

Promoting Investment in Large Cardamom Value Chain



Government of Nepal
**Ministry of Agriculture and
Livestock Development**



Background

The FAO's HiHi initiative, launched in October 2019, targets agricultural transformation and rural development to combat poverty and hunger (SDGs 1 and 2). Nepal, a priority country since 2021, advances agrifood systems with evidence-based strategies. Investments in commodities like Large Cardamom, Ginger, Highland Potato, and Timur are key, showcased at the FAO Investment Forum in 2022. Nepal aims to present again at the 2024 Forum. This project specifically emphasizes the cultivation of large cardamom, underscoring its critical role in Nepal's agricultural strategy.



Sector
Agriculture

Project Rationale

Engagement:

- 21,960 households across 37 districts involved

Global Market:

- Nepal leads with 68% share, followed by India (22%) and Bhutan (9%)

Exports:

- 95% directed to India (ICIMOD, 2016)

Boost in Production:

- Strategic investments to increase output 1.5x by 2031

2022 Investment Focus

- Quality and Expansion: 2022 investments aimed at area expansion and quality improvements
- Technology Upgrades: Enhancements in post-harvest technologies
- Financial Commitment: US\$17.19 million proposed to benefit 8,415 farmers

Integration with FAO's OCOP (One Country One Product):

- Nepal officially joined FAO's OCOP in 2022, focusing on large cardamom as Special Agriculture Project (SAP)
- Requested OCOP integration under HiHi initiative

Comprehensive Baseline Studies:

- Baseline studies undertaken on Special Agricultural Product to assess production and market opportunities

Way Forward:

- Encourage organic farming and certification
- Improve value chain governance through policies and agreements

Improvement Focused:

- Capacity building and collective marketing in inputs and services
- Technology development and product management
- Support pricing and market information dissemination
- Training and Mechanization for grading and processing
- Governance Enhancement

Project Outcomes



Enhances income and empowers communities via cardamom cultivation



Expands market access and improves pricing for smallholder producers



Advocates for sustainable farming, conserving environment, and biodiversity



Increases farmer income through value-added processing and packaging



Investments lead to higher cardamom yields and economic gains



Improves both domestic and international market access for growers

Project Implementation Modality



Public Private Partnership (PPP)

Specific Approach adopted will depend on the investor's preferences and the project's requirements

- The private entity may act as an investor, financing the project.
- Alternatively, the private sector could operate as the producer, with funding sourced from multilateral organizations or other stakeholders.

Project Implementation Timeline



Project Ideation





Additional Information

- Investment plan will be prepared followed by networking sessions for investors to connect directly with large cardamom producers to potential investors.
- By facilitating direct connections between investors and SMEs, FAO catalyze investment flows into the large cardamom sector, driving innovation, expansion, and sustainability.

Relevant Agencies

- Food and Agriculture Organization of the United Nations
Contact: shankar.sapkota@fao.org
- Ministry of Agriculture and livestock Development
Email: info@moald.gov.np
- National Planning Commission (NPC)
- Large Cardamom Entrepreneur Association of Nepal

About the Agency

Ministry of Agriculture and Livestock Development

The Ministry of Agriculture and Livestock Development (MoALD) is a governmental body of Nepal responsible for the growth and development of the agriculture sector in the country and making the country self-reliant in agricultural production. The Ministry began its operation institutionally in 1978 with the primary objective of translating policies and implementing programs related to agriculture development according to the country's needs and potential. Focused on achieving food security and poverty alleviation through a commercial and competitive agriculture system, the Ministry aims for high and sustainable growth by modernizing and diversifying agricultural production.

Website: www.moald.gov.np

Email: info@moald.gov.np

Tel: +977-1-4211905

