

A Growing Industry in the Hills of Nepal

Winrock International

Improving Lives and Livelihoods Worldwide



With its awesome Himalayan mountains and remote valleys, Nepal is a beautiful country—but its people are as poor as their landscape is dramatic. The nation's pervasive poverty has led to political unrest in recent years, including an insurgency active in some regions today.

One of the few hopeful areas of Nepal's economy is the potential for increased export of tea and coffee. Most of the current output of these crops comes from around 8,000 small producers on marginal hill lands, who receive a relatively low return for their labor.

Tea, grown in Nepal for more than a century, has traditionally been exported in its raw state to India, where businesses receive the added value of processing. Coffee, grown for about 30 years, has become a significant commercial crop only in the past decade.

In 2002, Winrock International's Agriculture unit, working with support from the U.S. Agency for International Development, initiated the Nepal Tree Crop Global Development Alliance. In partnership with private

firms, government agencies, and nongovernmental organizations, NTC-GDA is striving to boost exports of specialty coffee and tea produced in the Nepal hills. The potential exists to expand production of the crops to as many as 100,000 households, which could lift a half-million Nepalese out of poverty.

The Winrock/NTC-GDA team has trained tea farmers in organic methods and helped them meet international standards for sanitation, pesticide use, and quality, which are required to sell in lucrative markets in the United States and Germany. Winrock also helped start a marketing cooperative association for farmers, which will develop a logo to establish an identity for Nepal tea in the international market, and other promotional plans.

Five years are needed between planting tea trees and the first harvest, which means many small farms need credit to establish a crop; Winrock has facilitated the availability of long-term loans, allowing more farmers to enter the industry.

Most coffee in Nepal has been produced for consumption within the country, although a small amount is exported to Japan. With Winrock's help, international experts in coffee production have worked in Nepal to develop processing methods appropriate to the country, allowing more exports of high-quality specialty coffee. Winrock has used its connections and experience to create a market linkage between the Himalayan Coffee Export Promotion Company and U.S.-based firms, which have committed to buy coffee from Nepalese producers at prices higher than they had been receiving. Winrock-sponsored agricultural experts also developed a set of management practices to encourage rapid expansion of coffee plantings.

Significant sales of Nepal coffee and tea have already been made in the United States, Germany, and elsewhere—and, even better, the promise exists for much more to come.

Winrock International is a nonprofit organization that works with people in the United States and around the world to empower the disadvantaged, increase economic opportunity, and sustain natural resources.