

Brewing a Bright Future

Magallaya Mt. Specialty Coffee

Giving in to the lure of their distinct native coffee, a couple took a decade-long entrepreneurial journey. They stuck it out with the business through thick and thin, and became a pillar of a rural industry poised for success.



SPECIALTY COFFEE MAKERS
Magallaya Mt. Specialty Coffee produces premium brewed coffee that undergoes various grinding processes to make the special blend. Camilo Degay, one half of the pair behind Magallaya Mt. Specialty Coffee, faced the struggles of putting up a business with a small capital before becoming one of the leading producers of *musang* coffee in Kalinga.

An entrepreneurial journey to an end-to-end coffee production and processing business could be light-years longer than a trip to the mountainous, landlocked province of Kalinga, at the central portion of the Cordillera Administrative Region.

Still, husband-and-wife team Camilo and Zita Degay took the journey, starting out with a Php 5,000 capital for a *sari-sari* store business before going into buying and selling roasted coffee beans. They later on started processing and distributing their products themselves.

They did so after having seen the growing demand for coffee, especially civet, whenever they traveled to Baguio. Zita could not help but seek a piece of the action even if that meant offering a significantly higher price to gatherers of coffee excreted by wild civet (*musang*) cats in the forested highlands between Kalinga's Tanudan town and Tabuk City, as well as hiring more people to do the laborious cleaning and sorting to ensure better quality of civet coffee beans.

The civet cat, from which that coffee variety got its name, would eat the ripe cherries and flush them down partly digested, with its digestive enzymes providing the unique flavor and aroma.



DID YOU KNOW?
Civet cats or *musangs* are categorized as a least concern species by the International Union for Conservation of Nature (IUCN), which means that they are still plentiful and far beyond being endangered.

Finding out that gourmet coffee shops had been mushrooming in the country's key cities, the couple aspired to process and package their own brand—the Magallaya Mt. Specialty Coffee—named after the peak overlooking their home in Tabuk's outskirts.

DTI TO THE RESCUE

After a long series of trial and error, the Degays began coffee processing and included the *Robusta* variety in their product line in 2009.

The Department of Trade and Industry's (DTI) guidance was also a big part in this transition.

"We attended DTI seminars and that was how we learned to process coffee," says Camilo. "DTI was a huge help. I burned so much coffee in the early days when I was still learning the roasting process."

That made the Degays the first beneficiary of DTI's World Bank-funded Rural Microenterprise Program.

DTI also helped the couple obtain a loan for the packaging of their products to be showcased in trade fairs. At the One Town, One Product (OTOP) Luzon Island Fair in SM Megamall in 2009, they generated Php 108,000 in gross



FOR FINER GROUNDS
Magallaya Mt. Specialty Coffee continues to improve the coffee production through various ways. One of which is acquiring new grinding equipment for the finest coffee grounds.



COFFEE MAKING WITH THE MUSANG'S HELP
The process starts with growing the best possible coffee cherries (bottom left). The ripe coffee cherries are then eaten by civet cats or *musangs*. Partially digested, these are excreted and are harvested. These are then roasted to perfection in the machine (top right) that constantly tosses the beans inside to prevent the beans from burning.

sales, while they raked in Php 350,000 at the IMPAKABSAT regional trade fair at the Festival Mall a year later. In 2012, they were able to book orders amounting to Php 700,000 at the Panublion fair in Greenbelt mall in Makati.

The couple plowed back the windfall into their business by constructing a building and purchasing processing and packaging equipment and facilities.

OVER THE HUMP
Now, Magallaya has acquired additional lands for its expanding coffee plantation.

They also hire part-time workers during the coffee summer season from March to May when the cherries ripen.

Even in non-food events, Magallaya always gets invited to serve brewed coffee and sell its ground beans in world-class packaging.

FUTURE PLANS
Camilo says he wants to branch out into the coffee shop business. But even at present,

Magallaya already serves as a success model for the rural coffee industry in Kalinga.

Their success is an inspiration to the local industry that has suffered a decline, because of weak overseas demand, low farm gate prices, long gestation period from planting to harvesting, and competition with other high-value crops.

Still, Kalinga, as of 2012, ranked 7th nationwide in coffee production, and accounted for 69 percent of the Cordillera's total annual produce.

With a niche market for gourmet coffee and the success story of Magallaya from the Herculean efforts of the Degays and DTI, hope rises anew for the resurgence of the coffee shrubs that used to abound the mountain-sides of Kalinga.

As the couple prepares breakfast before going about their business routine, they find solace in the thought that they are brewing a bright future.

HOW DTI HELPED

DTI provided Magallaya Mt. Specialty Coffee an opportunity to expand their market through DTI-sponsored trade fairs such as **One Town, One Product (OTOP)**, **IMPAKABSAT**, and **Market Pinoy** where they generate massive gross sales per event.



FINISHING TOUCHES
Clockwise from top left: After the roasting process, the beans are immediately cooled. The whole bean coffee or freshly ground coffee are then packaged in bags to preserve the taste and aroma. All four coffee varieties—*Robusta*, *Arabica*, *Excelsa*, and *Liberica*—are being offered by Magallaya Mt. Specialty Coffee, all because of Kalinga's varied elevations.