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Current Status & Prospects of Nepal **Coffee**



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Presentation outline

❖ Coffee

- History
- Current situation
- Production area in map
- Plantation and Production trend
- Trade
- Opportunity
- Challenges



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Current status and prospects



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History of Coffee in Nepal

- A saint, **Hira Giri** of Gulmi district bought some seeds from Myanmar and introduced them in **Aapchaur** of Gulmi in 1938 AD..
- Gradually the plantation of coffee started spreading to adjoining districts viz, **Palpa**, **Syangja**, **Kaski**, **Baglung** and others.
- Commercial cultivation started since **1990s**.



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Current situation

- **Total plantation area:** 2650 ha.
(1.19 million ha. potential)
- **Production:** 513 MT green bean
(demand, reportedly said: 8000 MT)
- **Export:** 84 MT worth Rs 93 million
- **Importing countries:** Germany, Korea
Japan, USA, Netherlands,
- ***Total no. of coffee growing districts 42***
- ***Total no. of household involved 32581***

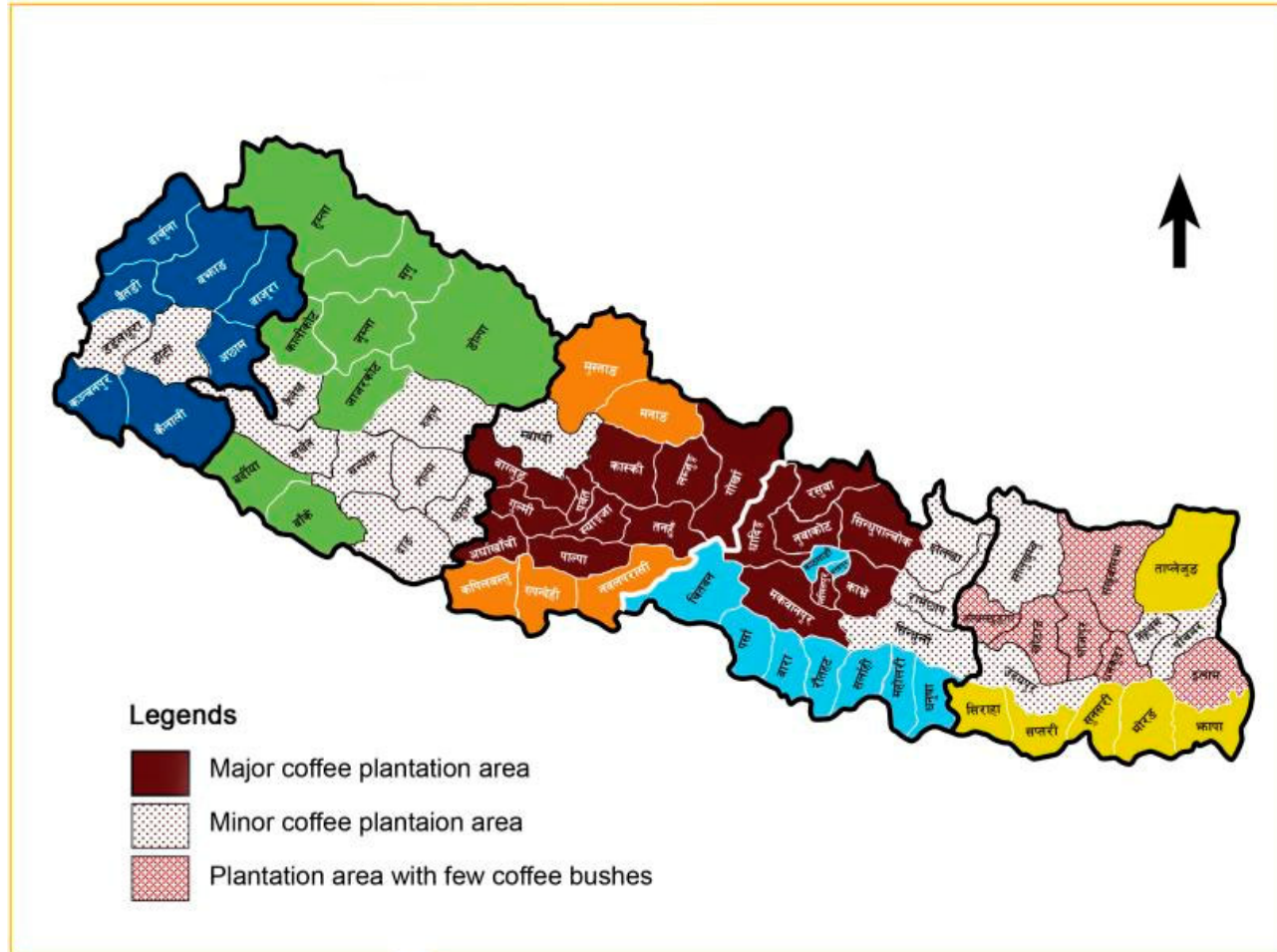
Data source NTCDB (FY 2074/75)



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Coffee Production Areas



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Coffee Plantation and Production

Source: NTCDB (2018)

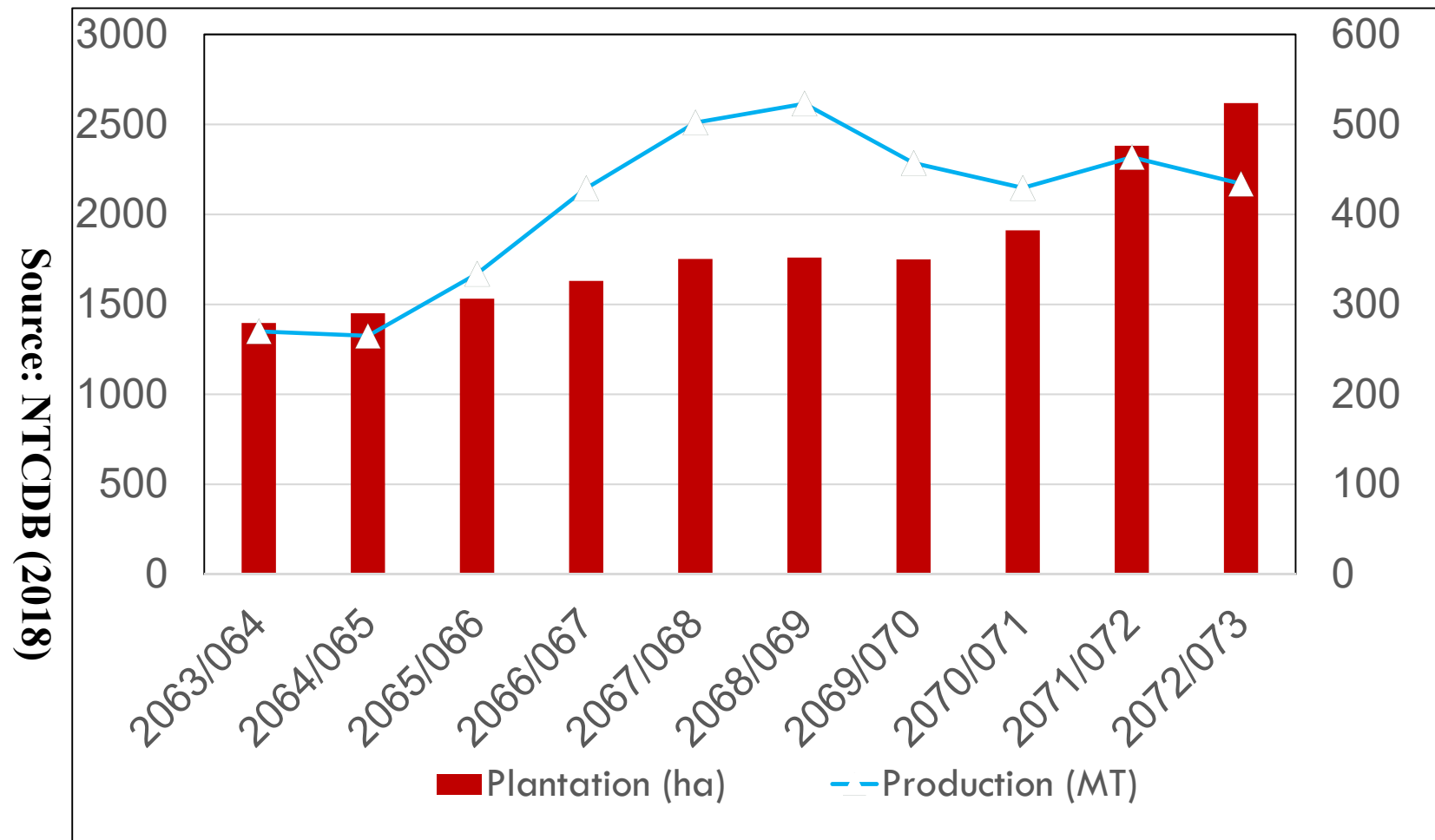
Fiscal Year	Area (ha)	Production GB (MT)
2004/05	1078	200
2005/06	1285	312
2006/07	1296	270
2007/08	1450	265
2008/09	1531	334
2009/10	1630	419
2010/11	1752	502
2011/12	1760	523
2012/13	1750	457
2013/14	1911	429
2014/15	2381	463
2015/16	2618	434
2016/17	2646	466
2017/18	2650	513



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Coffee Plantation and Production Trend



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Coffee trade in Nepal

Fiscal year	Export		Import		
	AD	Export Qty (Kg)	Export Value (Rs.,,000)	Import Qty (Kg)	Import Value (Rs.,,000)
2007/08		58,201	22,175	2,265	334
2008/09		508,592	125,108	63,043	11,651
2009/10		69,044	24,363	62,208	13,861
2010/11		279,762	93,089	31,326	12,513
2011/12		109,442	43,095	28,521	20,907
2012/13		85,858	45,676	51,758	31,727
2013/14		66,187	52,207	64,316	35,921
2014/15		99,594	99,176	108,844	54,748
2015/16		111,168	107,901	105,037	55,541
2016/17		94,604	84,539	99,364	50,402
2017/18		84,219	93,725	163,377	65,892
2018/19		84,131	99,616 (99616 milusd)	1,262,409	98,014

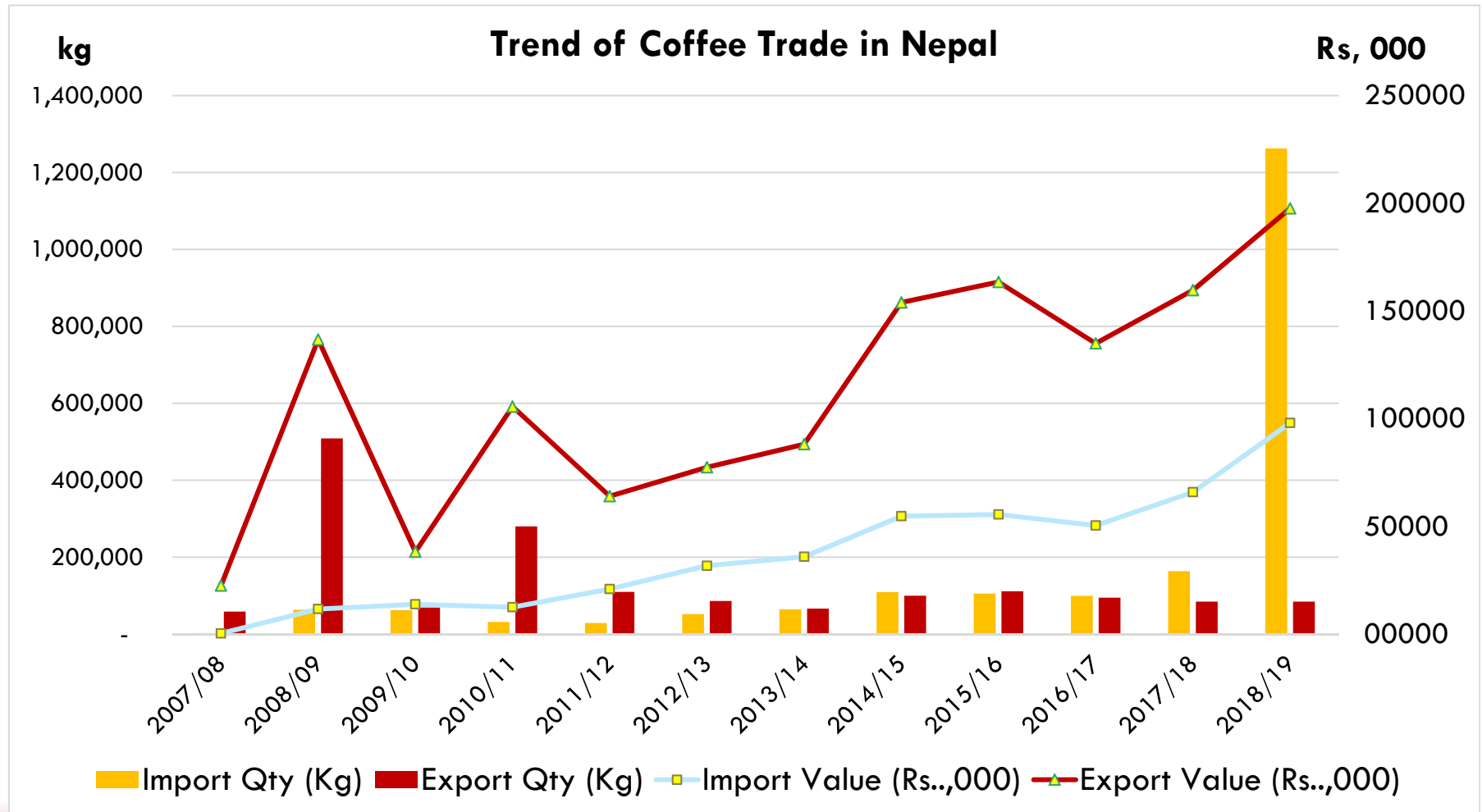
Source: TEPC (2018)



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Coffee trade in Nepal



Source: TEPC (2017)



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Coffee in Nepal: An Opportunity

- Climate and soil condition of Mid-hills of Nepal is **suitable** for growing **Arabica coffee**. Coffee in Nepal is 100% Arabica.
- Around **1.19 million ha land potential** for coffee production
- Opportunity for production of **high grown**, organic **specialty** coffee.
- High international **demand**.
- Participation of **small farmer**.



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Coffee in Nepal: An Opportunity

- **Domestic market** also expanding. contd...
- **Rural employment** generation through processing industries.
- Productivity can be increased up to **1500** kg/ha through proper management, adequate shading and manuring practices.
- Can enjoy **duty free access** for coffee beans under trade preferences for LDCs in all the major coffee importing countries.



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Coffee in Nepal: Some Challenges

- **Sporadic production**, resulting uneven quality; high cost; delay in pulping; difficulty in organic certification etc.
- Production **volume** very low.
- Incidence of **disease and pests**
- Low **productivity**
- Nepalese coffee is **by default organic** but not able to export all the product as organic because of the **complicated certification process**.
- Very **inadequate research** backup



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Thank you



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