Lewi Cuaca’s Story Built Premium Products Business

AgriProFocus Indonesia meet Lewi Cuaca at National Workshop of Palm Sugar, December last year. Lewi, as he usually called, is the CEO of PT Profile Mitra Abadi (PMA), which has a lot of sap tappers partners in Purwokerto and surrounding areas. Through PT PMA, Lewi exporting Indonesian premium products to Europe, such as palm sugar, cassava chips, stripped peanuts, dried dragon fruit, cashews, peanut and cashew butter, and all of them is organic. We interview Lewi to know how he build premium business after work for years in multinational company.

Why did you decide to start a business of your own when you already have an established position in the company?
I decided to leave the company when I felt I could do a better job and I think I'm smarter than anyone else in the company. I then realized that was my comfort zone. If I linger on that zone any longer, I stop myself to grow. So I resigned and look for other things that are linked to my passion and work closely with farmers. Now I really enjoy this business and feel ready because my long experience. I thought I could help farmers in marketing their products as it is today because of my ability have been prepared by fate: start my career from the field as input company officer, flower breeding and its marketing, up to management of multinational companies.

How you become CEO of PT Profil Mitra Abadi?
PT Profil Mitra Abadi began operating in 1998 and run by foreigners. Its main activity was capacity building, provide a technical briefing on the cashew tree planting for forest reforestation. From technical guidance, the company becomes a cashew nut exporter starting in 2005. The organic practices have been conducted since 2001. Unfortunately, the company relies on grants and work as project base, it did not run using business approach. Although, production and marketing still work regularly at that time, but in terms of the company financial was always a loss. Finally, in 2011 the company realized a very huge loss. At the same time, I just connected with this company network in cashew chain. I felt lucky because came to the company in the right time. Eventually, I took over the company with enormous debt, but has the potential products and market. In the first two years, the company still bear a loss because of paying a debt and adjusting management system. In the third year onwards, the company starts to have profit.

I was connected with this company accidentally. When I was traveling with family for holiday, after resigning, between Maumere to Larantuka I stopped to have a pee. In front of me, I see a hill that covered with identic trees, my eyes followed the trees to the place where I stand. They are all the same tree, cashew tree. Why there is a lot of cashew treeS? I amazed and talk to my wife on the rest of my journey. Apparently on the same boat that I was riding, there was cashew farmers’ group leader. It was he who introduced me to the cashew actors in that area, such as Swisscontact, an NGO who assisting farmer groups. I then learned about cashew alongside these people. Swisscontact then connected me with the buyer from Germany. From some buyers there, then I am connected with PT Profil Mitra Abadi.

Where you get the financial access to rebuild the company?
BRI Agro lend me to build warehouse and machinery and I have my saving. I also ask the buyers to support the company in order to secure their supply. Some of them help with machine or pay the purchase in advance. I told them that they should playing their part to support us, so the company can survive and continue working with many farmers on producing organic product with the best quality. They should understand the difficulties or obstacles that facing by company and farmer. If we can sustainability producing the product, the buyer also feels the benefit.
What are your premium product and to which country you export the products?
We sell palm sugar, stripped peanuts, cassava chips, cashew, peanut and cashew butter, and dried dragon fruit which are all organic. We export it to Germany, Belgium, Switzerland, Italy, France, and the Netherlands. These products are from farmer around East Nusa Tenggara, Bali and Central Java.

How do you find a buyer?
We have been participating an international exhibition, in fact its very effective to connect with potential buyers.

Which part of agriculture that still potential to be developed?
I see the problem of our farmers is in the marketing and processing. The government tends to force farmers to become a master of all: ranging from the production, processing, to marketing. It’s not possible. There should be a division of job so our agriculture sector can move forward. Indonesian farmer already has great skill in farming. We just simply lack of the processing unit, to process the harvest into various products. We’ve got amazingly a lot of crops. However, these plants should be processed into other products, not sell as fresh product. We do not have sufficient processing company and its become my concern.

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What are the challenges exporting premium products?
I must understand the market carefully to come to sharp analysis. For example, US market only sees the quantity of the organic product to reduce prices, which my premium product cannot compete on cheaper price. The Asian market is already having good awareness regarding organic food, but they cannot afford it because of low income. Meanwhile the European market is very interesting, the more expensive and unique one product, the more people seek for it. Until now I am still exploring the European market.

Another thing, we have to understand our customers’ way of life. Europeans live in four seasons, the right time to eat nuts and dried fruits is in summer. Well, I have to figure out this schedule to have the product available at the right time. If the delivery is one month late, for example, it will ruin the whole marketing chain. We should keep and maintain the consistency and on schedule supply. This requires a commitment from farmers to supply raw materials, companies and buyers.

What is your strategy for assisting the farmer?
One of PMA visions is to encourage farmers to be independent and have ability to develop their business. For example, in the beginning farmer only can supply unpeeled cashew. I encourage them to be able to peel it using simple machine. Then they should able to control the quality of cashew and so on. If they develop, I can innovate to create new products.

But it needs the commitment of farmers to develop business together. Commitment can be started with supply raw material continuously. Farmer cannot learn business if they are just cashing highest price from different buyer, high price never sustains. Farmer need to learn to maintaining long relationship to build business together. This is what I emphasize to farmers. After all, I always gave reasonable price for farmer and open about it, I am trying to give as good as possible for farmers.

I also work together with government and NGO to linking with their assistance programs for farmers. I also often invited as trainers and provide input from a business perspective. But if there is no any program with other institutions, I keep working with farmers in my own way.
What is your achievement so far that you feel proud of?
The feel of invention and creation regarding product development, in the sense of helping farmers to develop more various of new products. From plant with less value become premium product. I could be expanded to provide more added value to Indonesian crops. So, people will understand that Indonesia is a rich country.

Do you message for young people who want to be entrepreneurs?
Based on my experience, working in the company is important to shape the character and sharpen their business instinct. But do not work too long in company, 5 years is maximum time.

When ones become entrepreneur, they do not have a boss to reminisce, reprimand, or provide solutions. So self-control is important in order to motivate, provide solutions to others and reflection for further development. It is also important to convince farmers not to sell their lands, because if it sold their future will be lost. Preserve the land and planted with plants that are valuable. Help them to access the market, show them various buyers out there who will buy their products. Teach them to apply GAP, hygiene, post-harvest processing, and organic system. Do not limit organic practice only to pursue certification, but also integrate it into the farmers’ way of life.*

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