

# **Believe In The Potential**



*Chanchala Gunewardena, Founder/CEO, Kimbula Kithul.*

Kithul has been a delicacy in Sri Lanka since the time of kings. Kimbula Kithul has focused on taking this heritage Sri Lankan agricultural product in its authentic form to the market and the globe. Chanchala Gunewardena, Founder/CEO, Kimbula Kithul highlights her journey of working with the kithul community in Matara and the challenges agri-startups face in Sri Lanka. Highlighting the appeal of kithul in modern lifestyles, Chanchala Gunewardena spoke about their plans to take Sri

Lankan kithul global.

By Udeshi Amarasinghe and Keshini De Silva. Photography Mahesh Bandara and Menaka Aravinda.

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### **Why did you decide to start Kimbula Kithul?**

There is a long story and a short one. In a way, the want to do something was intentional. But the choice of kithul was a bit of luck and “meant to be”. My mother is from Matara and I was looking for something to do, which would reflect my background and interests that have been in communications and education. Further, in Sri Lanka, there was a general conversation about entrepreneurship. In Colombo, many start-ups in different categories, not just in tech but also other small businesses, had emerged. There was also the impact of meeting these people in Matara who produce kithul in their homes. The connectivity that was intriguing and what gave me an opportunity was the Good Market platform. It allowed big and small businesses to come together and meet an audience.

The kithul concept in particular took shape when we were gifted a bottle of kithul from a person who was visiting from Matara. I asked a question from my mother: why is this so much better than what you get at the supermarket or shop? My mother gave me a simple answer, and I took it for what is was, she said, “There is no added sugar”. That was really simple. I thought, if that is the gap, is it because farmers who produce the pure product cannot get it to the market? Is it because they do not have the right vehicle or means to tell their story to the consumer and create value addition for the product? At that time I saw it as a simple marketing problem and that was one of my strengths. Therefore, I developed Kimbula Kithul as a brand. At that time, it was a simple ambition, a creative brand that told a story. It was to offer a vehicle to anyone in Matara to bring their kithul to this market.

However, The first time I brought a quantity of pure kithul home for bottling, branding and marketing, everything went wrong. The chemistry of the kithul took over, the bottling did not work out and suddenly I wondered, “What is going on?” I had thought you could simply bottle it and sell it, but it wasn’t that simple. We had a bad start; luckily it was an event for family and friends. We took stock and my mother said this was not a simple thing to do and that I had to be actively involved in the business.

We started talking to those who were in the business and spoke to research experts at the Industrial Technology Institute (ITI). I spoke to business people about how I was looking into it, and found out that established businesses had looked into kithul as well. They had looked at the numbers and thought it was not going to work out. Even the ITI said it was going to be a struggle. People who had been in business for decades said unless you get XYZ factors right, it is not going to work out. All the indicators I was looking for as a sign to get into weren't there. Everyone advised me against venturing into the kithul business. However, I was at a stage where I was not interested in common wisdom and stuck to the narrative that startups pursue the idea everyone is ignoring. I had a feeling about it. When I was looking at the concept, probably during a farm visit, and saw how kithul was made, that changed everything for me. I do not think that anyone who buys kithul, my friends and family, knew what went into it. They did not understand the community and its work. When I saw that, I thought although everyone was negative, do they really see what I am seeing? I believe in having a vision and seeing something others missed. I thought in the worse case it is a small risk, and I would give it ago.

There was a gap in the kithul scene. Whenever I went to the shop they would be out of kithul because there was no consistent supply. We took our shot at the Good Market and the ball got rolling from there. We sold out on the first Sunday. After our third week, Chef Dharshan Munidasa called us to try a sample. I said yes and rushed a sample over to his restaurant. We've been lucky to have his support and have been supplying the Nihonbashi group of restaurants ever since. Thereafter, everything else fell into place.

Kithul was not something that was in the niche stores or market space before. Stores such as House of Wines that offered French cheese, salami and prosciutto took a chance on us.

### **Can you talk about the community?**

In Sri Lanka, the production of kithul is a widespread cottage industry. Kithul is found in about 18 districts in the country. We have an abundance of kithul and a community of about 28,000-35,000 tappers. Yet they are small-holder farmers who farm other crops and only seven percent, it is estimated, can manage to tap kithul as their primary livelihood. Most cultivate tea and cinnamon in the same farm and kithul on the sidelines. The way the industry has functioned in the past is unsustainable and farmers cannot live off the product as the compensation is not adequate. They climb up a 40-foot tree, at least thrice a day. It is a traditional

climbing method. If you are lucky, you might see a bamboo ladder on the trees on which the farmers scale up and down. There are traditions and auspicious practices, especially with the generational farm-ers. They have learnt the practice and tradition from their family. They know when the flower is mature and can be tapped. There are practices where calcium is added to the flower, there are specific methods of cutting the flower and col-lecting the sap in a bucket. Tappers scale up the tree three-four times a day to collect the sap. There are those who even collect sap on a rainy day. That is the effort that goes into it.

They collect around eight to ten liters of the yellow translucent sap a day. When the sap is brought home, that is where the family steps in. Traditionally the tappers are male. That does not mean there aren't any female farmers and the women are very much part of the production and sale aspects of the product. The eight liters they tap are dehydrated to about one and a half liters. This loss is a big one considering the effort that went into production. Even during the process the farmer often cannot do anything else with his/her time because the treacle needs to be stirred consistently. The entire day is committed to it. If you are lucky, monthly income can vary from 10,000 to 12,000 rupees. As a result, this is not a crop the farmers can commit to. That is a fundamental supply side issue.

The ideal method is to work directly with farmers. However, the industry has not really changed from where it started, and smallholder farmers are quite disconnected; although there is a community they live quite inland and in hilly areas. There are farmers who have taken initia-tives, but the middleman or collector is important and both the good and bad person in the story. Many illustrate the middleman as the person who takes the big cut. At the same time where there is no connectivity, this is the person who can go out there and collect the product. There are some collectors who are good, who know the product and are committed to offering a great product. You also have others, who, because it is a business system, make the process quite messy.

It is in this system that sugar entered the scene. Sugar is the bane of this game. The “pani rasa” (sweet flavor) that people know today is actually ‘seeni rasa’ (sugar flavor). Pani rasa is the original idea of Sri Lankan sweetness, and that is the pani rasa that you find in homemade kithul. It is a complex taste, where there is sweet-ness and smokiness due to the kithul being produced at homes on a wood fire hearth. There-fore, the difference between this and store-bought kithul stands out, at least for me. I always ask, “Why is this different and why is this much bet-ter?”. When sugar entered the scene, the indus-try took a different direction. Kithul was

the delicacy of the royalty. The industry wanted to take the product to the market. Because the yield was small, due to connectivity issues in acquiring the kithul and tapping being undercompensated, there was no consistent supply. Along the way, high demand emerged because it had been introduced to the mass market. Thus, at different stages, either at the farm where the farmer feels the pressure to increase supply, the collector stage or even at the buyer-seller stage, a decision was made to create more volume with the addition of sugar. Therefore, water would be added to increase volume and to mask the dilution refined sugar would be added. Refined sugar entered the game to allow people to meet quotas and supply demand. Moreover, big buyers were even willing to buy seeni kithul (sugary kithul). Eventually, customers accepted it too. It is cheap. When you do the math, the product is offered at an impossible price. The customer cannot differentiate anymore. As a result, it has become expensive to make pure kithul.

The strategy to introduce pure kithul to the market at a mass scale is almost impossible. We do not have the ability to do it now. Maybe if we started awhile ago it would have been possible. We do not want to lay the blame at anyone's feet, but we have a great heritage product and that needs to be revisited. If you can support us by buying pure kithul or even support a competitor but one that is committed to this product, then you will support the continuation of this uniquely Sri Lankan industry and the people who are behind it.

There is a huge value proposition for pure kithul. There are many health benefits but more research is required. There is a strong consensus that kithul is a sweetener that is low on the glycemic index and therefore it is a better sugar than refined sugar. There are vitamins in kithul and properties to help mitigate things like cholesterol. The nuanced-complex of home kithul is not just sweet, but it is also a great product that can be used many other ways. It is not merely about adding sweetness or having kiri pani (curd and treacle). I have seen how chefs and customers use our products across the board in things like making a roast, serving it with pancakes as well as an alternative sweetener to tea. Chefs use kithul to make cocktails. These are exciting spaces for this product.

### **From the farmer to Colombo, how do you get involved in the process?**

We purchase from smallholder farmers. We are happy with it because this industry is predominantly a smallholder farmer industry. If we can travel to make the connections, we will. We do not only source from Matara, but the majority of the supply is from Matara. We like the kithul from that area and we work with the

suppliers. Our suppliers source the product from farmers who produce a pure product. We refine it further and offer it to the market. We are not adding anything to the product. The refining process clears the product a little more. We follow a steam boiling process. It is smoky but with clarity. There is no intervention, this is pure.

We are looking at changing the game in terms of manufacturing, to increase the shelf life of kithul through a process similar to pasteurization. We are starting to look into it, because it does impact the taste and we have to get the changes right. We want to maintain the taste and increase the shelf life for the customers; this will help the retailers as well.

### **In terms of the product are you only focusing on kithul pani (treacle)?**

At present yes, because we are a small start-up. It has been a home business and I only recently moved into operations. We want to focus on the kithul pani and it is an exciting base product with many propositions for use. I feel that it is under-researched. When we had our stall at the Good Market, people would approach us for kithul hakuru (jaggery) But I explained that we are doing only one thing at the moment. Right now we want to create the connection – if you want kithul, come to Kimbula. Customers seek out Kimbula and that is what we want. We wanted to become product synonymous. This is what we are committed to. Once we have set that foundation, I want to branch out, whether it is hakuru or other scopes.

### **What was the idea behind the name “Kimbula”?**

It was simple. It was based on the poem about the Matara Gange Kimbula (Crocodile in the Matara River). I thought it told the story well. I liked the alliteration. When I was putting the concept together, I sent an email to a few people at NGage to ask their thoughts on the branding concept. A senior member said they thought it was not a good idea, but I was intent because I felt there was something there. We had an amazing designer who I knew from work, and I knew she was the person who would bring this to life and Gimhani really did that. As she did the first sketches of the Kimbula, and it slowly came together, I knew it was right. The brand stands out on the shelf and it has an authentic story.

### **Do you have any support from the Government or Government institutes?**

I have been urged to seek financial support from the Enterprise Sri Lanka program,

which has benefited others. I have not really tapped into that yet because I am preferential to finding an aligned partner or investor who may also bring other aspects to the table such as market connectivity. I am also focusing on the team, because it matters who we have to build it to the next level and I've had some good developments here thanks to my involvement in the GIZ funded Good Life Accelerator program. I have also looked at the Agricultural Modernization program conducted by the World Bank and Ministry of Primary Industries. It is an exciting program and many benefit from it but unfortunately as an early stage startup, we do not yet align with the criteria. Still, they were open to talking about it and I did get a chance to request attention for the product and the community behind it which for me is always foremost.

This is an ageing community, and it is an urgent matter. The community is no longer encouraging their youth to get involved because it is not a livelihood. If we can change that, it can be done well and properly, that is what we want to scale. We do not want to go through a middleman, as we want to give a working directive for the farmers. To work towards providing fair compensation we must make products that people value and create good business. That is an ethos that Good Market showed us.

Considering that agriculture is still a backbone of this country, those who are involved have much to offer the country. While the start up culture is really great at supporting tech, it needs to look at innovation in home based industries. In January this year, I was able to be a part of Venture Engine. We were in the finals and were one of the few non-tech startups. We came in fourth place to a primary pool of tech. I was the only women-led business in the room and the only agri-startup. The BOV Capital team who lead the Venture Engine project gave us exposure and contacts. Today, we are back in the same venue, which is the Hatch co-working space and another accelerator that GIZ is running called the Good Life Accelerator. We are bringing something new, we are the first batch in and there are five of us. They are looking for start ups directly involved in the food and beverages space. There is a company that is involved in sustainable packaging. They are providing an opportunity for us with new offshoots and new avenues coming along.

A lot of technical and knowledge support has been from ITI. They have a wealth of knowledge and there are many who have worked really hard to gather this knowledge. The question is about valuing that knowledge. I did not come from this background at all, therefore the ITI provided important knowledge and know-how. We are now reaching out to business people. On the research side, they are great

depending on the industry. We went to SLINTECH and witnessed what they were doing. We should give credence at some levels to the expertise in this country, which are not being heeded or are being ignored. Sometimes they tell you to do something that is difficult, but it does not mean they have not taken it to heart. We need to think that although something is tough, "if it makes my product better then I should think about it."

### **What are your experiences of being a woman entrepreneur?**

When I first started, I did not think there were any issues. I went to the farms, and, although I was a young girl walking around the farm asking questions, I did not feel out of place. The women would prepare the kithul and they sometimes make the sale. Therefore, I never did see that.

Now that we are trying to extend the business and approach people with new ideas, I have met with some challenges by being a woman. At some places, there are people who find it exciting and support women-led enterprises. But let's call it what it is where the business landscape of the country is quite male-dominated. We have instances where we cannot even find women for panels and women investors, too, are rare. On the other hand, there are great businesses and initiatives that are women-led such as Women in Management, or have been fostered by a leadership of women. I am sitting at NGage Strategic Alliance where I work part time and it is today led by a woman and with a 52 plus percent women in this office. I believe in that. I am excited by such places.

Still, It is not just about being a woman in this sector, but also Sri Lanka needs to evaluate how it nurtures its startups. In some way, it may seem like they are nurturing startups; but there are some mentorship initiatives that provide questionable advice. It makes me think, "Aren't you asking me to settle for less? Aren't you asking me to undercut my ideas? Aren't you asking me to think smaller?" In the end it feels like they want to seem like they are nurturing, but they do not want to support the innovation and ideas. Companies need to stop being fearful. The only way we will produce great ideas is if we support entrepreneurs at large to come up with ideas that will challenge the business landscape.

At times, I wonder about the competition in the kithul business, but then I take a step back and think about the specific vision, outlook and innovation sensibility I have and really believe in that. If there is competition, I will only be challenged to innovate further and that is not a bad thing at all.

Start ups are risky and you cannot apply the same rules of a traditional business. It is nice to practice business, but you could also support people along the journey. It is not just about people in your network or your friends. Businesses sometimes support startups that are the likeness of themselves, but you need to forget that and approach the great many startups across the country. At the Women Top 50 awards by WIM, I witnessed first hand the women across the country doing all types of businesses.

### **What are your future plans for Kimbula Kithul?**

We want to take it global. We are testing the product by sending it to international chefs. We sent it to Ryan Chetiyawardana in the UK and he is the world's best bartender running the world's best bar. He is the one who told me that kithul could be used in cocktails. Dharshan Munidasa has been supporting us for ages. Rishi Naleendra, who has just received another Michelin Star for his new restaurant in Singapore uses our product. Peter Kuruvita has tried to make some great dishes with kithul pani as well and was the pivotal person in sharing our product with Dilmah tea who now stock it at their Brew outlets. We recently got Kimbula Kithul to Master Chef Australia's third placed contestant Khanh Ong who loved it. We have sent it to a few people in Toronto who loved it. It is also on its way to a few people in Germany. We are getting feedback that has so far been positive. Therefore, I believe there is exciting prospects for this product. I believe this community needs people to recognize it, support the product and believe in it. I believe there is potential for kithul to be another key agricultural product for Sri Lanka.