

Strategic Plan

For moving forward Nepal's Coffee -sector

Strategic Plan for 2009 to 2011



**National Tea and Coffee Development Board
New Baneswar, Kathmandu**

FOREWORDS

Coffee, the commodity with the second highest value in global trade, has shown significant potential for export in Nepal. To us this potential for the benefit of the Nepal people and in particular for smallholder coffee farmers requires medium to long-term planning for the development of the sub-sector. This includes input supply, production, processing, marketing and coordination of the sub-sector. At present about 18,000 small holder farmers produce about 220 metric tons of green beans.

Nepal is taking its place in the niche market for the specialty coffee. High prices are paid for Nepali coffee.

Within this context, the National Tea and Coffee Development Board has developed the three years strategic plan for the coffee subsector. The plan is expected to provide the basis for the future development of the sub-sector, support the acquisition of required funding as well as improve the effectiveness of coordination among stakeholders to develop coffee as one of the major export crops of Nepal benefiting small holder producers.

I am confident that this strategic plan will be the major guideline for all stakeholders involved in the sustainable development of the coffee subsector in Nepal.

With this, I would like to thank and acknowledge all the members of the coffee sub-sector working group for their generous input and support to develop this document.

July 2009

Binay Kumar Mishra

Executive Director

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Acronyms

ADB	Asian Development Bank
CoPP	Coffee Promotion Program
CTDS	Coffee and Tea Development Section
DADO	District Agriculture Development Office
DCPA	District Coffee Producers' Association
DFTQC	Department of Food Technology and Quality Control
DoA	Department of Agriculture
drSP	Demand Responsive Service Provider
FNCCI/AEC	Federation of Nepal Chamber of Commerce and Industry
FTQC	Department for Food Technology and Quality Control
FY	Financial Year
GAP	Good Agriculture Practices
GMP	Good Manufacturing Practices
HCPCL	Highland Coffee Promotion Company Limited
ICO	International Coffee Organisation
IFOAM	International Federation for Organic Agriculture Movement
JT/JTA	Junior Technicians, Junior Technical Assistant
LRP	Local Resource Persons
MoAC	Ministry of Agriculture and Cooperatives
NARC	Nepal Agriculture Research Council
NARDF	National Agriculture Research Development Fund
NCPA	Nepal Coffee Producers' Association
NOCP	Nepal Organic Coffee Products
NTCDB	National Tea & Coffee Development Board
SIMI	Small Irrigation and Marketing Initiative
ToR	Terms of References
VDC	Village Development Committee

This document was prepared by a Task Force under the Coffee Sub-Sector Working Group. The participants in the Task Force were:

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Background

Nepal's Coffee Sector is still small, - the value of the coffee exported and retailed in the country runs to around 1.5 million USD per year. Though it is comparatively small when compared for instance with tea, its potentials for creating income for smallholders are impressive. Coffee production grows by an annual 20%. The demand for Nepal coffee far exceeds current production which stood at around 200 tons in 2007.

Early 2008 the Steering Committee of Helvetas' Coffee Promotion Programme suggested the constitution of a Coffee Sector Working Group. The expectation was that this group with representatives of the main stakeholders of the sector would be able to take on the broader issues that are of concern to the coffee sector.

The Coffee Sector Working Group in its first meeting in February 2008 decided to develop a strategic plan for the development Nepal's coffee sector. A smaller strategy task force was formed to prepare the draft of a strategic plan. A list of members of this task force is included in this document.

The strategy task force met several times over the period of July to November 2008. The strategic plan was presented to the full Coffee Sector Working Group for feedback. The group unanimously endorsed the strategic plan. The Executive Director of National Tea and Coffee Development Board will call the meeting of the board members for approval of the plan before it is forwarded to the Ministry of Agriculture and Cooperatives for endorsing it as a national policy.

This strategy document is structured to include the following elements:

- An overview of the coffee sector
- A brief SWOT (opportunities and threats)
- A strategic goal statement
- Definition of thrust areas
- Strategies for the thrust areas
- Outline of activities for implementing the strategies

We hope and expect that the strategies outlined in this document will provide an effective guidance for the development of the coffee sector.

*Strategy Development Task Force
Coffee Sub-Sector Working Group
National Tea and Coffee Development Board*

Acknowledgement

Helvetas Nepal initiated and facilitated this process of strategic planning for the coffee sub-sector. NTCDDB gratefully acknowledges Helvetas' role and support.

Overview of the Nepal Coffee Sub-Sector



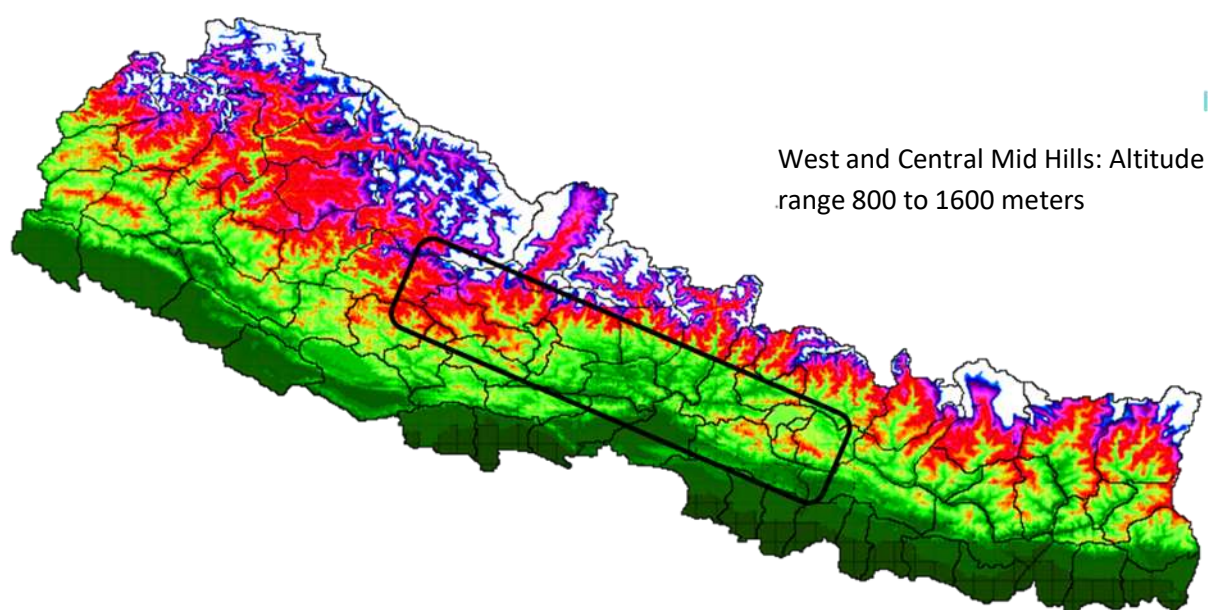
The Nepal Coffee Sub-Sector: Some Key Figures

(As per 2007)

Current annual production	220 tons green beans	30% annual increase
Number of producers	15,000 small holders	20% annual increase
Farm gate price, fresh cherries: 2007	23 to 30 Rs (0.31 to 0.40 US\$/ kg)	
Dry parchment (post pulping, district level): 2007 (4.35 kg fresh cherries 1 kg dry parchment)	160 Rs / kg (2.13 US\$/kg)	
Volume currently exported	112 tons (mainly Japan, Switzerland, Korea)	
Total market value (estimate!) (Assumed average export price of 7 USD for green beans, f.o.b.)	1,540,000 USD	
Total value generated at farm level	800,000 USD	
Average value generated annually by one coffee farmer	115 USD	

At this point Nepal coffee is taking a seller's market: importers consider it as a speciality product and demand outstrips supplies.

Nepal's Main Coffee Growing Region



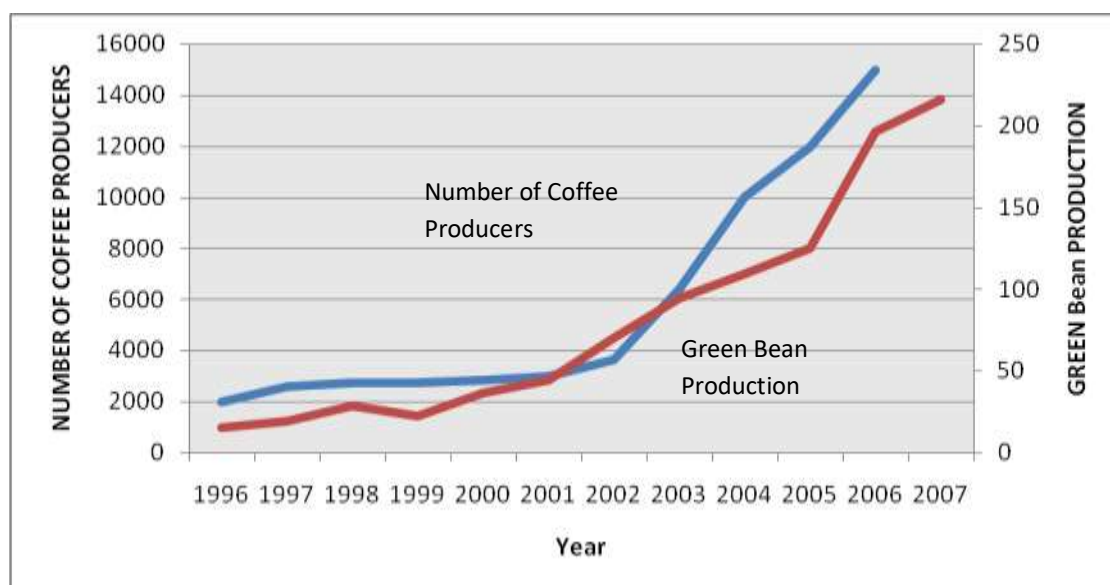
70% of Nepal's coffee is produced in the following 9 districts:

Sindhupalchowk, Parbat, Kavre, Syangja, Lalitpur, Palpa, Kaski, Gulmi, Nuwakot

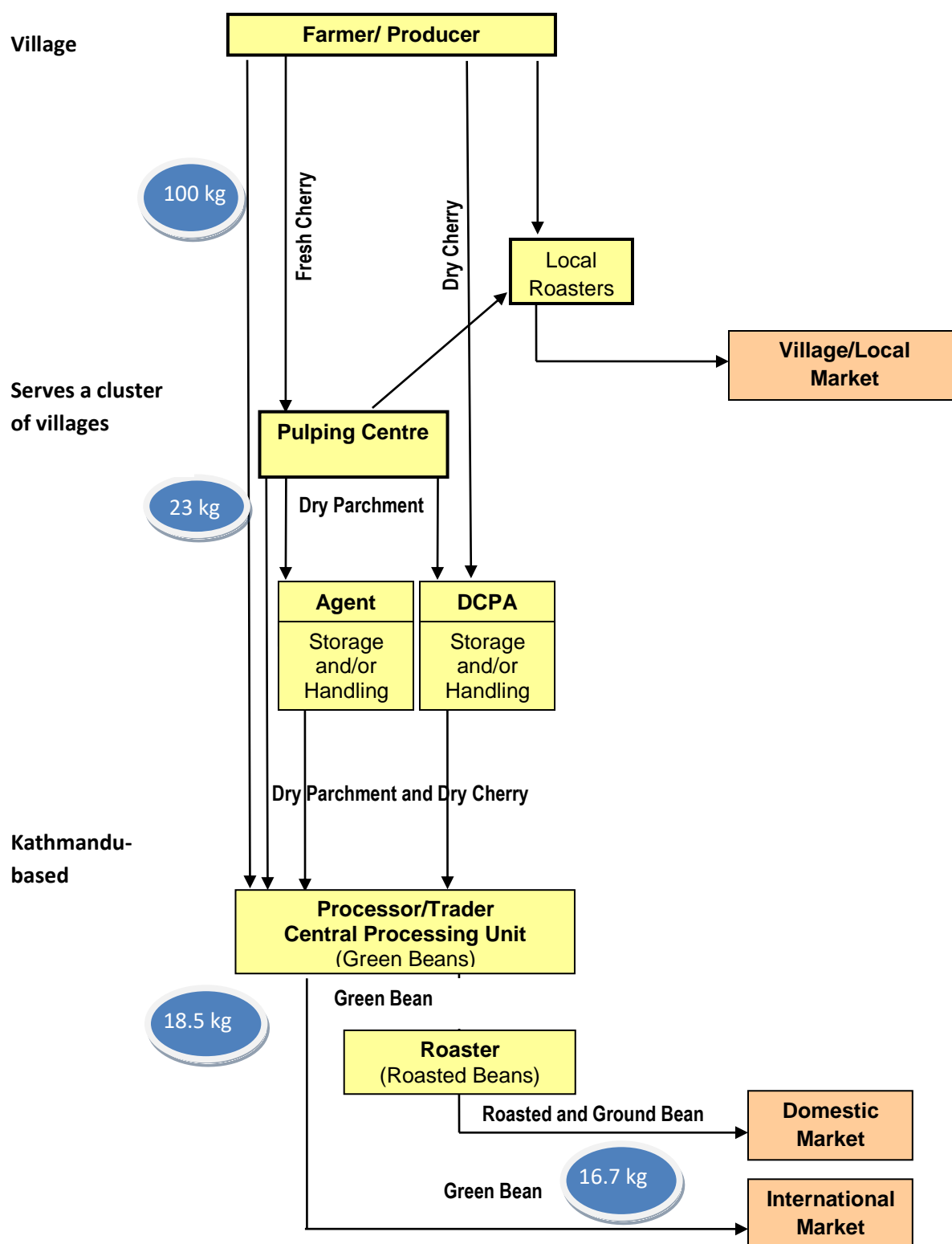
The other coffee producing districts include:

Sankhuwashava, Dhading, Makawanpur, Arghakhanchi, Lamjung, Tanahu, Gorkha, Baglung, Myagdi, Panchthar

Coffee Producers and Coffee Production

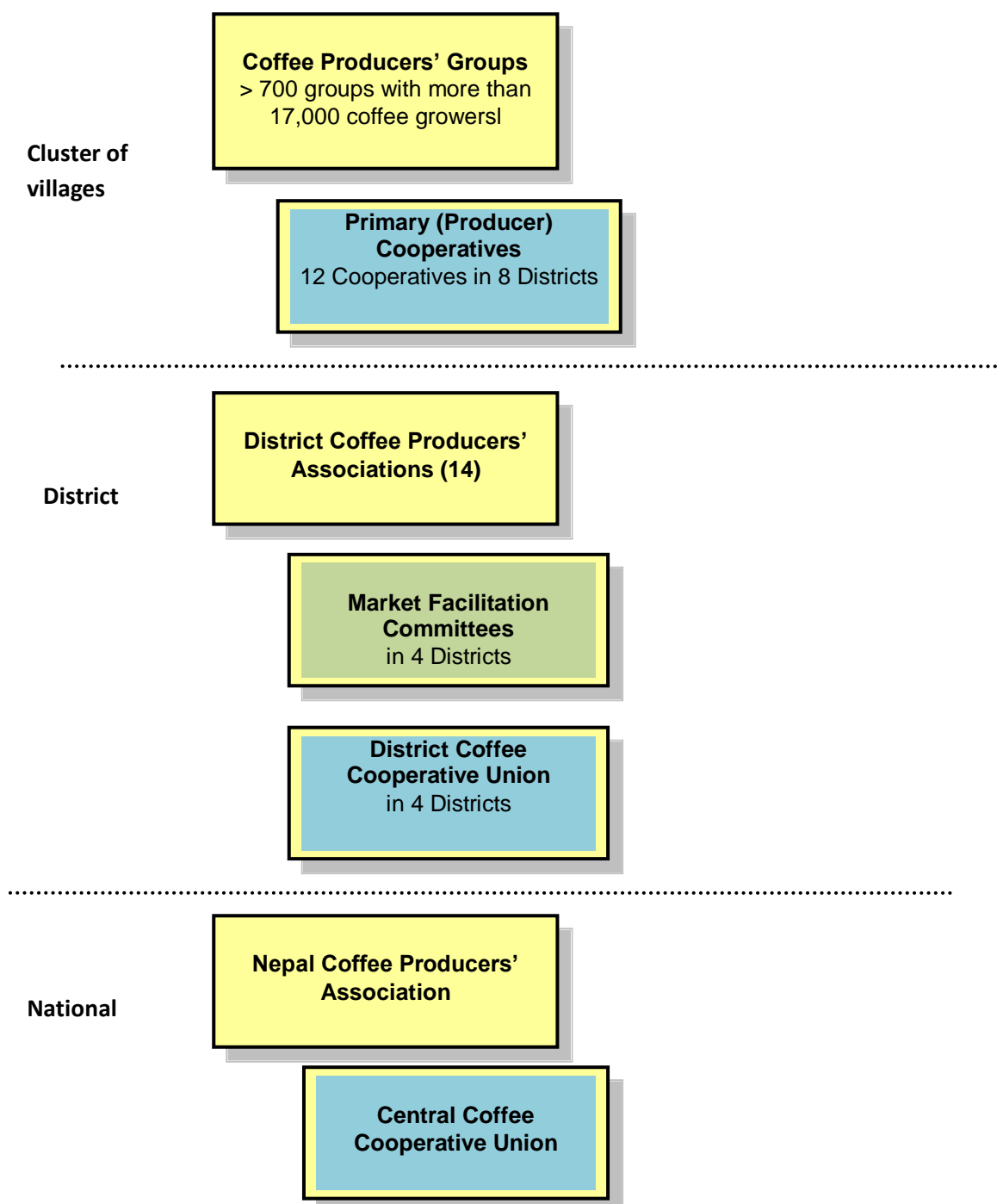


An Overview of Nepal's Coffee Sub-Sector

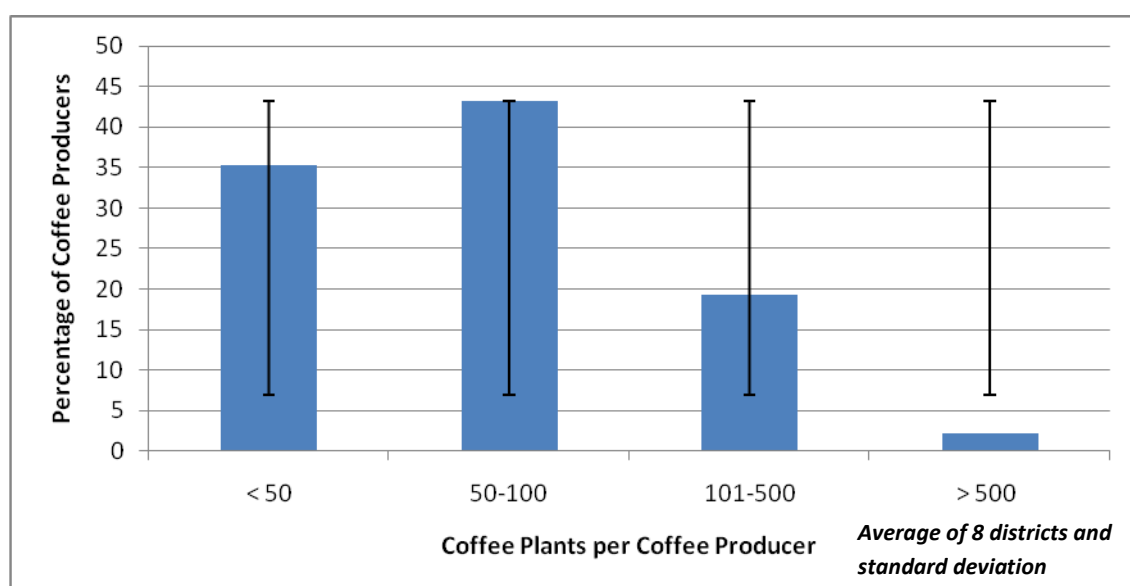


1) DCPA: District Coffee Producers' Association

Organisation of Coffee Producers in Nepal

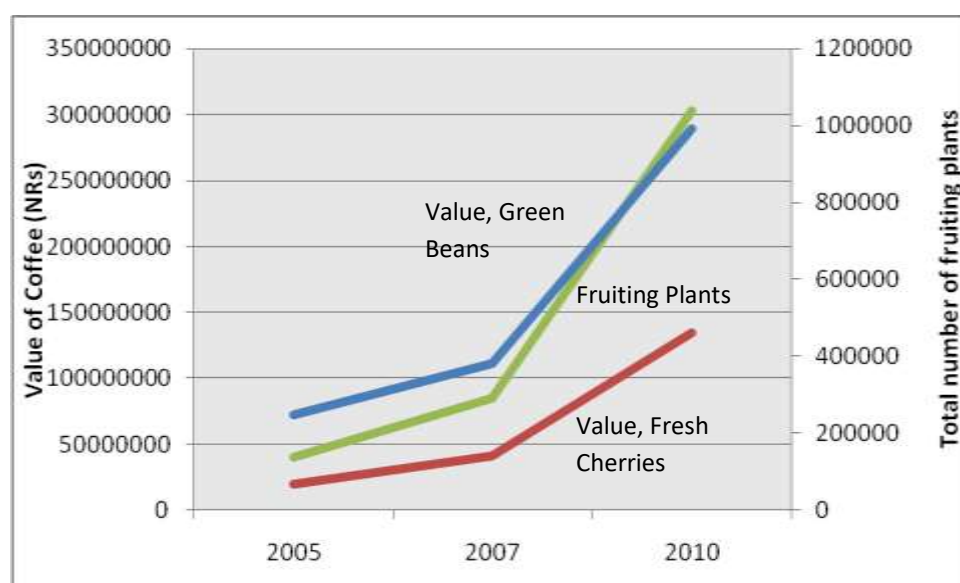


Size of Coffee Producers in Nepal



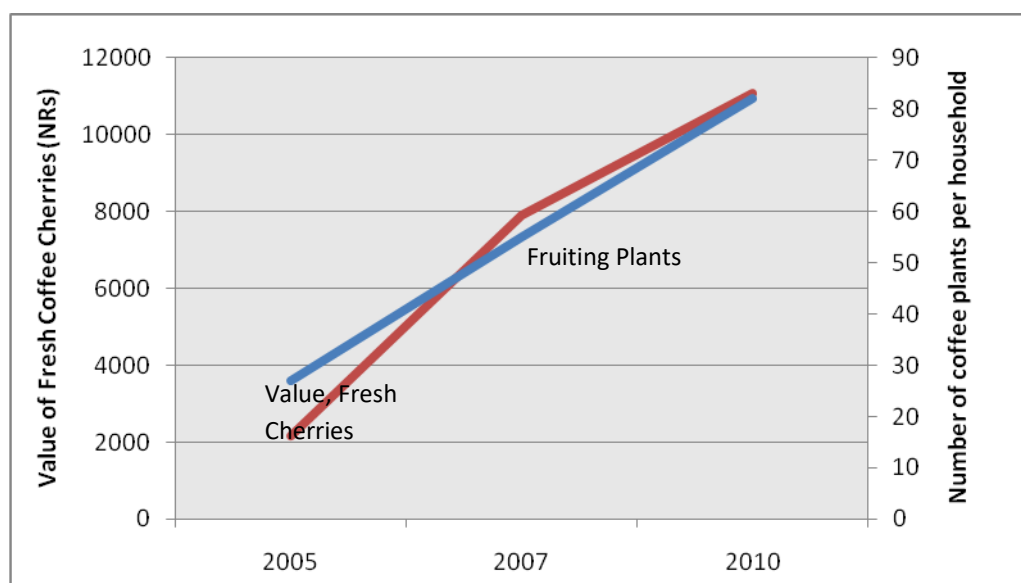
Nearly all coffee is grown in Nepal by smallholders. 78% of coffee producers have less than 100 coffee plants, thus they produce less than 400 kg of fresh coffee cherries or less than 80 kg of green beans that can be exported.

Development of Value of Coffee Production and Coffee Plants in Nepal



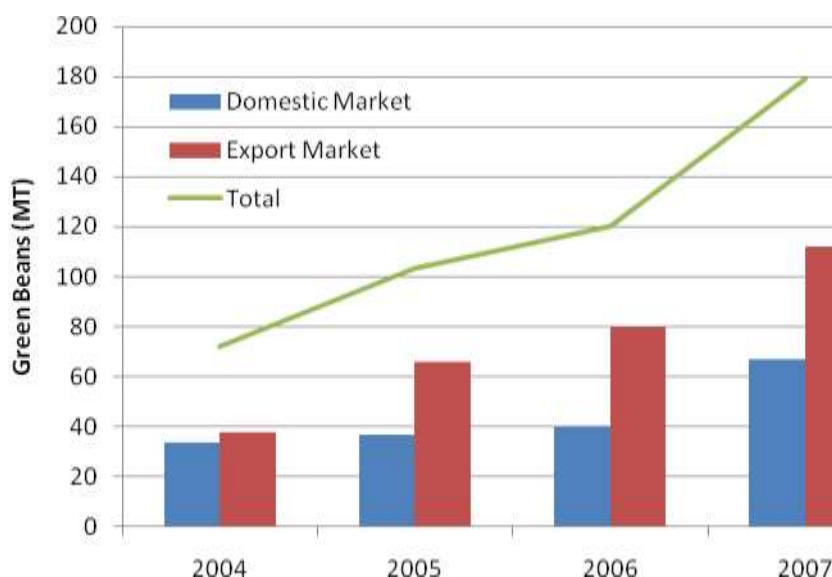
The value of exported green beans was around 1.54 Mio USD in 2007 and is expected to increase to 4.7 Mio USD by 2010.

Development of Value of Coffee Production and Coffee Plants per Household



On average, farmers generate earnings of 115 USD per year at present (2007); this figure is expected to increase to 170 USD by 2010. These earning figures have to be seen in the context that farmers have been cultivating coffee more as a side crop while cereals and legumes take most of the cultivable land. The average income in Nepal is around 300 USD per year.

Markets for Nepali Coffee



Two thirds of Nepal coffee production are sold in international markets. At this point, Japan is the most important buyer, followed by Switzerland and the USA. Around 6 private exporting companies in Nepal serve these export markets. Export prices range from 15 USD per kg green beans to 5 USD per kg green beans.

Sales in the domestic market increased significantly in 2007. This development is expected to continue in 2008.

Coffee Production and Marketing Calendar

Activities	Months											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Fresh cherry production												
Dry parchment production												
Dry parchment collection by traders												
Export of Green Bean to international market												

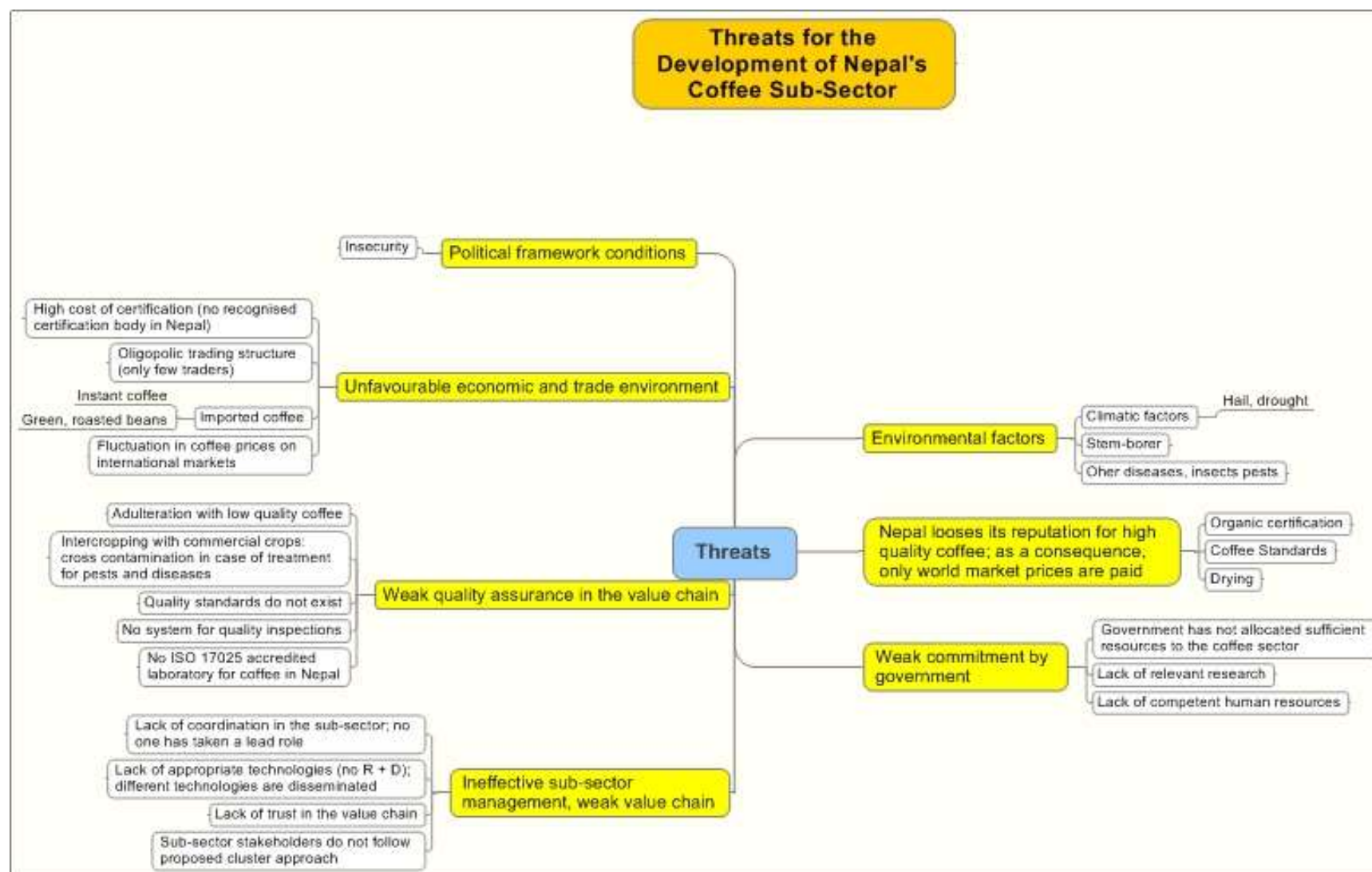
Challenges/Issues ahead for the Nepal Coffee Sub-Sector

- The role of Nepal Government in the coffee sub-sector is still weak. Government requires support to take the lead in the coffee sub-sector development.
- Sector coordination among stakeholders is at its early stage and requires strengthening.
- Farm productivity is low; green bean production is well below 1 ton per hectare.
- White stem borer has become a severe pest in some districts, wiping out all trees in communities. Effective control can be achieved only through a joint community effort.
- The demand for Nepali coffee on the international markets outweighs current production. Prices paid are comparatively high. There is an urgent need to develop and implement measures to further increase, ensure and manage coffee quality.
- Though prices for Nepali coffee in export markets are high, prices obtained by small farmers are still comparatively low. Organisational structures and governance of producers' organisations need further strengthening.
- Though, Nepali coffee is organic by default, only few organic production systems so far have been certified. For Nepali coffee to take and keep its niche in international markets the production needs to be certified organic

Opportunities, Threats and Potentials for the Development of Nepal's Coffee Sub-Sector









Strategies and Proposed Actions for the Identified Thrust Areas

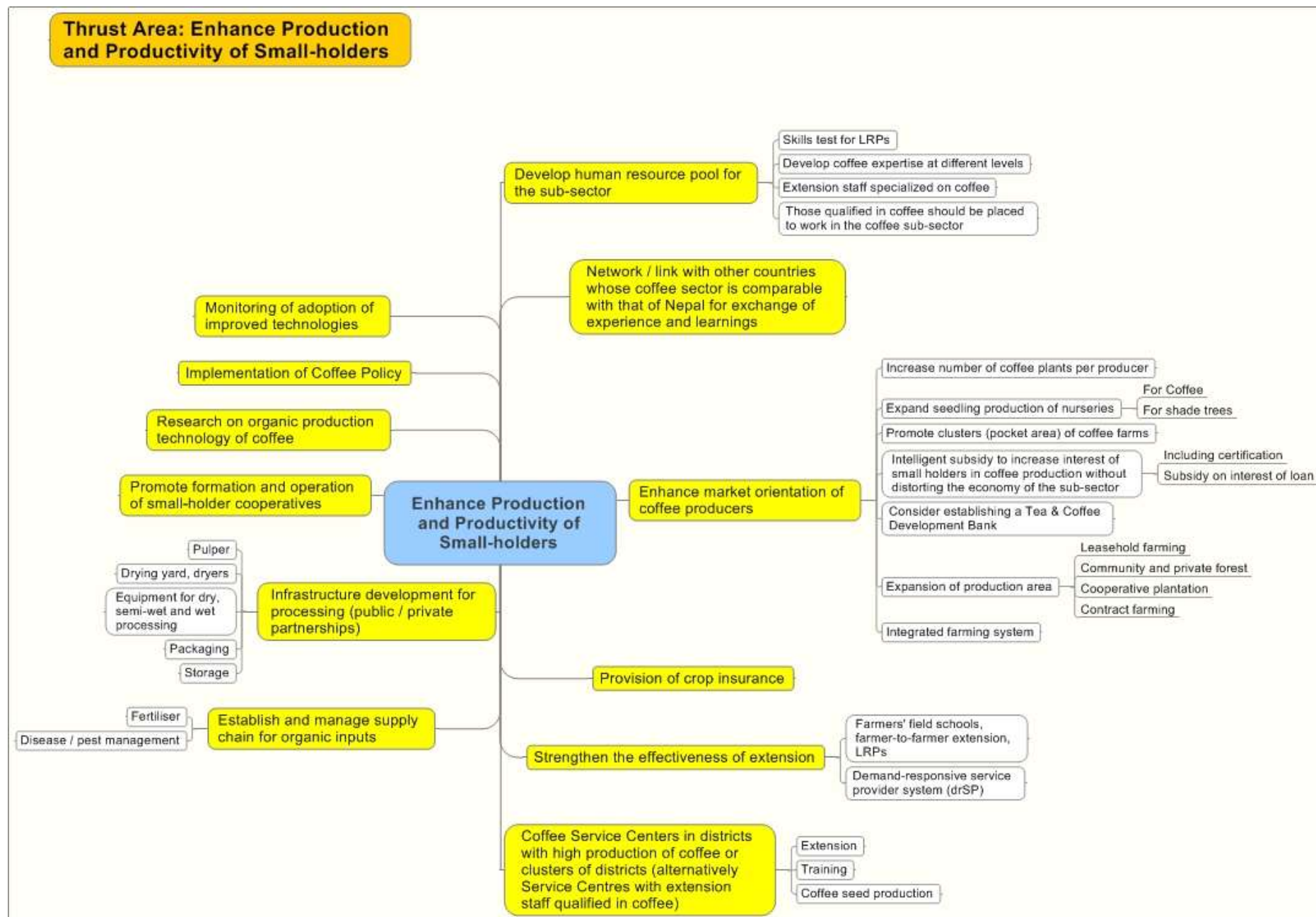


Strategic Goal for the Coffee Sub-Sector

Nepal Coffee has taken a firm place in the international market for speciality coffee and its production is securing the livelihood of smallholders.

Strategies proposed for the identified thrust areas are:

- Enhancing Production and Productivity of Smallholders
- Enhancing and Assure the Quality of Nepal Coffee
- Strengthening Sub-sector coordination and management.
- Market Development for Coffee



Enhance Production and Productivity of Smallholders

Priority areas for action

1. Manage White Stem Borer in coffee
2. Develop human resource pool for the coffee sub-sector
3. Research organic coffee production technologies
4. Enhance market orientation of coffee producers
5. Implement Coffee Policy
6. Promote coffee producers' cooperatives
7. Monitor adoption of improved technologies

1. Manage White Stem Borer in Coffee

Workshop on White Stem Borer to bring together information and experience on the problem; develop a detailed action plan	early 2009
Dissemination of management practices to coffee producers Leaflets, Posters, Training	early 2009
Develop extension material including management package for White Stem Borer	2009
White Stem Borer management campaign	2009/2010
Research on White Stem Borer management on selected issues identified in the workshop	2009/2010/2011

2. Develop Human Resource Pool for Coffee Sub-Sector

2.1 Skill Test for LRPs

Develop National Skill Standard: Level 1 & 2 already developed by NTCDB	2008
Develop National Skill Standard: Level 3	2009
Pre-test of National Skill Standard Level 1 & 2	2009
Pre-test Level 3	2009
Skill test Level 1 & 2	2009
Skill test Level 3	2010
Develop National Skill Standard: Level 4	2010
Pre-test and skill test Level 4	2011

2.2 Develop coffee expertise at different levels

Study tour outside the country (e.g. Laos) for producers, resource persons	2009
Develop agronomy and marketing of coffee as a specialized course in agricultural colleges	2009
Develop coffee production and processing manual (Nepali language)	2009
Form an association of certified LRPs	2009
LRP (from major coffee growing districts) training	2009 / 2010 / 2011
Short and long-term training for government officers. Place them in major coffee growing districts	2009 / 2010
Study tour within the country (for producers, processors, resource persons)	2009 2010 / 2011
JT/JTA refresher training	2010 / 2011

2.3. Qualified persons in coffee-Sub Sector

Lobby for government policy to place qualified people in coffee growing district.	2009 - 2011
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3. Research

MoAC to allocate funds to NARC in consultation with NTCDB/CTDS for coffee research	2009
Utilize NARDF funds in coffee	
Coffee Research Farm to be established in Western Region, initiate research	2009
Task Force on coffee research to be formed and coordinated by NTCDB	2009
Identify major areas of research in coffee production technology e.g. organic coffee production and management of White Stem Borer in coffee	2009 (Adaptive) Starting 2010 (Basic)

4. Enhance Market Orientation of Coffee Smallholders

4.1 Expansion of production areas and enhancement of productivity in smallholder coffee farms

Increased number of coffee producers (smallholder farmers), larger number of plants on each farm <ul style="list-style-type: none"> Identify pocket areas/cluster of VDCs (jointly by group or stakeholders) Subsidize organic inputs in pocket areas Coffee farmers should have a minimum of 50 plants (NCPA's policy) Training for farmers on coffee production and processing Establish demonstration orchards in pockets areas (e.g. CTDS, DoA) Revise policy to introduce low interest loans for coffee producers (coffee policy) 	2008/2009
Community forest and coffee cultivation <ul style="list-style-type: none"> Revise government policy to allow coffee plantations in community forests South India visit of policy/decision makers 	2008 / 2009
Enhance productivity of coffee smallholders farmers <ul style="list-style-type: none"> Establish and operate system of providing coffee saplings of high quality from certified nurseries Encourage smallholder farmers to shift production to fertile land 	2009 - 2011
Leasehold farming and coffee cultivation <ul style="list-style-type: none"> Identify potential areas and develop model orchards including intercrops in leasehold forests 	2009

4.2 Production of quality saplings

Identify mother plants and establish system of seed collection	2009
Develop / operate system for collecting demands for coffee saplings	2009
Develop nursery registration system	2009
Regular nursery monitoring	2010 - 2011
Nursery training <ul style="list-style-type: none"> Training in production areas Subsidize tools and inputs 	2009 / 2010
Establish coffee seed production farm	2010

4.3 Organic Certification

Organic coffee production programme under NTCDB	2009
Identify areas which can be certified	2009 / 2010
Provide subsidies for establishing internal control systems and certification	2009 / 2010

5. Implement coffee Policy

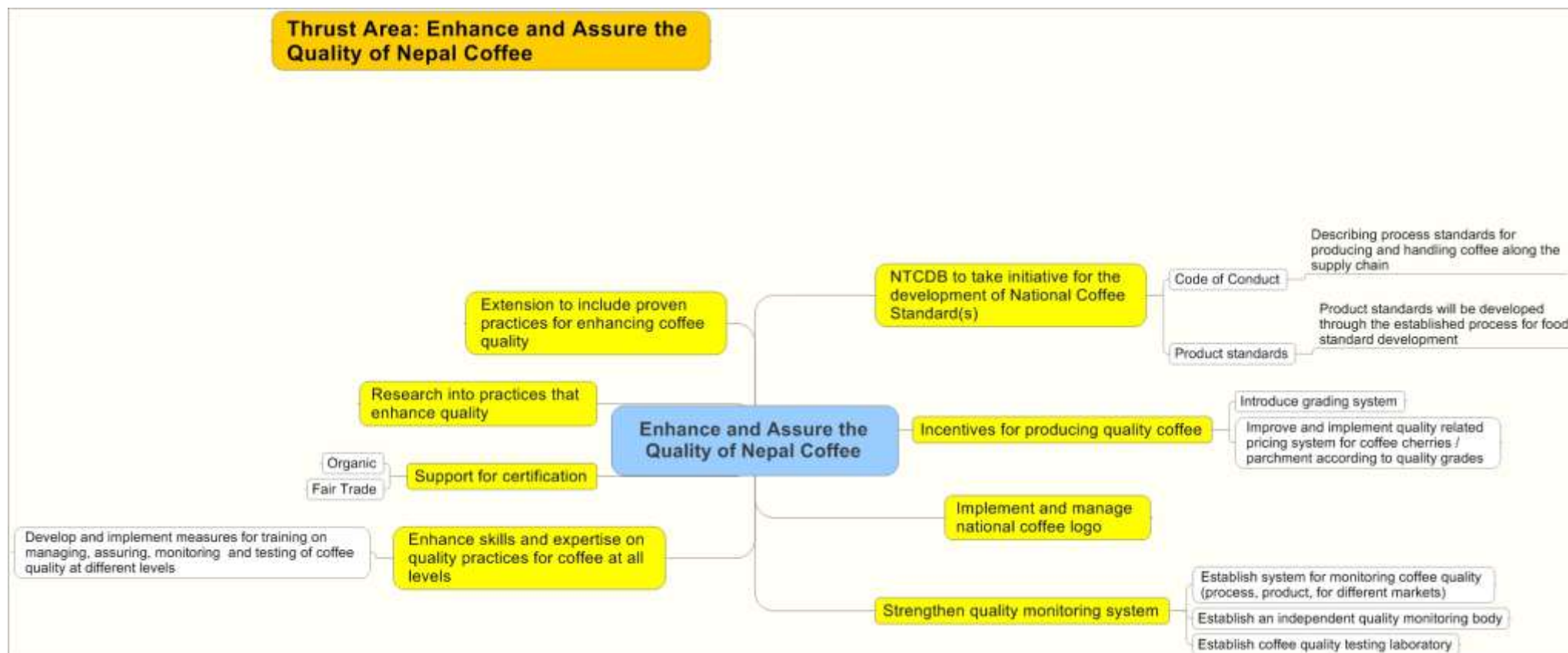
Revise coffee policy / expert consultation to communicate coffee policy clearly	2009
Establish a separate coffee section under the National Tea and Coffee Development Board	2010

6. Promote Smallholder Farmers' Cooperatives

Facilitate and support the formation of producer groups and strengthen them	2009 / 2010 / 2011
Facilitate the development of primary cooperatives with main purpose of processing coffee at village level (not marketing)	2009 / 2010 / 2011
Facilitate the establishment of district cooperative unions with main purpose of marketing coffee	2009 / 2010 / 2011

7. Monitor Adoption of Production and Processing Technologies

Develop suitable indicators and a monitoring system	2009
Half yearly monitoring under the NTCDB	2009 / 2010 / 2011
Feedback report to working group	2009 / 2010 / 2011



Enhance and Assure the Quality of Nepal Coffee

Priority areas for action

1. Develop coffee standards which are aligned with international standards
2. Operate incentive system for producing quality coffee
3. Implement and manage national coffee logo
4. Establish and operate quality monitoring system
5. Enhance skills and expertise on quality practices for coffee at all levels
6. Extension to Include proven practices for enhancing coffee quality
7. Research into practices that enhance the quality

1. Develop national coffee standards, ensuring that they are aligned with international standards

Develop product standard for dry parchment and green coffee beans	2009
Develop Code of conduct for coffee production, processing and handling (COC)	2009 / 2010

2. Develop and operate incentive system for producing quality coffee

Development of standardized grading system	2009
Improvement on pricing system	2009

3. Implement and manage national coffee logo

Develop minimum standards for awarding the Nepal coffee logo (products standards such as bean size, bean defects, altitude; process standards such as GAP, GMP etc)	2009
Develop and operate system for awarding the Nepal coffee logo	2010 / 2011

4. Enhance skills and expertise on quality practices for coffee at all levels

See page 20 to 21

5. Extension to include proven practices for enhancing coffee quality

Training and exposure visits for capacity building of stakeholders in the supply chain	2009 - 2011
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6. Research into practices that enhance the quality of coffee

At the level of nurseries and plantations (e.g. variety selection, soil nutrient management, production technology)	2010
Establish and operate quality testing lab (including organoleptic tests)	2010

Thrust Area: Strengthening Sub-Sector Coordination and Management



Strengthen Sub-sector Coordination and Management

Priority areas for action

1. Finalize a strategic plan for the coffee sub-sector; develop action plan with a time schedule for implementation
2. Operate coffee sub-sector working group with all stakeholders
3. Strengthen producers' associations / cooperatives
4. Establish a data base on the coffee sub-sector and update it regularly
5. Mobilize / acquire financial resources for implementing strategic plan
6. Establish and maintain linkages with national and international agencies
7. Facilitate the establishment of linkages between financial institutions and coffee sub-sector stakeholders
8. Establish a full-fledged coffee development board
9. Enhance awareness among politicians and decision makers on the importance of the coffee sub-sector for the economic development

1. Finalize a strategic plan for the coffee sub-sector and implement it

Final draft submitted to Coffee Sub-Sector Working Group	End November 2008
Endorsement of strategic plan by NTCDB Board	February 2009
Approval of the strategic plan by Government	2009
Coffee Sub-Sector Stakeholders accept responsibility for implementing defined strategies and activities of the plan	2009

2. Operate coffee sub-sector working group with all major stakeholders

Board of NTCDB formally recognizes the Coffee Sub-Sector Working Group	2008
Prepare Terms of Reference for the group and the members, ToR agreed by Working Group	2009
Prepare draft annual activity plan for the group	2009
Finalize the plan by the group	2009

3. Strengthen producer's association/ cooperatives

Conduct an externally facilitated self-assessment of associations and cooperatives to understand their effectiveness.	2009
Based on the results of the assessment, develop future roles of associations and cooperatives	2009
Associations and cooperatives prepare their activity plans	2009
Based on the assessment results develop and implement support measures for associations and cooperatives	2009 - 2011

4. Establish a data base on the coffee sub-sector and update it regularly

List required information on the coffee sub-sector and develop database format	2009
Implement, data collection, data base management	2009 - 2011
Ensure easy access to data for stakeholders, regularly provide update on developments in the coffee sub-sector	2009 - 2011

5. Mobilize/acquire financial resources for implementing strategic plan

Prepare draft proposal for a coffee development basket fund	2009
Approval by working group, Board, MoAC	2009
Acquire funding	2010
Explore opportunities for an ADB/World Bank coffee sub-sector development fund	2009
Identify other potential funding sources for the coffee sub-sector to fund the development of selected thrust areas, approach organizations, and acquire funds	2009 / 2010

6. Establish and maintain linkages with international agencies

Apply and acquire membership of the International Coffee Organisation (ICO)	2009
Participate in international trade fairs and exhibitions	2009

7. Enhance awareness among politicians and decision makers on the importance of the coffee sub-sector for the economic development

Educate constituent assembly members on the potentials of the coffee sub-sector	2009
Lobby National Planning Commission for giving priority to the development of the coffee sub-sector	2009

8. A separate Coffee Section under NTCDB is established

Establish a separate coffee section within Board	2010
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Market Development for Coffee

Priority areas for action

1. Develop and implement national organic certification program
2. Facilitate the establishment of linkages with fair trade and support fair trade certification
3. Improve system for pricing of coffee
4. Ensure continuity of coffee supply
5. Organize a marketing campaign for Nepal coffee in national and international markets
6. Develop domestic market

1. Develop and implement national organic coffee production program

Develop concept for national organic coffee production programme	2009
Develop manuals for internal control systems	2009
Support coffee producer cooperatives to establish and operate internal control systems	2009 – 2011
Establish and manage fund for subsidizing organic certification	2009 – 2011
Support participation in organic trade fairs (e.g. Biofach)	2009 - 2011
Research into and extension for organic coffee production technologies	2009 - 2011

2. Facilitate the establishment of linkages with fair trade and support fair trade certification

Establish linkages between coffee producer cooperatives and FLO Cert	2008 / 2009
Prepare manuals to conform to existing fair trade standards	2009
Support participation in suitable trade fairs (e.g. Biofach)	2009 - 2011

3. Improve system for pricing of coffee

Fixing of minimum price by NTCDDB based on the quality of the coffee (e.g. moisture content, altitude, dry or wet processing, etc)	2009 - 2011
Ensure transparency in pricing at all levels of the supply chain	2009 - 2011
Operate system for monitoring of prices at all level (linked with database for coffee sub-sector)	2009 - 2011

4. Ensure continuity of supply of quality coffee

See “Enhancing production”, page 22 - 23

5. Organize a marketing campaign for Nepal coffee in national and international markets

Market promotion in partnership with Nepal Tourism Board	2008
Develop marketing and campaign concepts	2009 -2011
Implement through embassies/consulates, TPC, traders, FNCCI using pamphlets, posters, etc	2009 -2011
Participation in trade fairs	2009 -2011
Ensure the quality of Nepal coffee that is exported (see management of Nepal coffee logo	2009 -2011

6. Develop domestic market

Conduct awareness program for domestic consumers	2009 -2011
Open sales outlets, cafes, etc	2009 -2011
Local advertisement, advertisement campaign through local media	2009 -2011
Coffee Day	2009 -2011
Ensure implementation of coffee standards in the domestic market	2009 -2011

Output /Outcome Expected

1. Thrust Area: Enhance Production and Productivity of Smallholders

- Production: 600 mt
- Area: 2000 ha
- Productive area: 1000 ha
- Productivity increased to 600 kg GB/Ha

2. Thrust Area: Enhance and Assure the Quality of Nepal Coffee

- 80% of coffee exported with Nepal Coffee Logo.
- 80% of coffee conforms to Nepal Coffee Logo standard.

Priority areas for action	Output/Outcome in 2011	Responsibility	
		Lead	Support
9. Develop coffee standards which are aligned with international standards	product standard for dry parchment and green coffee beans have been developed and approved	NTCDB/DFTQC	CoPP HN, Traders, NCPA
10. Operate incentive system for producing quality coffee	Price is based on agreed/approved standard of coffee	NTCDB/Pricing Committee	Stakeholders
11. Implement and manage national coffee logo (Public relation campaign internationally)	Conditions and procedures for awarding the Nepal coffee logo is developed and operated. International Specialty coffee market is familiar with Nepal Coffee Logo. 80% of coffee exported with Nepal Coffee Logo.	NTCDB	DFTQC, Traders, NCPA, CoPP HN, WI
12. Establish and operate quality monitoring system	NTCDB/DFTQC operate quality monitoring system and document the results. Quality testing lab (cup testing) is operating.	NTCDB/DFTQC	CCCU
13. Enhance skills and expertise on quality practices for coffee at all levels	80% of coffee conforms to Nepal Coffee Logo standard	NTCDB	Stakeholders
14. Develop and implement national organic program	National organic programme is developed & implemented in major coffee growing districts. Coffee production from 7 districts is Certified organic	NTCDB/MoAC	Stakeholders

3. Thrust Area: Strengthen Sub-sector Coordination and Management

- Four District Cooperative market coffee
- NTCDB acquire membership of International Coffee Organisation (ICO)
- Non-freeze-able Coffee development Basket fund is created
- Functional Coffee Section under NTCDB.

Priority areas for action	Output/Outcome in 2011	Responsibility	
		Lead	Support
10. Finalize a strategic plan for the coffee sub-sector; develop action plan with a time schedule for implementation	Strategic plan with action plan is implemented	NTCDB	Stakeholders
11. Operate coffee sub-sector working group with all stakeholders	Coffee sub-sector working group functioning as a formal sub-committee approved by NTCDB	NTCDB	Stakeholders
12. Mobilize / acquire financial resources for implementing strategic plan	Stakeholders develop projects and access funding agencies. Stakeholders mobilize financial resources to meet the goal of strategic plan. Non-freeze-able Coffee development Basket fund is created	NTCDB	Stakeholders
13. Strengthen producers' associations / cooperatives	Producer organization effectively deliver services in demand of the members. Four district coffee coop unions practice marketing coffee (domestic and international).	CCCU, NCPA	FNCCI/AEC, NTCDB, CoPP HN
14. Establish a data base on the coffee sub-sector and update it regularly	Data base is established and regularly updated.	NTCDB/ CTDS	Stakeholders
15. Establish and maintain linkages with national and international agencies	NTCDB acquire membership of International Coffee Org (ICO) to access technology and fund Stakeholders attend international trade fairs and exhibitions to promote Nepal coffee	NTCDB	CoPP HN
16. Enhance awareness among politicians and decision makers on the importance of the coffee sub-sector for the economic development	Decision makers and politicians are aware of the potentials of the coffee sub-sector and develop a conducive frame work for the development of the sub-sector.	NTCDB/ NCPA	Stakeholders

17. A separate coffee section under NTCDB is established.	Coffee section under NTCDB is established and is functional.	NTCDB	MoAC, NCPA, CCCU
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4. Thrust Area: Market Development for Coffee

- International market: More than 50% of production
- Fair trade : Two districts

Priority areas for action	Output/Outcome in 2011	Responsibility	
		Lead	Support
1. Facilitate the establishment of linkages with fair trade and support fair trade Certification	Two districts market certified fair-trade coffee	Central Coffee Coop. Union	NTCDB, CoPP HN, Traders
15. Improve system for pricing of coffee	Quality based pricing system established.	NTCDB/Pricing committee	Stakeholders
16. Organize a marketing campaign for Nepal coffee in national and international markets	Nepal coffee is known as a specialty coffee in the international niche market. More than 70% of coffee produced is exported as specialty coffee.	NTCDB	Traders, FNCCI/AEC
17. Develop domestic market	About 30% of the coffee produced is sold in domestic market.	Traders	NTCDB

ESTIMATED BUDGET

Total for all the four Thrust Areas: 6,80,00,000

1. Thrust Area "Enhance Production and Productivity of Smallholders":

4,28,00,000

1.1 Manage White Stem Borer in Coffee: 32,00,000

Activity	Year	Budget in Lakh Rs.
Workshop on White Stem Borer to bring together information and experience on the problem; develop a detailed action plan	early 2009	3
Dissemination of management practices to coffee producers Leaflets, Posters, Training	early 2009	7
Develop extension material including management package for White Stem Borer	2009	
White Stem Borer management campaign	2009/2010	7
Research on White Stem Borer management on selected issues identified in the workshop	2009/2010/2011	15

1. 2. Develop Human Resource Pool for Coffee Sub-Sector

1. 2.1 Skill Test for LRPs: 700,000

Activity	Year	Budget in Lakh Rs.
Develop National Skill Standard: Level 1 & 2 already developed by NTCDB	2008	
Develop National Skill Standard: Level 3	2009	2
Pre-test of National Skill Standard Level 1 & 2	2009	
Pre-test Level 3	2009	1
Skill test Level 2	2009	2
Skill test Level 3	2010	2

Develop National Skill Standard: Level 4	2010	
Pre-test and skill test Level 4	2011	

1.2.2 Develop coffee expertise at different levels: 79,00,000

Activity	Year	Rs. in Lakh
Study tour outside the country (e.g. Laos) for producers, resource persons	2009	25
Develop agronomy and marketing of coffee as a specialized course in agricultural colleges	2009	10,
Develop coffee production and processing manual (Nepali language)	2009	3
Form an association of certified LRPs	2009	2
LRP (from major coffee growing districts) training	2009 / 2010 / 2011	9
Short and long-term training for government officers. Place them in major coffee growing districts	2009 / 2010	15
Study tour within the country (for producers, processors, resource persons)	2009 2010 / 2011	9
JT/JTA refresher training	2010 / 2011	6

1.3. Research : 50,00,000

Activity	Year	Budget in Lakh Rs.
MoAC to allocate funds to NARC in consultation with NTCDB/CTDS for coffee research	2009	30,
Utilize NARDF funds in coffee		
Coffee Research Farm to be established in Western Region, initiate research	2009	17,
Task Force on coffee research to be formed and coordinated by NTCDB	2009	3
Identify major areas of research in coffee production technology e.g. organic coffee production and management of White Stem Borer in coffee	2009 (Adaptive) Starting 2010 (Basic)	

1.4. Enhance Market Orientation of Coffee Smallholders

1.4.1 Expansion of production areas and enhancement of productivity in smallholder coffee farms: 87,00,000

Activity	Year	Budget in Lakh. Rs.
Increased number of coffee producers (smallholder farmers), larger number of plants on each farm <ul style="list-style-type: none"> Identify pocket areas/cluster of VDCs (jointly by group or stakeholders) Subsidize organic inputs in pocket areas Coffee farmers should have a minimum of 50 plants (NCPA's policy) Training for farmers on coffee production and processing Establish demonstration orchards in pockets areas (e.g. CTDS, DoA) Revise policy to introduce low interest loans for coffee producers (coffee policy) 	2008/2009	2 30 5 15 5
Community forest and coffee cultivation <ul style="list-style-type: none"> Revise government policy to allow coffee plantations in community forests South India visit of policy/decision makers 	2008 / 2009	15
Enhance productivity of coffee smallholders farmers <ul style="list-style-type: none"> Establish and operate system of providing coffee saplings of high quality from certified nurseries Encourage smallholder farmers to shift production to fertile land 	2009 - 2011	6
Leasehold farming and coffee cultivation <ul style="list-style-type: none"> Identify potential areas and develop model orchards including intercropping in leasehold forests 	2009	9

1.4.2 Production of quality saplings : 23,00,000

Activity	Year	Budget in Lakh Rs.
Identify mother plants and establish system of seed collection	2009	3
Develop / operate system for collecting demands for coffee saplings	2009	
Develop nursery registration system	2009	
Regular nursery monitoring	2010 - 2011	3

Nursery training	2009 / 2010	6
<ul style="list-style-type: none"> • Training in production areas • Subsidize tools and inputs 		6
Establish coffee seed production farm	2010	5

1.4.3 Organic Certification; 45,00,000

Activity	Year	Budget in Lakh Rs.
Organic coffee production programme under NTCDB	2009	30 Two districts first year 6 and second year 3
Identify areas which can be certified	2009 / 2010	
Provide subsidies for establishing internal control systems and certification	2009 / 2010	15

1.5. Implement coffee Policy : 4,8,00,000

Activity	Year	Budget in Lakh Rs.
Revise coffee policy / expert consultation to communicate coffee policy clearly	2009	3
Establish a separate coffee section under the National Tea and Coffee Development Board	2010	45

1.6. Promote Smallholder Farmers' Cooperatives: 45,00,000

Activity	Year	Budget in Lakh Rs.
Facilitate and support the formation of producer groups and strengthen them	2009 / 2010 / 2011	45
Facilitate the development of primary cooperatives with main purpose of processing coffee at village level (not marketing)	2009 / 2010 / 2011	
Facilitate the establishment of district cooperative unions with main purpose of marketing coffee	2009 / 2010 / 2011	

1.7. Monitor Adoption of Production and Processing Technologies : 12,00,000

Activity	Year	Budget in Lakh Rs.
Develop suitable indicators and a monitoring system	2009	4
Half yearly monitoring under the NTCDB	2009 / 2010 / 2011	8
Feedback report to working group	2009 / 2010 / 2011	

2. Thrust Area “Enhance and Assure the Quality of Nepal Coffee”: 76,00,000**2.1. Develop national coffee standards, ensuring that they are aligned with international standards: 10,00,000**

Activity	Year	Budget in Lakh Rs.
Develop product standard for dry parchment and green coffee beans	2009	4
Develop Code of conduct for for quality assurance in coffee production, processing and handling (COC)	2009 / 2010	6

2.2. Develop and operate incentive system for producing quality coffee 6,00,000

Development of standardized grading system	2009	3
Improvement on pricing system	2009	3

2.3. Implement and manage national coffee logo: 20,00,000

Develop minimum standards for awarding the Nepal coffee logo (products standards such as bean size, bean defects, altitude; process standards such as GAP, GMP etc	2009	
Develop and operate system for awarding the Nepal coffee logo	2010 / 2011	20

2.4. Enhance skills and expertise on quality practices for coffee at all levels**2.5. Extension to include proven practices for enhancing coffee quality: 25,00,000**

Training and exposure visits for capacity building of stakeholders in the supply chain	2009 - 2011	25
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2.6. Research into practices that enhance the quality of coffee: 15,00,000

At the level of nurseries and plantations (e.g. variety selection, soil nutrient management, production technology)	2010	
Establish and operate quality testing lab (including organoleptic tests)	2010	Cup testing 15

3. Thrust Area “Strengthen Sub-sector Coordination and Management”: 10,200,000**3.1. Finalize a strategic plan for the coffee sub-sector and implement it**

Final draft submitted to Coffee Sub-Sector Working Group	End November 2008	
Endorsement of strategic plan by NTCDB Board	February 2009	
Approval of the strategic plan by Government	2009	
Coffee Sub-Sector Stakeholders accept responsibility for implementing defined strategies and activities of the plan	2009	

3.2. Operate coffee sub-sector working group with all major stakeholders : 500,000

Activity	Year	Budget in Lakh Rs.
Board of NTCDB formally recognizes the Coffee Sub-Sector Working Group	2008	5
Prepare Terms of Reference for the group and the members, ToR agreed by Working Group	2009	
Prepare draft annual activity plan for the group	2009	
Finalize the plan by the group	2009	

3.3. Strengthen producer's association/ cooperatives: 1500,000

Activity	Year	Budget in Lakh Rs.
Conduct an externally facilitated self-assessment of associations and cooperatives to understand their effectiveness.	2009	
Based on the results of the assessment, develop future roles of associations and cooperatives	2009	

Associations and cooperatives prepare their activity plans	2009	15
Based on the assessment results develop and implement support measures for associations and cooperatives	2009 - 2011	

3.4. Establish a data base on the coffee sub-sector and update it regularly: 15,00,000

Activity	Year	Budget in Lakh Rs.
List required information on the coffee sub-sector and develop database format	2009	15
Implement, data collection, data base management	2009 - 2011	
Ensure easy access to data for stakeholders, regularly provide update on developments in the coffee sub-sector	2009 - 2011	

3.5. Mobilize/acquire financial resources for implementing strategic plan: 6,000,000

Prepare draft proposal for a coffee development basket fund	2009	6
Approval by working group, Board, MoAC	2009	
Acquire funding	2010	
Explore opportunities for an ADB/World Bank coffee sub-sector development fund	2009	
Identify other potential funding sources for the coffee sub-sector to fund the development of selected thrust areas, approach organizations, and acquire funds	2009 / 2010	

3.6. Establish and maintain linkages with international agencies : 51,00,000

Activity	Year	Budget in Lakh Rs.
Apply and acquire membership of the International Coffee Organisation (ICO)	2009	21
Participate in international trade fairs and exhibitions	2009	30

3.7. Enhance awareness among politicians and decision makers on the importance of the coffee sub-sector for the economic development: 10,00,000

Educate constituent assembly members on the potentials of the	2009	
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coffee sub-sector		10
Lobby National Planning Commission for giving priority to the development of the coffee sub-sector	2009	

3.8 A separate Coffee Section under NTCDB is established

Establish a separate coffee section within Board	2010
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4. Thrust Area “Market Development for Coffee”: 74,00,000

4.1. Develop and implement national organic coffee production program: 6,00,000

Activity	Year	Budget in Lakh Rs.
Develop concept for national organic coffee production programme	2009	3
Develop manuals for internal control systems	2009	3
Support coffee producer cooperatives to establish and operate internal control systems	2009 – 2011	
Establish and manage fund for subsidizing organic certification	2009 – 2011	
Support participation in organic trade fairs (e.g. Biofach)	2009 - 2011	
Research into and extension for organic coffee production technologies	2009 - 2011	

4.2. Facilitate the establishment of linkages with fair trade and support fair trade certification Rs 10,00,000

Establish linkages between coffee producer cooperatives and FLO Cert	2008 / 2009	10
Prepare manuals to conform to existing fair trade standards	2009	
Support participation in suitable trade fairs (e.g. Biofach)	2009 - 2011	

4.3. Improve system for pricing of coffee Rs. 300,000

Fixing of minimum price by NTCDB based on the quality of the coffee (e.g. moisture content, altitude, dry or wet processing, etc)	2009 - 2011	
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Ensure transparency in pricing at all levels of the supply chain	2009 - 2011	3
Operate system for monitoring of prices at all level (linked with database for coffee sub-sector)	2009 - 2011	

4.4. Ensure continuity of supply of quality coffee

See "Enhancing production",

4.5. Organize a marketing campaign for Nepal coffee in national and international markets: 15,00,000

Activity	Year	Budget in Lakh Rs.
Market promotion in partnership with Nepal Tourism Board	2008	6
Develop marketing and campaign concepts	2009 -2011	3
Implement through embassies/consulates, TPC, traders, FNCCI using pamphlets, posters, etc	2009 -2011	6
Participation in trade fairs	2009 -2011	
Ensure the quality of Nepal coffee that is exported (see management of Nepal coffee logo	2009 -2011	

4.6. Develop domestic market: 40,00,000

Conduct awareness program for domestic consumers	2009 -2011	12
Open sales outlets, cafes, etc	2009 -2011	10
Local advertisement, advertisement campaign through local media	2009 -2011	10
Coffee Day	2009 -2011	8
Ensure implementation of coffee standards in the domestic market	2009 -2011	

Past, Current and Future Thrusts of Main Stakeholders in the Coffee Sector



Coffee Development Programme
Coffee and Tea Development Section (CTDS)
Department of Agriculture

Presents at

Coffee Sub-sector Strategic Planning Workshop
CoPP, Helvetas Nepal
July 28-29, 2008
Presented by Mr. Lok Nath Deoju, Chief, CTDS

Past and Present Coffee Promotion Activities

1. Inspection and Monitoring

1.1 Gov. Horticulture farms (Coffee Development Center Gulmi Palpa, Kavre)

Farms are Technical resource centre for farming, mother plants/clones maintenance and quality seeds and seedling production and distribution. About 18,000 seedlings distributed to coffee growers in this F/Y 2007-2008 through DCPA/DADOs)

1.2 Coffee Orchards

Coffee orchards monitored and technical suggestions given in 6 districts (Palpa, Kaski, Tanahu, Gorkha, Parbat and Syangja)

Technical Suggestions were provided to coffee growers on orchard management (training/pruning, shade management manuring, and plant protection aspects)

1.3 Private Coffee Nurseries

Private coffee nurseries monitored/inspected and required suggestions given to nurserymen for quality seedling production in 7 districts in this F/Y 2007-2008 (Palpa, Kaski, Tanahu, Gorkha, Parbat, Syangja and Kavre)

More than 200,000 seedlings distributed from private coffee nurseries in this F/Y 2007-2008.

Technical suggestions provide to the private nursery owners on nursery management aspects as per there requirement.

1.4 Coffee Processing Centres (Palpa, Rupandehi, Kavre, Gulmi)

2. Human Resource Development

- 2.1 Training on organic coffee production technology to extension field staffs (JT/JTAs) conducted in this F/Y 2007-2008 in collaboration with Coffee Promotion Programme (CoPP), Helvetas Nepal.
- 2.2 Observation tour of coffee farmers of different districts. (Visits in 7 districts)

3. Technical Service and Technology Transfer

- 3.1 Establishment of model organic coffee orchards (Demo farms)
- 3.2 Organic Coffee orchard management (use of inputs like bio-pesticides and bio-fertilizer)
- 3.3 Technical booklets published and distributed annually

4. Issues and Suggestions for Future Action Plan

- 4.1 Organic coffee production technology package development and conduct researches in collaboration with NARC
- 4.2 Resource Centre Strengthening
- 4.3 Organic coffee certification system to be developed
- 4.4 Quality testing lab to be installed/established
- 4.5 Subsidy policy in production (planting materials, horticultural tools and equipments), processing materials (pulper, drier, etc.) and collection centre and storage etc.
- 4.6 Processing unit establishment
- 4.7 Area expansion and plantation in community forests and lease hold forest.
- 4.8 Lack of skilled man power - Human resource development (M. Sc. in Coffee Agronomy/Horticulture; 3-6 or 6-12 month training on coffee production and processing aspects).
- 4.9 Institutional reform and development
- 4.10 Social mobilization

National Coffee Producer Association

कफी क्षेत्र विकास रणनीतिक योजना

२०६५।४।१३

ढकेश्वर घिमिरे □ अध्यक्ष

नेपाल कफी व्यवसायी महासंघ (NCPA)

परिचय: यो महासंघ नेपालका कफी व्यवसायमा संलग्न जिल्ला, संघ संस्था उद्यमी कफी सहकारी व्यवसायीहरूको छाता संगठनको रूपमा समुदायमा आधारित कफीका विविध क्षेत्रमा कार्य गर्ने गरी बनेको Community based organization (CBO) हो । यो संस्था २०५४ मा राष्ट्रिय संघको रूपमा र २०६१ देखि महासंघको रूपमा स्थापित छ । यस संस्थाले खासगरी पूर्वाधार सेवा, संस्थागत विकास उत्पादन एवं प्रशोधन प्रविधि विकास तथा प्रसार बजारीकरण व्यवस्था र सरकार तथा अन्य निकायसंग नितीगत बकालत, समन्वय तथा सहकार्यलाई जोड दिइदै आएको छ ।

ऐतिहासिक परिचय: नेपालमा कफीको शुरुवात गुल्मी जिल्ला आपचौरका हिरागिरीले वि.सं १९९५ मा गरेका थिए । २०४६ साल सम्म आइपुग्दा सरकारको एकलो प्रयासले पुगेन । बजार र प्रविधिको अभावले कफी विस्तारमा निकै ठुलो समस्या आईपर्यो । फलस्वरूप २०४७ साल कार्तिक ३० गते पाल्पा मदनपोखराका ढकेश्वर घिमिरे लगायतका सकृय कृषकको नेतृत्वमा कफी उत्पादक समूह गठन गरी २०४८ सालमा समूहको सौच संघमा परिणत गराई NCPA पाल्पा स्थापना भयो । सोही क्रममा २०५० सालमा त्यहीबाट Organic कफीको अवधारण ल्याइयो । २०५० सालमा बजार व्यवस्था र मूल्यलाई व्यवस्थित गर्न संघकै अनुरोधमा राष्ट्रिय चिया तथा कफी विकास बोर्ड बनी २०५१ देखि केही नितीगत व्यवस्थाको साथै मूल्य निर्धारण प्रकृया शुरु भयो जुन हालसम्म कायमै छ ।

२०५४ साल माघमा नेपालकै पहिलो पटक ८ जिल्ला पाल्पा, गुल्मी, स्याङ्जा, कास्की, काभ्रे, लमजुङ्ग, बाल्लुङ्ग, भोपाका ४६ जना अगुवा कृषकहरूलाई अमेरिकाका विज्ञहरूबाट १ हप्ते उत्पादन र प्रशोधन सम्बन्धी Organic तालीमको व्यवस्था गरियो । तालीमको सिकाई पछि प्रारम्भिक खेतीको राम्रो सम्भावना विक्रीको राम्रो अवसर बारेमा जानकारी पाएपछि २०५४ साल फाल्गुणमा उपरोक्त ८ जिल्ला मिली नेपाल कफी व्यवसायी संघ (NCPA) केन्द्रिय समिति बन्यो । त्यसपछि गाउँहरूमा समूह गठन र जिल्लामा जिल्लास्तरीय संघ बनाई २०५८ सालमा राष्ट्रिय महाधिवेशन सम्पन्न भै NCPA केन्द्रिय संगठन र २०६१ सालमा जिल्लाहरूमा आफ्नै जिल्लामा दर्ता गर्ने स्वायत्तता दिई छाता संगठनको रूपमा महासंघमा रूपान्तरण गरियो । हालसम्म यस महासंघमा पाल्पा, गुल्मी, स्याङ्जा, अर्घाखाँची, कास्की, पर्वत, तनहुँ, लमजुङ्ग, काभ्रे, सिन्धुपाल्चोक, ललितपुर, गोर्खा, बागलुङ्ग, मकवानपुर गरी १४ जिल्लामा जिल्ला कफी व्यवसायी संघ (DCPA) आवद्ध छन् । अन्य केही आउन तैयारी छन् ।

प्रविधि अन्तर्गत (उत्पादन प्रशोधन) : २०१० सालको Organic सोचले मान्यता पाउनु सुख्खा तथा चिसो प्रशोधन व्यवस्था, व्यवसायीक बगैचा, नर्सरी एवं Seed to cup सम्बन्धी तालिमले उपभोग बढेको छ । र Organic पद्धतीले अत्यन्तै ठूलो लहर ल्याएको छ । साथै प्राविधिकहरुको स्तर निर्धारण व्यवस्थाको थालनी भएको छ ।

नीति तथा सम्बन्ध: नेपाल कफी व्यवसायी संघ NCPA को ०१० सालको माग अनुसार बोर्डको स्थापना भएयता NCPA र बोर्डको सहकार्यबाट २०६१ मा कफी नीति घोषणा भएको छ भने गुणस्तरलाई मध्येनगर राखी ८०० मीटर को उचाई माथी मात्र कफी खेती गर्ने र एक गाउँ एक वस्तुको उत्पादन सम्बन्धी कार्य पनि हुदैछ । नेपाल सरकारबाट Organic कृषि नीति Organic Coffee प्रत्येक मंसिर १ गतेको लागि Coffee Day को घोषणा कफी सम्बन्धी निर्देशिका आदि जस्ता कार्यहरु बोर्डसंग आपसी सहमतीका साथ कार्य भैरहेछ । सरकारी तथा प्राइभेटक्षेत्र एवं अन्तराष्ट्रिय सहयोगी निकाय Winrock, Helvetas , AEC लगायत अन्य संघ संस्थासंग राम्रो सहयोग र सम्बन्ध रहेकोले विश्व बैंक पनि कफीको क्षेत्रमा सहयोग गर्न आउने तयारीमा छ ।

बजारीकरण: नेपालको एउटा पब्लिक कम्पनी लगायत ८ वटा उद्योग कार्यरत छन् विक्रीको खास समस्या छैन । ६१% विदेशमा र ३९% स्वदेशमा खपत छ । जिल्लामा उत्पादन हुने कफीको मूल्यको लागि राष्ट्रिय चिया तथा कफी विकास बोर्डको मूल्य निर्धारण समितिबाट न्यूनतम मूल्य वार्षिक रुपमा मूल्य निर्धारणको व्यवस्था हुनेगरेको छ । सोही अनुसार आपसी सहमतीमा पार्चमेन्ट तथा ड्राईचरी उद्योगीहरुले खरिद गर्ने व्यवस्था रहेको छ । ०६३१०६४ को कुल उत्पादन २७०.७ पार्चमेन्ट अर्थात २७० मे.टन ग्रीन विन्स रहेको छ ।

भाविश्यको लागि गर्न पर्ने कार्यक्रम

१. उत्पादन सहयोग

- ❖ नर्सरी अनुदान
- ❖ विरुवा रोपण अनुदान
- ❖ गवारोकिरा नियन्त्रण

२. प्रशोधन तथा बजार सहयोग

- ❖ पल्पीङ मेशिनरी अनुदान
- ❖ ड्राइङ टनेल सहयोग
- ❖ राष्ट्रिय अन्तराष्ट्रिय Expo हरुको सहभागीता तथा Visit
- ❖ Roasting/ Brewing प्रवर्द्धन

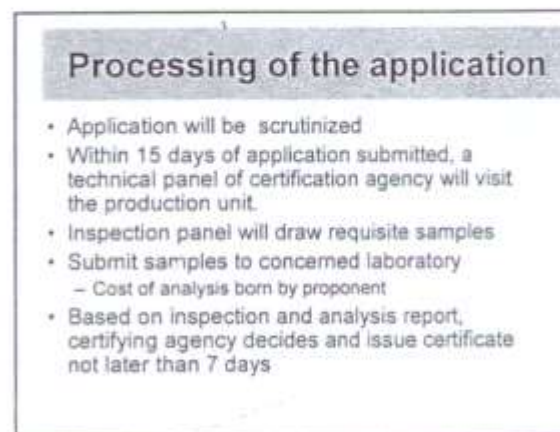
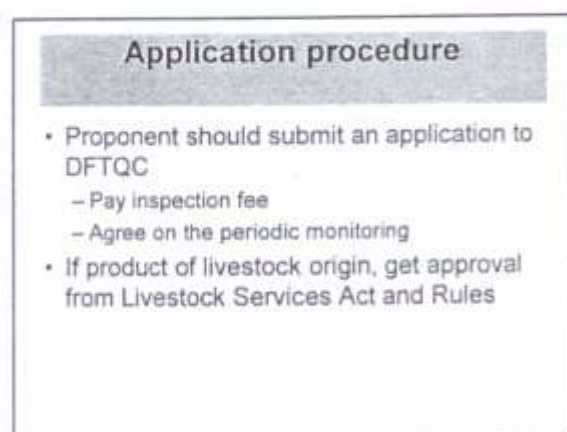
- ❖ कफी विकास कोष
- ❖ उत्पादन, प्रशोधन र बजारको स्तर निर्धारण
- ❖ लोगो तथा आचारसंहिता व्यवस्थापन
- ❖ सामूदायीक जग्गा वनमा एवं व्यक्तिगत जग्गा लिजमा लिई कफी रोपण
- ❖ बैकिङ सुविधा (कृषक तथा उद्यमी व्यवशायीलाई)
- ❖ एक ठाउँ एक उत्पादन
- ❖ Organic Certificate सहयोग
- ❖ कफी निर्देशिका कार्यान्वयन
- ❖ एकद्वार कार्यक्रम र सहयोग प्रणाली (डोनर तथा सरकारी निकाय समेतको)
- ❖ कफी बोर्डमा NCPA को संस्थागत प्रतिनिधित्वको व्यवस्था
- ❖ कृषि र सम्बद्ध निकाय विच समन्वय
- ❖ लाभ लागत विश्लेषण र मूल्य निर्धारण
- ❖ स्वयत्त कफी विकास बोर्ड

5 ४ कृमक्ष

संस्थागत विकास सहयोग (NCPA)

- डेटा संकलन
- अनुगमन र मुल्यांकन (उत्पादन देखि उपभोक्तासम्म)
- कार्यालय व्यवस्थापन तथा भौतिक सहयोग
- I.C.S.
- समन्वय तथा सम्बन्ध विकास
- अन्तराष्ट्रिय संगठनको सदस्यता
- उत्पादक, प्रशोधन, Brewer समेतको एउटा संयुक्त फोरमको (NCPA मा) व्यवस्था आदि ।

Department of Food Technology and Quality Control



Processing (contd)

- If need corrective action, proponent will be granted 3 days time in order to correct shortcomings.
- Proponent should pay for re-inspection fee.

Monitoring and control

- A. Internal monitoring by the certificate holder
- B. Monitoring by the certifying agency

Internal monitoring by the certificate holder

- It is the primary responsibility of the establishment itself.
- Proponent should develop quality manual
- Establishment has to take care and maintain record as directed by certifying agency.
- Quality standard should comply the Food Act and Regulation of GoN.

Internal monitoring (contd)

- Routine laboratory tests shall be carried out by own or any other public laboratory.
- Adopt the suitable measures to control and monitor the quality of products during processing.
- The approved production/processing unit can affix '**Q**' mark on the packet of product as an indication of certified product for export.

Monitoring by the certifying agency

- Within the validity period of the certificate, the certification agency must monitor the products periodically.
- The certifying agency has to monitor the establishments based on indicators of GMP, GHP and HACCP.

Renewal of the certificate

- Proponent should submit the application before 60 days of expiry of certificate.
- Fee of such renewal will be equal to the monitoring fees.

Suspension and withdrawal of approval

- If any major deficiency found from monitoring, certificate holder shall be advised to suspend production and export until rectification is done.
- If an establishment receives letters of warning in three consecutive monitoring, the certification shall be invalid.

Issuance and validity of certificate of inspection

- The establishment which has received certificate shall be issued a certificate of inspection for every consignment to be exported.
- Valid for a period of forty-five days.

Food Import certification (Mandatory)

- Application for import permit of food/ food products
- Processing of the application and issuing import permit
- Withdrawal of permission

Application for import permit

- Application should be submitted to DFTQC and should include details of importer and the product quality and quantity to be imported
 - Proponent should pay inspection and laboratory charge
 - Submit sample in duplicate or copy of analysis report from accredited laboratory
- If product of livestock origin, importers require approval from concerned authority of GoN

Processing of the application

- DFTQC provide permit within 7 days of sample analysis completed.
- Upon arrival of the product to the custom point, the food or custom inspection authority will draw samples from the lot of the consignment arrived.
- The validity of the permission will be for 6 months.

Withdrawal of permission

- Withdrawal in case of some incidences, which occurred at and around the territory of export or during the time of goods in transit affecting plant, animal and human life.
- If the samples drawn on the custom point, upon inspection and analysis, found not to conform to the quality standards specified by Government of Nepal or found different than that of test report or samples submitted with the application.

Withdrawal (contd...)

- If any importer feels that the suspended commodity from the country specified has been improved and believe that it will conform to the standards set by Nepal, he/she can apply for risk analysis.
- Cost of risk analysis is born by importer.

List of Annexes

- Annex 1: Installation of Quality System Manual
- Annex 2: Quality Manual for the Manufacturing Establishment
- Annex 3: Quality Manual for Certifying Agency
- Annex 4: Application form requesting for Export Certification
- Annex 5: Assessment Report by Inspection Team for Approval and Renewal
- Annex 6: Format of Letter of Approval / Approval of Renewal
- Annex 7: Format for the Letter of non-Approval / non-Renewal

List of Annexes (Contd...)

- Annex 8: Re-Inspection Request Form
- Annex 9: Monitoring visit Pro-forma
- Annex 10: Format for Letter of Corrective Action
- Annex 11: Format for Application for Renewal of Approval of Plant
- Annex 12: Format for Certificate of Inspection
- Annex 13: Format for application for Import Certification
- Annex 14: Format of Letter of Permission for Import of Food and Food Products
- Annex 15: Format of Non Approval of Import Permission for Food and Food Products

Full Text of the
Directives is available
on:

www.spsenquiry.gov.np

For comments

email:

dtgoc@mail.com.np

spsnepal@ntc.net.np

Thanks

Present Work and Future Thrust of Helvetas Nepal in Coffee Sub-Sector

Presented at

Coffee Sub-sector Strategic Planning Workshop

CoPP, Helvetas Nepal

July 28-29, 2008

Presented by Mr. Prachanda Man Shrestha, Team Leader, CoPP

Helvetas' Work in Nepal's Coffee Sub-Sector 2005 to 2008

Coffee Production	Achievements – Highlights (2008)
Enhance productivity and quality of coffee	System of mother plant selection and seed production for high quality planting material established. Most nurseries in 8 districts have adopted this system.
	Package for good management practices for the prevention and control of White Stem Borer developed and promoted
	Package for organic coffee production technologies developed and disseminated
Support the implementation of internal control systems for organic production	Local Resource Persons trained and providing support services related to coffee production to more than 6000 small coffee producers
Sensitize government on organic production systems	Technical manuals and guidelines for government extension workers and for producers developed
	45 hectares under coffee in Gulmi certified against international (IFOAM) organic standards
	50 hectare operated under an internal control system, ready for certification
	Awareness on organic production systems by government decision makers and extension workers increased. Government has started to promote organic coffee cultivation
Coffee Processing	Achievements – Highlights (2008)

Introduce wet processing	Modern wet processing technologies introduced; recovery rate was increased and percentage of defective coffee reduced
Assure quality management in wet processing	91% of the coffee harvest was wet processed in 2007 (starting from very small quantities in 2003)
Improve system for coffee drying at high altitudes	Low-cost drying technique for drying coffee after wet processing at high altitude developed and tested Technical manuals and guidelines for government extension workers and for producers developed
Organizational capacity building of coffee producers	Achievements – Highlights (2008)
Strengthen coffee producer groups and their associations at village, district and national level	More than 200 local resource persons trained and operating for strengthening capacities of producer organisations 12,116 coffee producers currently organised in 523 Coffee Producer Groups District Producers' Associations operating with support from Helvetas Nepal in 13 districts National Coffee Producers' Association working transparently; they actively lobby government for the concerns of small coffee producers High degree of participation in coffee cultivation by economically and socially disadvantaged groups: 9% Dalits, 24% Janajatis and 38% women in coffee producers' associations
Marketing	Achievements – Highlights (2008)
Facilitate the establishment of transparent systems for collection and supply of coffee	Exports have significantly increased: 38 MT in 2004 to 112 MT in 2007; Sales in domestic market increased from 34 MT in 2004 to 67 MT in 2007.
Promotion of domestic market for coffee	Market facilitation committees in producers organizations established and operating, contributing to transparency and enhancing the benefits for small coffee producers. Increased domestic consumption of coffee (rural areas). 90 local roasters were trained; they produce currently 5.0 MT of roasted beans in 8 districts.
Coffee Sub-Sector Development	Achievements – Highlights (2008)

Facilitating a dialogue among major stakeholders	Coffee Sector Working Group established and operating with all relevant stakeholders present
Jointly identifying key issues and strategies	Strategy development for sector in process
	Coffee as an income generating crop with significant future potentials for expansion recognised by government
	Helvetas' Coffee Promotion Programme is recognized in Nepal as a resource organization in organic coffee production and processing.

Future Thrust of Helvetas' Work in Nepal's Coffee Sub-Sector (2009 to 2012)

Coffee Sub-Sector Development
<p>Strengthening the role of government in the coffee sector</p> <p>Facilitating dialogue and cooperation among sub-sector stakeholders to ensure an efficient and effective development of the sector.</p> <p>Facilitating the development of a quality management system in the coffee sector</p> <p>Strengthening national capacities for organic certification</p>
Organizational capacity building of coffee producers
Institutional capacity building of producer organizations
Coffee Production
<p>Enhancing productivity and quality of coffee in close collaboration with government institutions</p> <p>Support for expanding organic coffee production</p> <p>Further strengthening extension system through local service providers</p>
Market Access for Producer Groups
<p>Strengthening the interface between small coffee producers and national traders through the establishment and operation of market facilitation committees and cooperatives</p> <p>Linking cooperatives of small coffee producers with fair trade importers</p>

National Tea & Coffee Development Board

National Tea and Coffee Development Board (NTCDB)

Coffee Sub-Sector Programme
Presented at Coffee Sub-sector Strategic Planning Workshop
CoFFP, Helvettia Nepal
July 26-28, 2008
By
Mr. Bishwa Shrestha, NTCDB



Board

- Tea and Coffee
- Service Centers – 2 Jhapa and kaski
- Extension Center – 7
- Ilam (Fickle, Jasbire, Mangalbare)
- Panchthar – Lalikharka
- Dhankuta – Hile
- Terhathum – Solma
- Nuwakot – Dandagaun
- Solu and Okhaldhunga – Under Process

Total Area and Production

- Tea – 16420 hac. – 15167.7ton
- Coffee – 1396 hac. – 270 ton

Coffee Sub-Sector Programme

Production Promotion

- Technical Support
- Training & Workshop (National and International facilitation)
- Subsidy in plant Reference material publication – Coffee manual, Leaflets
- Tea A Tea Smarika publication annually.
- Research in Pokhara (Insect, Fertility, Variety)
- Farmer Expert interaction Radio program

Processing

- Pulper distribution



Marketing

- Price fixing
- Coffee Logo Prepared- Implementation under process



Policy

- Coffee policy 2061 approved by Govt. Policy implementation guide under process

FUTURE PLAN Production

- Technical Support
- Training – Farmers, Staff
- Research –continue
- Plantation Support with input
- Farmer – Export Radio interaction program
- Skill Testing – level 1 & 2
- WSB Pheromone trap trial



FUTURE PLAN Processing

- Pulper distribution continue – 50% subsidy
- Drying yard/ Solar Dryer distribution 50% subsidy
- Processing Industry- subsidy
- Quality testing Lab establishment

FUTURE PLAN Marketing

- Support Market outlet Open – Intl Airport
- Market promotional activities- Radio program, Hoarding board
- Movie /Documentary preparation
- Training and workshop
- Souvenir packet
- Participation in National & International fair and exhibition
- Membership of ICO/ SCAA
- Updating website
- Organic Certification

FUTURE PLAN Policy

- Organic Certification National Program
- COC
- Poverty alleviation –through Plantation in community land with full support .
- Coffee integration in Community forest



धन्यवाद ।

WINROCK

WINROCK INTERNATIONAL
Putting Ideas to Work

Coffee Program Overview

**Presented at Coffee Sub-sector
Strategic Planning Workshop**
CoPP, Helvetas Nepal
July 28-29, 2008

By
R.B. Shrestha, Coffee Program Advisor (Part time)
WINROCK

Coffee Projects

USAID - Nepal SIM (2005-8) – Water irrigation promotion through a value chain approach. Coffee program added since July 2007.

USAID - CRRN (2006-8) – Peace building thru building government capacity and community mobilization.

USAID - IFM CRSP (2006-8) – IFM research and extension.

USAID - Nepal BDS MaPS (2004-7) – Emphasis on HTFPs for export markets. Program in Syangja and mid western development region.

USAID Tea and Coffee GDA (2004-7) – Tea and Coffee sector development for export markets.

USAID – Nepal Tea and Coffee Global Development Alliance (2002-2005) – Tea and Coffee sector development for export markets.

USAID Haryale (2004-7) – Peace building program with Winrock and IDE for the income generation component. Mid, West, and Far Western Dev region. Included horticulture, coffee, but with an emphasis on livestock, dairy, goat, poultry, and fisheries.

USAID Farmer to Farmer (2003 - 8) – Field volunteer experts in horticulture, HTFPs, and apiculture.

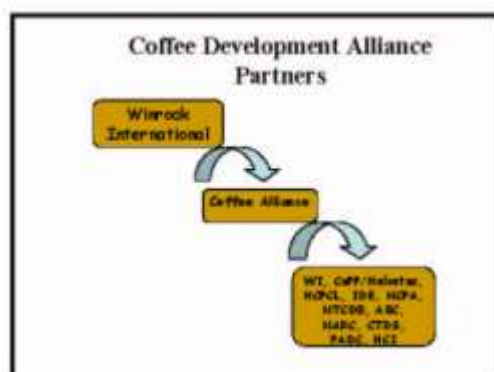
Approach

Key Approaches

- Community mobilization approach through improved governance of natural resources and smallholder organizations and apex organizations serving the sub-sector.
- Business development services (BDS) approach to put in place value-chains that support smallholder producers and their organizations.

Coffee Components

- Community Social Mobilization**–builds demand for products and services, awareness of income opportunities and need for quality control in international markets.
- Supply Chain Development**–supports input markets and links service providers with farm producers.
- Adaptive Research and Implementation**–combines research and extension, with development of training materials for farmer to farmer training.
- Market Development and Linkages**–strengthens marketing capacity of business while developing links to international specialty markets and builds local market demand.



NTCGDA (Sep 2002-March 2005), TCGDA, SMIG (Oct 2004-June 2007)
BDS MaPS (Jan 2004 – Sep 2007), Ulyale IGP (Oct 2004 – Aug 2007)
CRRN (Nov 2004 – Sep 2008) IFM CRSP (Oct 2004 – Sep 2009)
Ff (2003 – 2008), Nepal SIM1 (July 2007 – Sep 2009)

Past Activities (Major)

- Establishment of Coffee Global Development Alliance.
- Establishment of coffee nurseries.
- Coffee nursery management trainings.
- Adaptive research on coffee varietal and nutrient management.
- Production of quality coffee on small scale for sampling.
- Design of wet processing facilities.
- Coffee brewing trainings.
- Successful test of wooden pulping machine.
- Fielding of Consultant to assist on setting up wet/semi wet processing facilities.

Page 6

- ToT on pulper repair and maintenance.
- Strengthen different farmer associations and cooperatives.
- Training on cooperative formation.
- Demo. training on soil moisture conservation.
- Training on production and processing.
- Training on Bio-fertilizer and pesticide, preparation and application.
- Facilitation in the preparation of business plan to HCPCL.
- Organized coffee quality management training at Aceh, Indonesia.
- Training on organic coffee certification through OneCert Asia Agri Certification Pvt. Ltd., India.

- ToT on production and processing.
- Coffee brewing and filter coffee making training.
- Training on coffee production management and post harvest handling.
- Mobilization of groups for training on pruning and managing white stem borer.
- Demo on varietal identification.
- Cooperatives strengthening.
- Interaction meeting/workshop with different stakeholders.
- LRP/LF mobilization for coffee cycle training.

- Training on "Bocasi" vermi composting and bio fertilizers.
- Demo. & construction of rain water harvest tank.
- International market linkage with Holland Coffee Company, US.
- Coffee chakra training.
- Dises and pest management training.
- Inter cropping practice training.
- Training on improved grading and packaging technology.
- Preparation of coffee production and processing manuals.

TC Unit/Nepal SIML/CRRN Current Coffee Activities, 2007/8

Gulmi, Arghakhanchi, Palpa, Lamjung and Syangja

- Conducted various trainings on organic agriculture, ICS and certification.
- Development of manuals, farm diary, checklists
- Various soil and water tests.
- SCAA Nepal Chapter feasibility study/development.
- Training on coffee quality improvement.
- Training on disease and pest management.
- Shed management and urine collection training.

Contd.

- Training on improved grading and packaging technology at group level.
- Improvement of pulping technology by facilitating purchase of drying yard and Chinese drum pulper.
- Various district level interaction meetings with traders, processors and exporters.
- Various refresher training on semi-wash processing technology.
- Training on organic/fair trade certification.
- Short-term study on coffee white stem borer.
- Policy lobby.

Current Status of Nepal Coffee

- The number of households growing coffee increased nearly ten times over the period from 1,804 in 1994/1995 to a projected 19,165 households in 2007/2008.
- The area used for coffee production increased nearly eleven times over the period of analysis at a rate of 20% annually, from 135.7 hectares in 1994/1995 to a projected 1,465.28 hectares in 2007/2008.
- Production increased at an average rate of 32% annually, from 12.85 metric tons (dry process) in 1994/1995 to a projected 497.01 metric tons (measured in terms of dry process but it include all dry, wet and semi-wet process coffee beans) in 2007/2008.
- Exports of Nepal coffee have increased from 14.6 metric tons in 1994/1995 to 175.5 projected for 2007/2008, an average annual increase of 21% per year. The value of these exports has increased 33% annually from NR 1,643,016 in 1994/1995 to a projected NR 70,205,490 in 2007/2008.

Problems

- Low productivity due to poor sapling and lack of pruning, shade trees, nutrition management, etc.
- Lack of certified nurseries.
- Insufficient well equipped integrated processing facilities.
- Lack of drying and warehouse facilities.
- Lack of co-ordination among stakeholders.

Cont.

Cont. Problems

- Insufficient training and supervision to pulper operators resulting poor quality of the parchment.
- Coffee collection costs increased due to highly scattered coffee growing area.
- Difficult to compete with international market price.
- Low domestic demand for filter coffee.
- Lack of clear policy.

Opportunities

- Coffee productivity could be increased considerably considering it as a commercial crop with adoption of organic and/or integrated production technology.
- Commercial coffee contract farming could reduce the production costs and manage coffee quality.
- Promote certified nurseries for better quality saplings.
- Traders could control quality by establishing well equipped integrated processing facilities: wet method between 1050 – 1600 masl and semi-wet method between 900 – 1050 masl.
- Warehouses to be built up in different locations to control the quality.
- Making co-ordination effective among stakeholders will promote the coffee industry in the long run. Current Coffee Development Alliance should be made sustainable.

Cont.

Cont. Opportunities

- Traders can improve the quality of parchment by providing additional training and supervision to pulper operators.
- Coffee pockets to be developed to reduce the coffee collection costs.
- Recognizing Nepal coffee as Highland Specialty Coffee could compete in international market price.
- Awareness campaign should be launched by the stakeholders to create more domestic demand for filter coffee.
- Clear coffee policy on coffee area, altitude, loan govt. land, VAT, organic certification, integrated production systems and subsidy will further promote Nepal coffee industry.

**Nepal SIMI and IPM CRSP
Workplan, 2008/9**

- Facilitation on organic and fair trade certification.
- Conduct adaptive research on control of stem borer.
- Training coffee white stem borer management.
- Coffee quality management training to pulper operators.
- Follow-up coffee varietal and nutrition management adaptive research.
- Market linkage.
- Coordination with Coffee Development Alliance/stakeholders.
- SCAA Nepal Chapter development activities.
- Policy lobby.

Participation of TeT for
LWPs at Syangja
organized by
IDE/TCGDA-SMIG



Coffee Management
Training organized with
a joint support of PADC,
DADO of Lamjung and
Tanahu and TCGDA-
SMIG



Thank You !