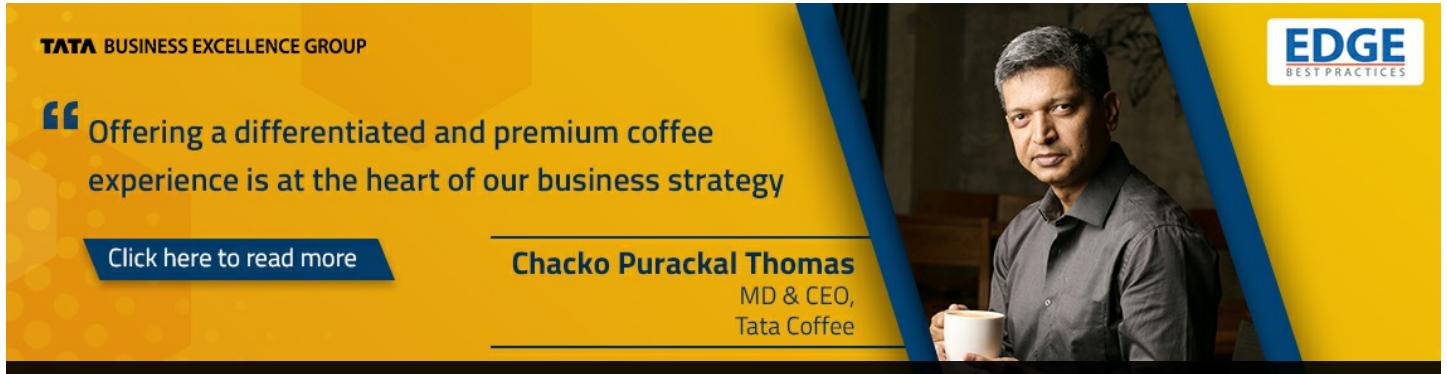


"Offering a differentiated and premium coffee experience is at the heart of our business strategy", articulates Chacko Thomas, in a Leadership Series EDGE Webinar



TATA BUSINESS EXCELLENCE GROUP

“Offering a differentiated and premium coffee experience is at the heart of our business strategy

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Chacko Purackal Thomas
MD & CEO,
Tata Coffee

EDGE
BEST PRACTICES

In the 260th Leadership Series EDGE Webinar titled 'Brewing a new cup of coffee' held on July 22, 2020, Chacko Thomas, CEO & MD of Tata Coffee Limited (TCL), revealed exciting details about TCL's journey and future roadmap.

Over 100 years ago, resilient planters brought coffee to the hills of Coorg, part of the erstwhile state of Mysore. The land, weather and people formed an unmatched equation to make the region home to some of the world's finest plantations.

Tata Coffee is successfully carrying forward that rich legacy through its mission of creating distinctive and long-term value for all stakeholders with coffee and allied plantation products while embracing sustainability.

In the webinar, Mr Chacko detailed various aspects of the coffee business, including digitisation, sustainability and future plans of the company.

The Tata Coffee business

TCL is one of the largest, integrated plantation companies in the world. It has 18 coffee estates spread over 8,000 hectares across India's southern states of Karnataka and Tamil Nadu. It cultivates both the globally leading varieties of coffee — Robusta and Arabica — along with pepper and other fruit trees.

TCL's activities span the entire coffee value spectrum for the B2B space, including growing, picking, pulping, washing, fermenting, drying and finally packaging the coffee bean. It also operates instant coffee manufacturing facilities in India and Vietnam. Over 95% of the coffee produce is exported to major brands in 42 countries, worldwide.

Primarily a B2B business, TCL has ventured into the B2C space as a backend partner. Apart from a 50% stake in the original American gourmet coffee brand Eight O' Clock coffee, it is an exclusive roasting partner for the Tata-Starbucks enterprise.

TCL also manages six tea estates spanning over 2,000 hectares for growing premium-quality tea leaves.

Digitising plantation activities

TCL is leveraging technology to improve its plantation activities and adapt to threats posed by climate change. It is collaborating with TCS to develop an app to monitor weather patterns, prevent pest infestation, and anticipate plant diseases. A QR-based plant census identifies elite and superior quality plants, which are then used for clonal propagation to create varieties with better drought and pest resistant capabilities. TCL is also piloting IoT sensors and reporting systems for continuous monitoring of ambient weather for better process controls and variability reduction.

Sustainability and social responsibility

TCL's plantations present a harmonious co-existence of a commercial enterprise with resource conservation. Apart from solely relying on rainwater harvesting for its irrigation purposes, the plantations are attempting to maximise utilisation of renewable energy. The company has a negative carbon footprint, equivalent to approximately 1.71 lakh tonnes of CO₂.

The company also offers support to communities around the plantations. In 1994, TCL established the Coorg foundation to integrate differently-abled students into society's mainstream through skill training and formal education. TCL also provides affordable healthcare in the plantation's catchment areas, through the Rural India Health Project's hospital.

The future outlook

TCL's strategy centres on creating differentiated premium coffee offerings. It is moving away from commoditisation and closer to offering a distinct consumer experience. State-of-the-art pulping stations ensure accuracy and consistency of taste and aroma. Also, a carefully calibrated bean drying process ensures that the beans retain their texture and aroma until they reach the coffee connoisseur's cups.

TCL is also diversifying into allied plantation activities — pisciculture, apiculture and avocado cultivation. Mr Thomas explained how TCL is raising fish on a commercial scale in the 274 irrigation tanks that are spread across the coffee estates. The yield generated will be feeding the demand in the markets of Mysuru and Bengaluru, in the state of Karnataka. TCL is already involved in commercial pepper production and processing.

The Coorg (known currently as Kodagu) region, housing most of TCL's plantations, is renowned for 'Coorg honey', a GI (geographical indication) product — famous for its purity and medicinal value. TCL is rearing bees on its estates, for commercial honey extraction. It is confident of offering one of the purest forms of Coorg honey to the market, shortly.

Avocado, an exotic fruit, a trendy ingredient in many dishes globally, is fast gaining popularity. TCL has begun cultivating the Hass Avocado variety and plans to market it commercially.

Mr Thomas signed off by answering some questions posed by the webinar's inquisitive participants.
