

Establishment and Operation of Tea E-Auction Center & Warehouse



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



Background

This project is an integral component of the sectorial plan outlined in the Nepal National Sector Export Strategy. This initiative is designed to modernize the tea industry in Nepal by launching efficient, modern e-auction system that promotes efficient, transparent trading, and ensures fair pricing mechanisms. Situated in Koshi Province, the project will feature a state-of-the-art warehouse and e-auction center to optimize the tea marketing process, encompassing storage and sales through advanced technology. This initiative aims to enhance the industry's competitiveness and sustainability, making it more inclusive and stable amidst market changes. Public tea auctions, pivotal in global tea marketing, facilitate the primary sale of bulk loose tea, ensuring equitable price discovery through competitive bidding.



Sector
Agriculture



Proposed Locations
Jhapa District



Estimated Land Area
1 hectare

Project Rationale

- Develop a transparent, competitive marketplace for Nepali tea with competitive producer pricing
- Initiative driven by market demand to address the inefficiencies in tea sales
- Solves individual selling issues, ensures fair price discovery, and promotes efficient distribution
- Enhances payment security, timeliness, and broadens global market access
- Facilitates transparent revenue collection and simplifies industry monitoring processes
- Economically beneficial for both buyers and sellers; reduces time, effort, and financial costs
- Adapts to non-standardized tea through a systematic tasting mechanism led by professionals
- Creates a one-stop solution for the tea market, responding to the industry's rapid growth
- Addresses the urgent need for a systematic, digitalized Tea Auction Center

Salient Features

Centralized Electronic Auction Platform | Transparent Pricing Mechanisms |
Quality Assurance Standards | Prompt Payment and Settlement | Digitalized Operations |
Efficient Logistics and Distribution

Project Outcomes



Operation of modern Tea
E-Auction and Warehouse Center



Ensures fair pricing and
continual sales flow for sellers



Achieves highest bidding
price for tea lots



Provides buyers with complete
tea type and price information



Improves market access
for tea producers



Increases efficiency in tea
trading processes

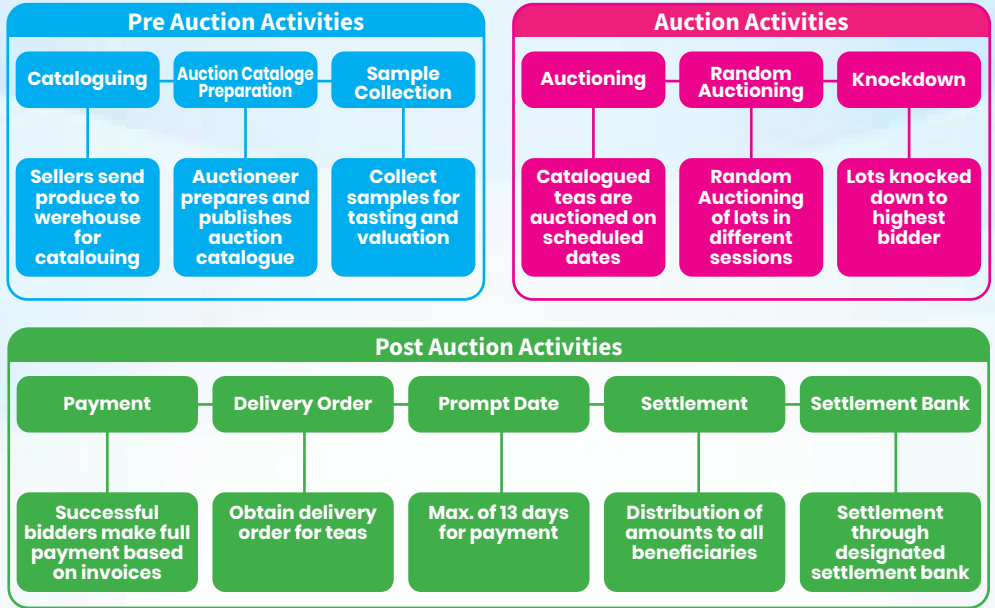


Strengthens the tea supply chain
infrastructure



Facilitates digital transformation
of the tea industry

Tea E-Auction Process



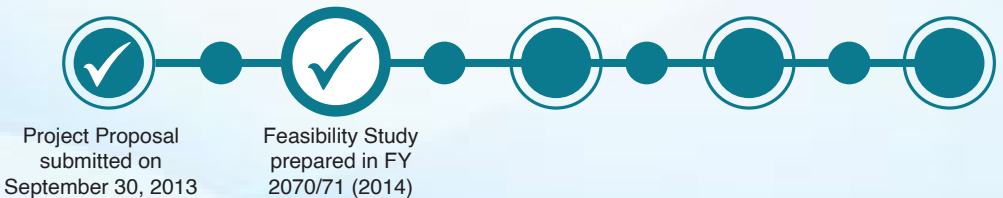
Project Implementation Modality



Public Private Partnership (PPP)

Built, Transfer & Operate (BTO)

Project Implementation Timeline



(*Feasibility Study needs revision as per the latest development in IT)
 (*Detail Project report and other analyses are yet to be made)

Additional Information

Government is expected to bear initial investment and operation expenses of tea auction and warehouse for first 2 years, and then remain as regulatory agency



“Tea Auction has been successful in the country like India and Srilanka for more than a century. It is how the tea is being traded worldwide”

Relevant Agencies

Lead: National Tea and Coffee Development Board

Support: MoALD, MoICS

Private Sectors: Nepal Tea Planters Association, Nepal Tea Association, Central Tea Cooperative Federation

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.

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