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*The Nepalese people have a special connection with the mountains; they are their birthright and heritage, and imbue all that they do with with a sense of majesty and even mystery. However, there is nothing mysterious about the sharp rise in quality that Nepalese coffee has seen in recent years. We trace its origins and consider its future.*

*Eight of the world's 14 mountains whose height reaches above 8,000 metres—Everest, Kanchenjunga, Lhotse, Makalu, Dhaulagiri, Manaslu, Annapurna, and Cho-Oyu—are located in Nepal.*

The first coffee ever to sprout in Nepal was brought to the country from Myanmar by a hermit named Hira Giri in 1938—or so, at least, runs the tale told in the hills of Aapchaur in Gulmi district where Hira Giri's variety of arabica was planted. This small but significant revolution went unnoticed for decades. The locals didn't see much use for it, mostly planting it to prevent soil erosion in landslide-prone hillslopes, and it wasn't until the 1970s and '80s that locals began to farm it as a cash crop. Krishna Prasad Ghimire, a native of Gulmi, was the first to take the plunge, having received government assistance to purchase machinery from neighbouring India to start a processing plant in Manigram, a small village an hour's drive from the birthplace of Gautama Buddha. By 1983, Ghimire's Nepal Coffee Company (NCC) was the first coffee producer in Nepal.

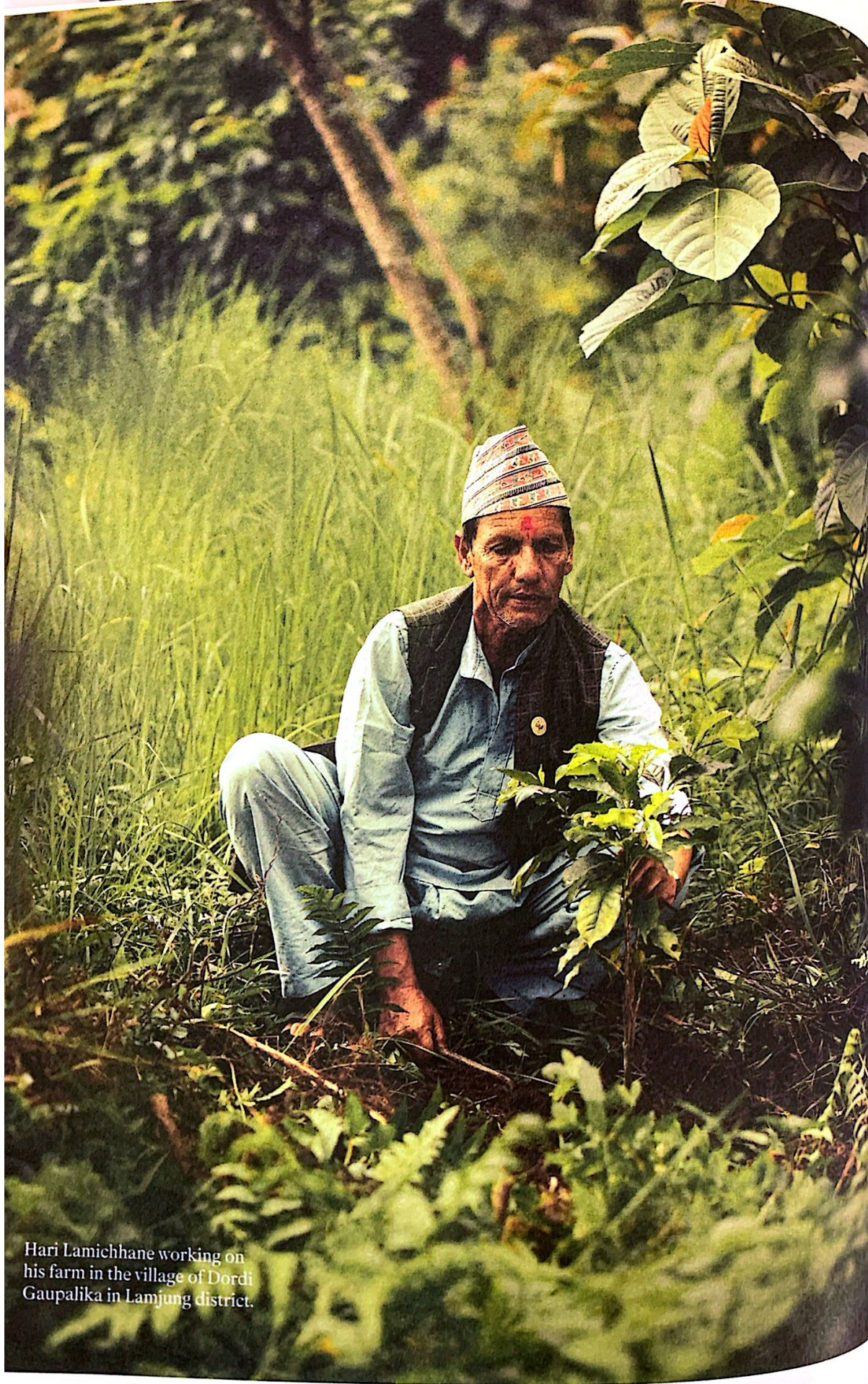
By the late '80s, other producers had joined the fray and cooperatives began to pop up, unifying efforts and facilitating Nepal's coffee trade domestically and beyond. A formal government body, the National Tea and Coffee Development Board (NTCDB), was established in 1993. This was an integral step in strengthening the coffee sector through policy formulation and technical and managerial support such as the Nepal Coffee Policy of 2003, which grants subsidies to producers seeking to import machinery and offers training and workshops in multiple locations, among other initiatives.

Specialty coffee, however, is a much more recent phenomenon in a country located just above India, a tea-growing powerhouse, but Nepali coffee has already captured international attention. In 2014 the NTCDB celebrated the certification of coffee producer Dr Raj Kumar Banjara as the first licensed Q-grader in the country. Dr Banjara's trademark coffee,









Hari Lamichhane working on his farm in the village of Dordi Gaupalika in Lamjung district.



Around 500,000 Nepalis leave the country every year to enter the international labour market, and much of the country's GDP derives from remittance sent by migrants working abroad.

Himalayan Arabica, was awarded Best Gourmet Coffee of 2016 in the second international Coffees Roasted at Origin contest held by the Agency for Valorization of Agricultural Products in France, and since 2018 the Nepal Coffee Producers Association (NCPA) has been running national cupping and quality workshops to create opportunities for more producers to enter the world of specialty. The next local coffee hero, Nima Tenzing Sherpa, burst on to the scene in 2020 when *Coffee Review* assigned an offering of his Lekali Coffee a score of 92/100 on the SCA 100-point quality scale—a record-breaking achievement in South Asia. This is an exciting time for Nepali coffee.

### *How it stands*

Nepal has long been home to a vibrant tea culture, but just as in other tea-drinking countries, there has been a marked shift to coffee in recent years. Since the foundation of the government-backed Ilam Tea Estate in 1863 (set up in response to the growth of the tea industry in Darjeeling, India), tea has been the nation's go-to drink, drunk everywhere from the home to tea shops, mountain shrines, and under the shade of temples. Nepalese people pinch the rim of the hot glass and sneak in sips of boiling-hot tea to avoid scalding their tongue as they gossip. This is the iconic *chiya guff* ('tea talk'), but it's forced to compete nowadays against a rising contender—the trendy alternative of conversing over cappuccinos and americanos at chic cafés. Compared to the humble, traditional rooms or stands where tea is sold and drunk, coffee shops in Nepal are relatively luxurious spaces with marbled floors, cozy couches, sleek wooden furniture, and sophisticated espresso machines as centrepieces behind the counter. Here, professionals gather for meetings, to make business deals, and to eat brunch, and coffee has inevitably become a status symbol. Whereas once, tea was the *only* beverage to be served to welcome guests in Nepali households, many young and well-to-do people have started to offer a choice: 'Tea or coffee?'

In fact, I might be understating the growing popularity of coffee—more than 4,000 cafés have set up shop so far, with demand far exceeding production capacity; the country produces 350 metric tons of coffee annually, while consuming 2,500. Much of the green is imported from India and elsewhere, with some roasted luxury offerings coming from countries as far afield as Australia and the UK. There are two key factors that are influencing this influx: Nepalese people going abroad and foreigners visiting Nepal. According to 2019 census data, more than 1,700 Nepali people leave the country *every day* to search for employment, and a total of 2.2 million Nepalis (something like eight per cent of the total population) are currently working or studying abroad.



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Kathmandu is one of the most polluted cities in the world, earning it the unenviable nickname 'Maskmandu'. In 2022, Nepal ranked 16th in a list of the 131 countries with the worst air pollution.

Economic opportunities in Nepal are few and far between due to the nation's political instability and underdeveloped economy, so Nepalis are accustomed to travelling to the ends of the Earth in search of a better life, a quality education, and rewarding jobs. Many bring back an appetite for coffee when they return home. The same census put the number of foreign tourists who visited Nepal in 2019 at a record 1,197,191, and most of them power their hiking, mountaineering, and backpacking with coffee.

### *Production challenges*

The plant that started as a landslide deterrent in Gulmi has since spread to more than 46 of Nepal's 77 districts. All the coffee produced is organic and fair-trade arabica, with some prominent varieties including bourbon, typica, caturra, catimor, and selection 10. These are grown between 1,000 and 1,600 metres above sea level in ideal conditions in terms of topography, climate, soil, rainfall, and temperature.

To Dr Banjara, Nepal's superstar Q-grader, coffee is a godsend to the developing Himalayan country. 'Nepal can't compete against the cheap labour and market prices of large-scale robusta producers like India and China, but our ability to grow high-quality arabica is a natural gift that can be exported at a premium,' he told me. However, although there's tremendous potential to cultivate such high-grade coffee, Nepal lacks the workforce, infrastructure, research teams, technical know-how, and awareness to scale up production much beyond the current level.

The NTCDB estimates that 120,000 hectares of farmland in Nepal are 'moderately suitable' for coffee production, with 61,000 being 'highly suitable', but only 3,300 ha are currently being farmed. Much of Nepal is covered in jungles and forests, making it difficult to carry out large-scale commercial farming. The country's coffee farms are typically run by small-scale hill farmers, of whom there are 33,940, many banding together to form village cooperatives.

Fifty-nine-year-old Hari Prasad Lamichhane of Lamjung district farms coffee on less than an acre of land. In his younger days, Lamichhane would walk for hours through hilly territory to attend coffee workshops, having been curious about coffee since childhood, when his father (who worked as a bearer) took a sick man to a hospital in the neighbouring Gorkha district, carrying him all the way in a *doko*—a kind of basket made from bamboo borne on the back—and returned with two coffee saplings he found on the journey, planting them in his garden without knowing what they were. The workshops Lamichhane has attended have helped him throughout the 18 years since he started his farm and he now prefers the drink to tea, preparing coffee by roasting



green beans in a clay pot traditionally used to make *makai* ('popcorn'). He earns \$4 per kilogram of green beans he sells to the NCC—a price that's much higher than the minimum set by the government. Outside the coffee harvest season, Lamichhane plants staple crops, vegetables, and types of fruit that are scarce in his district. He wishes he could plant even more coffee, but says that he lacks the strength to develop additional parcels of land on his own.

Most of the young people in Lamjung district leave for better opportunities in Nepali capital Kathmandu or abroad. Unfortunately for Lamichhane, none of his fellow villagers are willing to join him in farming coffee because it is labour-intensive and requires up to five years of patience before the plants can yield enough for a quality harvest. Most farmers are used to seasonal harvests of fruits, vegetables, rice, and other crops that yield immediate results, even though the eventual profits from coffee are higher. The fact that testing different varieties of seed takes such a long time has held back research into optimal coffee production, and producers say that unless the government subsidizes developmental efforts, there is little incentive for anyone to experiment. The Ministry of Agriculture has launched a few interesting initiatives to provide technical and financial support to farmers, but it remains to be seen whether this will help coffee to take off in a big way.

One thing that's certain is that knowledge *must* be boosted if Nepali coffee is to reach its potential. Rabindra Shrestha, the co-founder and CEO of producers and distributors Katmandu Coffee, told me that when local farmers saw his staff pruning their plants for the first time, the general reaction was one of astonishment. 'Many farmers still believe that bigger trees will yield more coffee, unaware that plants left unpruned will not produce high-quality beans,' Shrestha said.



# Specialty Coffee Consumption in Nepal

*The word 'Sherpa' in the Tibetan language simply means 'eastern people' (sher, 'east' and pa, 'people'). Sherpa people do not traditionally have surnames, so many simply adopted 'Sherpa' as their surname for bureaucratic purposes.*

When it comes to specialty coffee in Nepal, there's a story in every cup. Nepal has a unique terroir that bestows its coffees with a complex almond flavour similar to amaretto or marzipan, along with notes of black tea and raisin, and the national brand represents more than just the appeal of the Himalayas; it contains the stories of coffee farmers and producers from diverse backgrounds across the country.

Lekali Coffee prides itself on being a legacy of the hardy Sherpa people, an ethnic group who live chiefly in mountainous areas of Tibet, Nepal, Bhutan, and India, and who frequently work as guides, porters, and rescue crews on Himalayan peaks, particularly Everest. Outside of running a mountaineering business, Nima Sherpa's father was a keen philanthropist, building schools in Nuwakot, an underserved, high-altitude district north of Kathmandu. What started as a voluntary service to improve education in villages eventually grew to incorporate coffee-farming workshops to generate employment for locals. 'Nuwakot lies at the right altitude for coffee, and their long shelf-life makes coffee beans perfect for export from Nepal—it's not easy for us to find suitable products for export due to our mountainous terrain,' Nima told me.

Today, Lekali Coffee works with more than 2,000 farmers and their specialty green beans and roasted coffee is supplied to more than 40 cafés, roasteries, hotels, and restaurants across Nepal—and this is just a sliver of the firm's overall production, most of which is exported worldwide. 'It is crucial that the people who purchase coffee from us also share our values,' Nima Sherpa says. He lists these values as transparency about the coffee's origin, having a positive impact on rural farmers, philanthropy, and an increasing focus on sustainable farming. These are crucial to making Lekali Coffee an exceptional experience, beyond simply its quality. Sherpa adds that many Nepalese consumers are still unable to discern between commercial and specialty coffee, making it hard for cafés in Nepal to sell Lekali products.

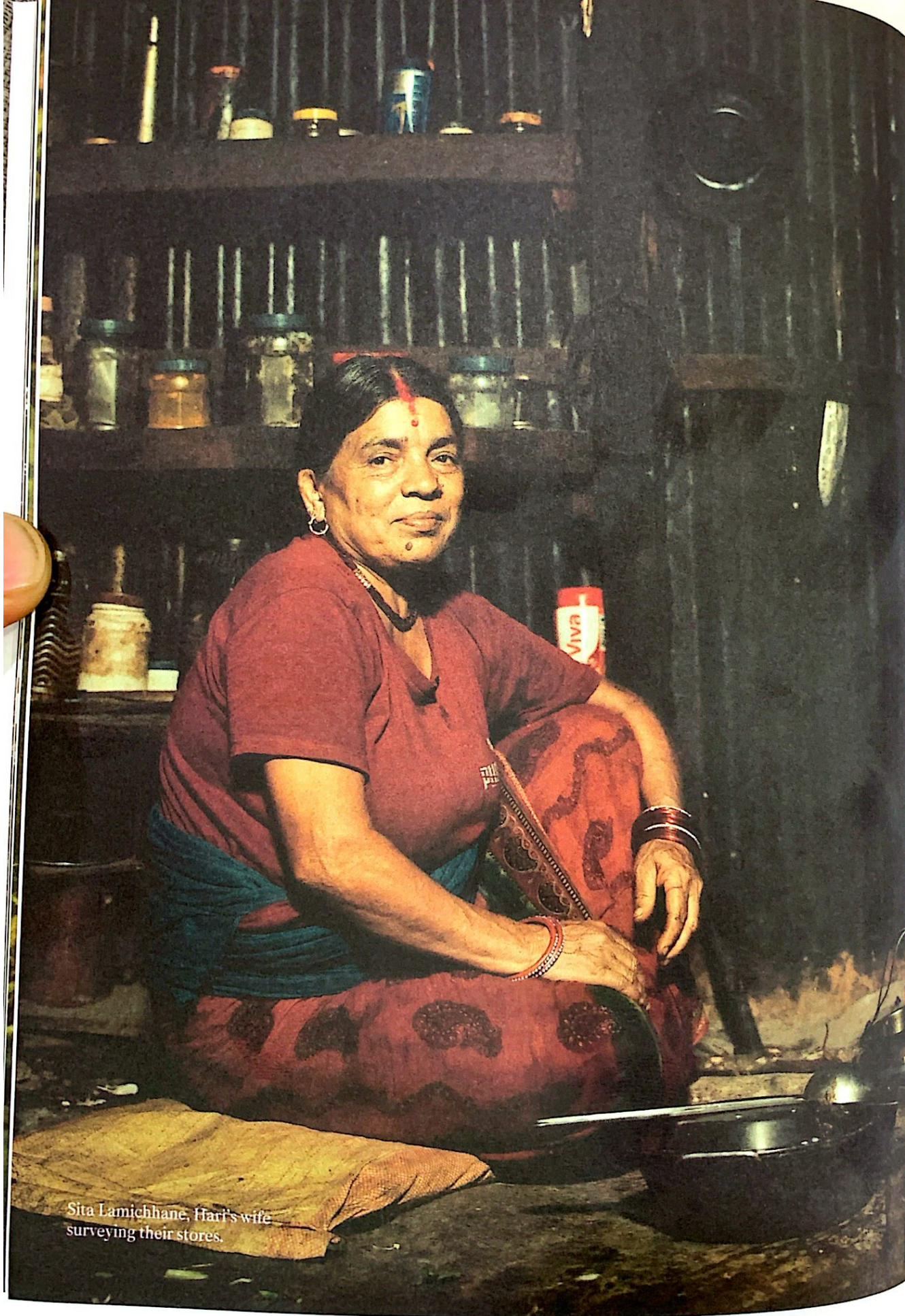




*'Many Nepalese consumers are still unable to discern between commercial and specialty coffee, making it hard for cafés in Nepal to sell pricier and higher quality coffee.'*







Sita Lamichhane, Hari's wife  
surveying their stores.



*'There's a coffee house or two full of people on every corner of the residential neighbourhood of Patan, so much so that sometimes it's hard to find a empty nook in which to settle down.'*

which can be pretty pricey, but he's hopeful that as cafés and baristas expand their knowledge, they will be a bridge that inspires greater consumer awareness.

Rather than hoping that this somehow comes about organically, some passionate young individuals have taken it upon themselves to introduce specialty to a broader audience. Among them is Promish Muktan, who recently launched a supply business, Coffee of Promise, and loves educating his customers about different types of coffee and the art of enjoying them to the full.

Muktan recalls a memorable conversation with a well-intentioned but misinformed customer who mistook ground specialty for soluble instant, and was vocal about her disappointment. Determined to recruit a convert to the cause, Muktan decided to take matters into his own hands by visiting the customer's home and demonstrating the proper brewing method himself. He now works with other up-and-coming businesses like Nya:no Coffee, which provides roasting services to create customized specialty coffee for bakeries and cafés that wish to complement the flavour profile of the food they serve.

Sujan KC, a head trainer and roaster at Nya:No, has taken a new approach to the value chain that entails working closely with farmers. 'In the spirit of giving back, we gift many of our farmers presents such as AeroPress machines and train them in their usage. It's very helpful for them to know what the final product of what they grow looks and tastes like,' KC told me.

Institutions like the Nepal Coffee Academy, set up by Dr Banjara, are some such places where producers, farmers, and baristas can learn more about specialty. One particularly strong point of the Academy is its dedication to disability-inclusive training, as well as the help it provides to disabled people wishing to find jobs in the sector. Specialty, according to Dr Banjara, should benefit all stakeholders involved in the journey from soil to cup,



Nepal is home to over 80 ethnic groups who speak more than 120 languages.

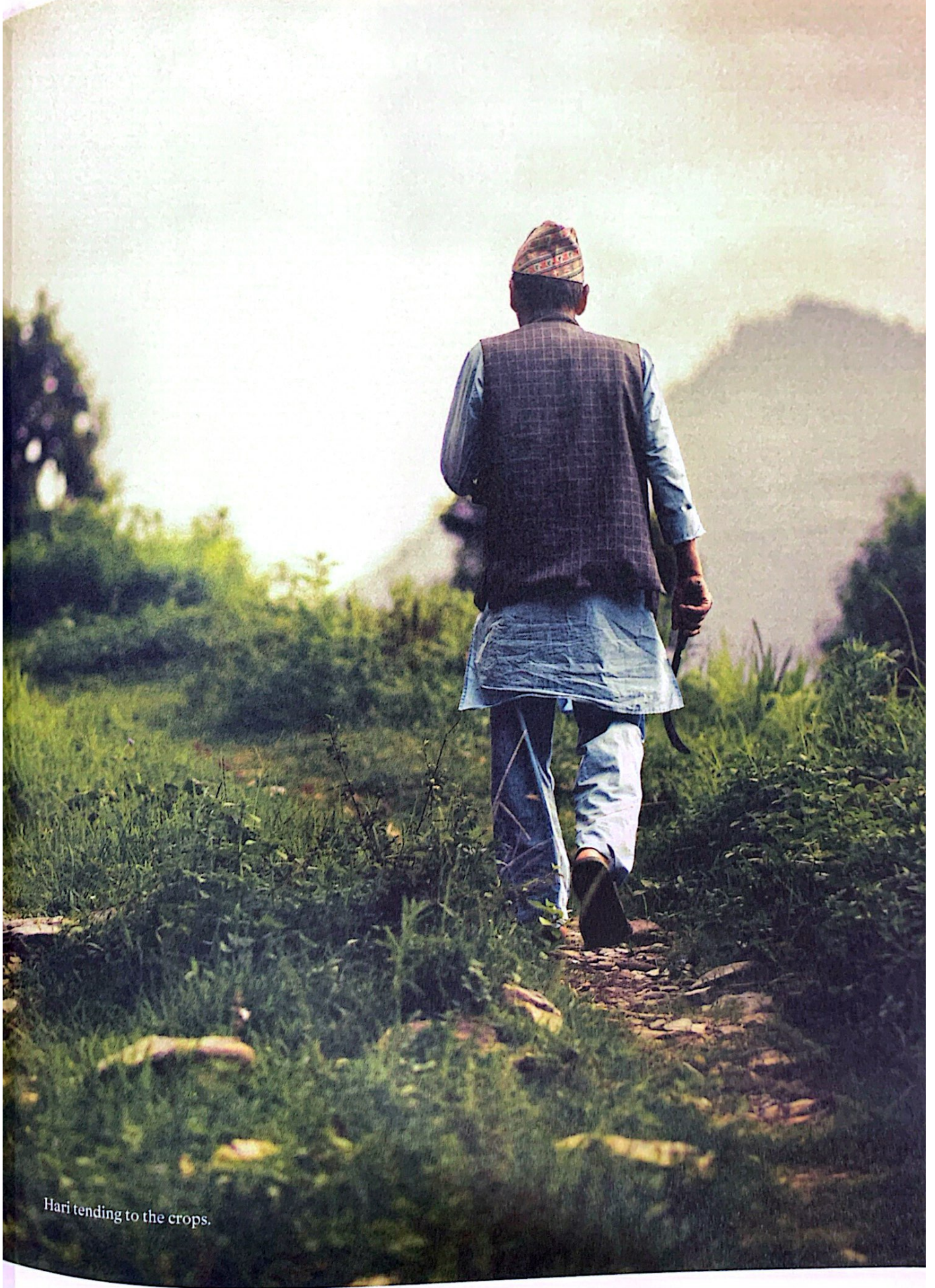
One of Nepal's most successful exports is its soldiers, known as gorkhas. Nepalis are renowned for their bravery and loyalty in battle, and thousands currently serve the armed forces and police of the UK, India, Singapore, and Brunei.

and be inclusive of the disabled people in its value chain. He is usually to be found at his café, KaidaKo in Koteswor, Kathmandu district—a space overflowing with knowledge of coffee from floor to ceiling. Disability-friendly installations like instructions in braille and wheelchair accessibility make this something of a unique Nepali café, and a space where the phrase 'all-inclusive' is more than just a slogan. A painting of Dr Banjara himself—the man is rocking a shaved head, spectacles, a trimmed grey beard, and a red apron, while levitating a cup of coffee above the palm of his hand—is the centrepiece of a wall of certificates.

For all of Dr Banjara's admirable efforts, perhaps nowhere in Nepal is coffee culture more prominent than the streets of Jhamsikhel, a neighbourhood of Patan near Kathmandu. There's a coffee house or two full of people on every corner of this residential area, so much so that sometimes it's hard to find an empty nook in which to settle down. Kar.ma Coffee is one such champion. On the second floor of a five-storey commercial building fluttering with prayer flags that stretch from the parking lot all the way up to the roof, this coffee house runs along an open balcony that traces the length of the building, doubling as a corridor. Throughout the day you can find youngsters lounging in the living room-like space full of wooden antiques and traditional furniture, below an artistic collection of lanterns made of Nepali paper.

Despite these attractions, what distinguishes Kar.ma is its commitment to scrutinizing the materials they use. Staff shun the wasteful disposal of coffee grounds, ingeniously repurposing them to create an array of soaps, face scrubs, candles, incense, and cosmetics. In their quest for conscious choices, there is no place for paper filters or foreign imports; only filters woven from locally crafted cotton fibre. In fact, almost no plastic at all is used here. The open kitchen is itself a treat, crafted from mango wood that has been given a second chance, while customer-purchased coffee is packaged in rice sacks or bags. Kar.ma came of age in the days when Nepal was plagued with frequent power cuts, making espresso machines a dubious proposition. Instead, the staff followed a fully manual process to make pour-over coffee, a longstanding brand tradition that continues today. When Birgit Lienhart Gyawali, Kar.ma's founder, first came to Nepal in the early 2000s, coffee houses like those in Austria, her home country, were nowhere to be found, but Kar.ma was inspired not so much by *grand cafés* in Vienna as by a visit she paid to a farm in Kaski district in 2010. 'Witnessing how much effort goes into making a single cup in Nepal was an eye-opening experience' for Birgit, and Nepali coffee is happy to take inspiration from wherever it comes to get its name firmly established on the international coffee map. ☕





Hari tending to the crops.