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**Headline: Bearing the fruits of 99 Old Trees: They invested S\$60K to build a durian business in S'pore**

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Kelvin Tan love durians and he regularly traveled to Pahang to seek high-quality durians from the local farmers there.

That was how he got acquainted with the owner of Fook Gor Durian farm. In their conversations, they would often discuss the logistical and quality challenges that plagued durian businesses in Singapore.

They wanted to help bridge the gap, and that was what led to the birth of 99 Old Trees.

“In Fook Gor Durian farm, there is a piece of land that resides on a mountainous area. On this piece of land, [it] stands exactly 99 old trees that are more than 25 years old. Those trees have consistently produced very high-quality durians over the years and have been a blessing to us. To honour those trees, we named our business '99 Old Trees,’” explained co-founder Kelvin.

Besides Kelvin, the two other co-founders are Jeffry Ngadiman and Avinash Mahendram (Nash).

Prior to 99 Old Trees, Jeffry — who is Kelvin’s schoolmate from the Singapore Management of University — worked in an oil palm company, while Avinash had an extensive experience in the hospitality sector, having worked in hotels, Michelin-starred restaurants and several mega clubs.

### **Pivoting away from a D2C model**

The three of them came together and pumped in a S\$60,000 capital to purchase equipment and delivery vehicles, as well as finance the renovation of their outlet.

According to Kelvin, they didn’t face any “real fundraising challenges”, adding that the durian business is actually considered a low-capital business.

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In fact, it took them around only two durian seasons to break even.

He also shared that when they first started up, they adopted an entirely different business model.



*Initially, we wanted to run 99 Old Trees in a direct-to-consumer (DTC) model. We had no outlets at the beginning; all the packing is done directly at a processing facility near Fook Gor Durian farm. The packed durians are then transported to Singapore and delivered directly to customers' homes.*

*However, after one small season in 2017, it was clear this model is fraught with problems. There were frequent customs delays and traffic jams, which commonly resulted in very late deliveries. In some instances, orders were cancelled because it was simply too late.*

*– Kelvin Tan, co-founder of 99 Old Trees*

He also recounted a time when they once delivered to a customer as late as 1.30am. These made them realise that they needed to set up a physical shop in Singapore.

However, this led to another business challenge: manpower issues.

“It was extremely difficult looking for people with durian experience,” lamented Kelvin, adding that it is still a recurring problem now.



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“The seasonality of durians makes it hard for us to sustain a large full-time workforce all year round. Because of this, even though we are willing to pay high wages during the durian season, people are unwilling to come forward because we cannot guarantee them a [permanent] full-time employment.”

Another key business challenge that Kelvin cited is quality. Since durians are highly sensitive to weather conditions, too much or too little rain at the wrong time can be disastrous to its quality, he explained.

Fortunately, thanks to their long-standing direct relationship with the durian farm itself, 99 Old Trees have managed to consistently secure first access to the highest quality produce in Pahang.

As such, it's important for them to “establish a good relationship with the durian farmers” to not lose their competitive edge, stresses Kelvin.

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### Controlling the durian supply chain from end-to-end



Their durian stall eventually grew into an F&B business that sells a durian-extensive menu, including durian desserts and pastries.

Earlier in February this year, they opened a new store with a bigger dining-in capacity at Outram. Kelvin said that the move was “out of necessity” because they anticipate Singapore to receive more tourists (and hence, more customers) as the country opens up.



He added that Indian chef Gaggan Annand — who “absolutely detests durians” — recently visited his outlet, and this fuelled his dreams to have a chance to work with renowned global chefs and have them use durians to create new desserts and pastries.

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Beyond retail, 99 Old Trees also handle the exporting and importing of durians — they essentially own the entire supply chain, which is a huge perk.

*There are two main advantages [to this]. Firstly, the speed, because we can trust our own people and system. Usually, at the durian consolidation centre, the wholesalers have to weigh every single basket to ensure that the weight of durians [match] as stated before they were loaded up onto the lorry.*

*When the lorry arrives in Singapore, every basket has to weighed again [before they are handed] over to the retailers. Pilferage is common, and that's why vendors have to do this step even if the process of re-weighing can take an hour or two.*

– Kelvin Tan, co-founder of 99 Old Trees

Due to the fact that they own the whole chain, they can afford to skip these unnecessary steps and save precious hours.

Secondly, they also get firsthand access to the highest quality durians.

“The subpar quality durians are then sold at a cheaper rate to other vendors, who may then sell to retailers in local markets in Malaysia,” he added.

### **They sell up to 800kg of durians a day during peak season**

COVID-19 was an unexpected tidal wave that affected most businesses.

“We were initially worried when COVID-19 hit us. We were worried that as people lose their jobs, and with the tourism grinding to a halt, people will cut back on discretionary spending — which includes durian, because it is more of a luxury rather a necessity,” said Kelvin.

However, they were surprised to see that their sales weren't affected at all. In fact, their business actually improved during the pandemic period.

“I guess people couldn't travel abroad and those budgets were redirected for spending on quality food and experiences domestically,” he justified.

It also helped that they already had a robust website up and running, which helped boost their e-commerce sales. After all, they started as an online-only business back in 2017.

The durian season typically occurs between June and August, sometimes stretching till September.

According to Kelvin, they sell between 500kg and 800kg of durians per day during this peak period, which equates to around 300 to 500 durians.



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This year, unfortunately, the durian harvest in Pahang is down 70 per cent compared to the same period last year. Despite the smaller supply, prices of durians are much cheaper. Kelvin cited two main reasons for this.

*[Firstly], the zero-Covid policy in China has resulted in bigger restrictions in the importation of foreign products. The customs in major port cities there are facing a logjam, which resulted in many durian processing factories in Malaysia [to have] storage issues. Durian harvest cannot be processed by those factories, and has to go directly into the retail markets, which resulted in the sharp fall in prices for those one to two weeks.*

*[Additionally], demand for durians in Singapore is not as great as the previous two years as our borders are open and people are once again, free to travel. Most people travel during the June school holidays, which [coincide with] the durian season.*

– Kelvin Tan, co-founder of 99 Old Trees

Summing up on his entrepreneurial journey so far, he said that their ultimate goal is to spread the love of durians beyond our shores and hopefully, establish durian as a 'national fruit' which symbolises Singapore.

“Durians have a special place in Singaporean’s hearts even though we don’t grow it commercially in Singapore, [and it serves as a] cultural bridge between Singapore and Malaysia.”