

Tech-savvy Vietnam coffee farmers brew global takeover

April 17 2013, by Cat Barton

Most Vietnamese coffee farmers have never heard of a double tall skinny latte, but they could tell you the price of the beans that go into one in their sleep.

From high-tech Israeli [irrigation systems](#) to text message updates of global prices for the commodity, coffee farming in Vietnam's Central Highlands has come a long way since the French first introduced the bean over a century ago.

"I used to carry my coffee to market by bicycle," said 44-year-old farmer Ama Diem. "Now I check the bean price on my mobile phones" before making the trip.

By texting "CA" to the number 8288 from any Vietnamese mobile phone, farmers almost instantly receive a message with the London prices of Robusta [coffee beans](#) and the New York price of Arabica beans from a data supply firm.

Farmers are only too aware that the price of coffee—the second most traded commodity in the world after oil—can move quickly.

"We only take the coffee to market when we can be sure of getting a high price," Diem told AFP at his plantation outside Vietnam's coffee capital Buon Ma Thuot. "We check the price a lot."

Vietnamese coffee farmers have changed the global market: if you had a

cup this morning, there is a high chance you consumed at least some Vietnamese beans with companies such as Nestle and Britain's Costa Coffee among major buyers.

In 20 years, Vietnam went from contributing less than 0.1 percent of world production in 1980 to some 13 percent in 2000—staggering growth that has been partially blamed for the collapse of global coffee prices in the 1990s.

The rise of cash crops such as coffee in the Central Highlands has come at a price, however. Some indigenous minorities have lost their land to large-scale plantations, often run by majority Kinh who have migrated to the region. Demonstrations have been repressed.

The communist country is now the world's second-largest coffee producer, but is seen as high volume rather than high quality—its bitter-tasting Robusta wins few accolades internationally and is mostly exported as raw beans.

"Vietnam is an amazing phenomenon," said Jonathan Clark, general director of coffee exporter Dakman.

He said exports "shot up" last year to nearly rival Brazil, the world's top exporter and producer.

Last year, Vietnam exported 1.73 million tons of coffee, worth some \$3.67 billion and accounting for more than 50 percent of the world's Robusta, which is used in instant coffee or other blends.

— Putting Vietnam's Robusta on the map —

Coffee consumption in Asia is on the rise and roasters are eyeing the low-cost country—where there is no tax on coffee exports—to set up

operations to boost their regional presence, Clark said.

As consumption volumes have stagnated in the west, Vietnam, with its growing middle class and long standing love of coffee, is full of "tremendous opportunities", Jinlong Wang, president of Starbucks Asia Pacific, told AFP.

Starbucks - which opened its first store in southern Ho Chi Minh City in February—says it could open hundreds more in the near future in Vietnam, which it describes as a "dynamic, exciting" market.

The country's volcanic soil is perfect for growing coffee, and while global coffee drinkers are more used to Arabica—which has 1.5 percent caffeine—they should wake up and smell the joys of 2.5 percent strength Robusta, according to Vietnam's "coffee king" Dang Le Nguyen Vu.

The founder of home-grown coffee giant Trung Nguyen—which has 55 stores in Vietnam and five in Singapore—is passionate about putting Vietnam's Robusta coffee on the map.

"Robusta is not lower quality. It's just that globally, people have learned to drink Arabica coffee," Vu told AFP in an interview at the Trung Nguyen Village in Buon Ma Thuot.

A big part of the company's work is to improve the quality of local beans, working with farmers to introduce high-tech irrigation, reduce pesticide use and boost their income.

Trung Nguyen already exports to 60 countries and Vu said Starbucks' recent arrival in his homeland had increased his determination to open cafes in the United States offering Vietnam's traditional style of thick, strong coffee brewed in individual drip filters.

"We must be able to surpass Starbucks. We must offer something more attractive for US consumers," Vu said.

"I want the world to understand that Vietnamese coffee is the best, the cleanest, most special [coffee](#)."

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