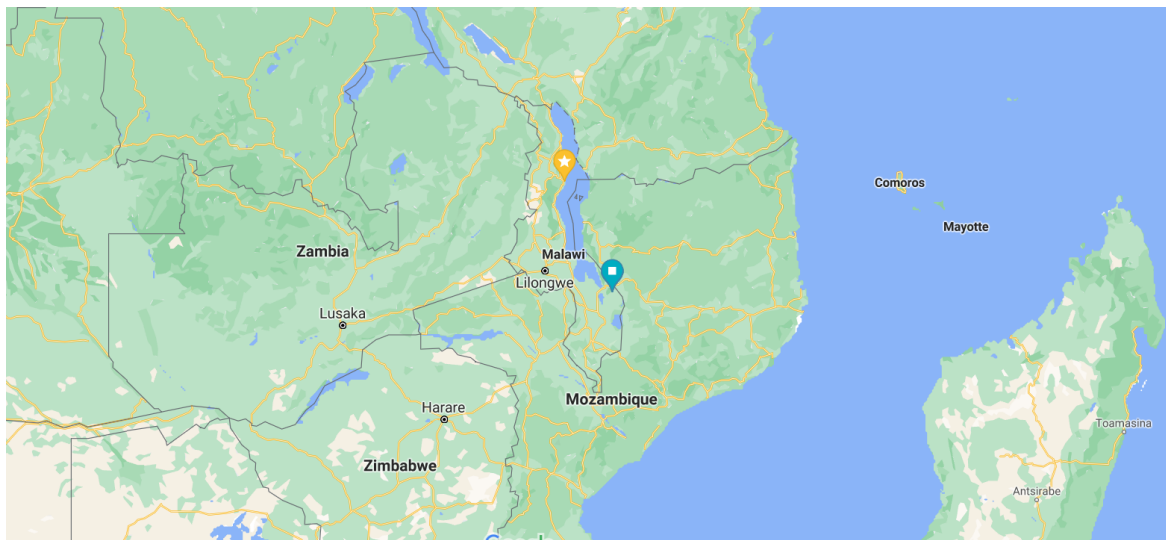
Henry became involved with Ripple Africa, a conservation, education and healthcare charity in Nkhata Bay, Northern Malawi. Lots of fruit and pine trees have been planted.



Pine trees



Henry's own start-up tree planting operation with James in Masuku village, Central Malawi



Map showing the village where Henry worked  
Deforestation here is a massive problem

## Some facts about Malawi and the impact of Covid-19:

- A developing nation in Sub-Saharan Africa
- Population of 19.4 million, densely populated
- Multiethnic and lingual, 82% Christianity 13% Islam
- A former British Colony
- Low HDI of .483 (UK is .93,)
- One of the world's least developed countries
- Corruption issues

- Challenges of poor healthcare, education, economy and environmental protection
- Lack of mobility (no transport);
- Social issues: teenage pregnancy, drug use, criminality (even in rural areas);
- Corruption concerns on the reporting of covid-19 numbers;
- Porus border with Mozambique in the Central region of Malawi
- 34,180 confirmed cases – 1,153 deaths.



Overcrowded classrooms – no social distancing possible

Q and A:

TG: Where was the coffee sold? Blinkers Brunch Bar in Lower Bridge Street.

GM: Is coffee accumulating somewhere because it clearly is still being grown but no sales? The coffee will keep for a while if not roasted.

KR: What happened to Henry's "growers"? He thought that they probably still manage to send to companies elsewhere.

BR: Did Henry think that he was repaying carbon debt by tree planting? Difficult to quantify how much it costs to get coffee to UK so difficult to work out whether offsetting.

BR: Questioned whether promises made by UK and US re tree planting in Africa have materialised. In response GM mentioned "Great Green Wall" of trees to stop Sahara desert advancing and TG mentioned tree planting in Ethiopia.

HS: Would Miténgo coffee match up to Fairtrade? As far as Henry is aware the farmers are paid a fair price but don't they appear to get the extra premium as in Fairtrade coffee. It is very small scale so probably wouldn't match Fairtrade.

Terry Green thanked Henry for his most interesting talk and wished him every success with his coffee business and tree planting once the pandemic allows!