

Exporting a Commercial Spice Grinder from Canada to Nepal

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Introduction to Nepal:

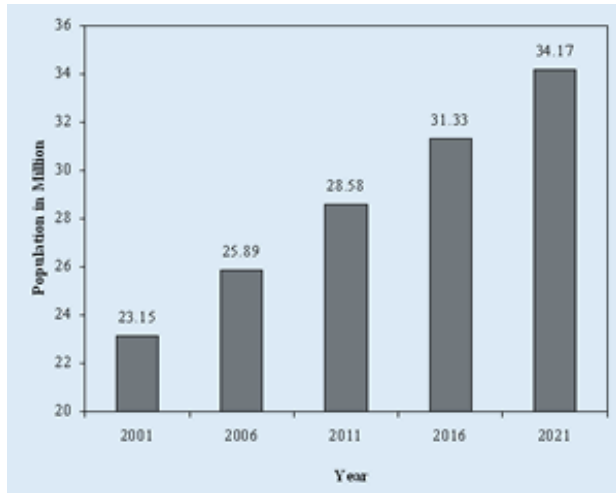
The country of Nepal is located in the Asia continent and its neighbouring countries are China and India, the country is also landlocked (Fig.1).



(Fig.1) Map of Nepal

<http://www.infoplease.com/atlas/country/nepal.html>

Landlocked means that the country has no access to seaports as it is surrounded by land (Maps of the World, 2013). As of 2011, Nepal had a population of around 28.5 million people and has an expected population increase to numbers reaching 34.17 million people in 2021 (Fig.2) (Government of Nepal, 2014).



(Fig.2) Graph of population expectations

<http://cbs.gov.np/?p=46>

Since Nepal is situated north of India in the Himalayas, the country contains some of the world's highest mountains. The country can be divided into three ecological zones; the lowlands, the midlands, and the highlands. The highlands of Nepal can range between 4877m to 8848m and it also includes eight of the highest 14 summits in the world including Mt. Everest. The mountain region contains around 64% of the total land area in Nepal (Nations Online, 2014). Nepal's climate is influenced by maritime and continental factors. There are four distinct seasons in Nepal, spring, summer, fall and winter. Spring in Nepal is from March to May and is warm with rain showers, with temperatures reaching around 22 degrees Celsius while the summer is from June to August. This is when the hillsides are lush and green, temperatures during this time can reach around 30 degrees Celsius and even higher during heat waves and it can be quite muddy during this season. Fall runs from September to November, and temperatures are not too warm but can reach highs of 25 degrees Celsius during the day and can be as low as 10 degrees Celsius at night. It usually doesn't rain for more than one or two days during the entire fall and winter season. The winter season is from December to February and is cooler at night, with temperatures reaching below 0 degrees Celsius but can reach highs of 20 degrees Celsius during

the day (Weather Online, 2014). These climates can lead to year round growing seasons which are ideal for producing many crops.

Some of the unique spice crops of Nepal are timmur, adhuwa, besaar, elaichi, akhbare khursani, dalchini, and kaulo. Some of these spice crops can be used in medicines or used for other various medical purposes. The other spices are either the hottest spices in the world or are grown in the mountains at high altitudes (The Spice Journal, 2014).

Most of the agriculture in Nepal is taken on by the women. The women usually carry out agriculture in a traditional way, that is very labour intensive and time consuming. An example is in spice grinding, many of the women use a pestle and mortar or even grinding stones to grind their spices. These methods take up a lot of time and are hard work for the women of Nepal. (IRIN, 2014). Time can be reduced in grinding spices if a spice grinder was available to the Nepalese people.

Product Information:

Waring Commercial Spice Grinder:

The company Bargreen Ellignson Food Service Supply and Design produces a Waring Commercial Spice Grinder. The company is located down town Vancouver, B.C and supplies many restaurants and also has large kitchen appliances and commercial kitchen equipment. The company makes local truck deliveries, and also offers mill work, custom stainless, and kitchen equipment installation to the foodservice industry (Bargreen Ellignson, 2014). The Bargreen Ellignson Company was founded in 1960 and is a family owned business. It has also grown to be one of the largest restaurant supply companies in the country (Bargreen Ellignson, 2014). The company operates Mondays to Fridays from 7:00 am to 6:00pm Pacific time and costumers are

available to call at 1.887.452.2430 or email the company on their website for any questions or concerns that they may have (Bargreen Ellignson, 2014).

The spice grinder runs off of 120 volts of electricity, 60 hertz frequency and it makes 19,000 revolutions per minute. The spice grinder includes three stainless steel storage lids and grinding bowls. It is also equipped with stainless steel blades and housing, and has a retail cost of \$148.35 (Fig.3) (Bargreen Ellignson, 2014).



(Fig.3) Waring Commercial Spice Grinder

<http://www.bargreen.com/canada/commercial-spice-grinder.html>

Concerns with the Commercial Spice Grinder:

One of the concerns with the commercial spice grinder is the issue with electricity conversion. This product runs with electricity that has 120 volts and 60 hertz frequency (Bargreen Ellignson, 2014), but Nepal has electricity that has 230 volts and 50 hertz frequency. This means that this appliance cannot be directly plugged into a Nepalese electrical outlets because Nepalese outlets are made for outlet types C and D (WPR, 2014), while in Canada the outlet types are A and B (World Standards, 2014). Therefore a universal conversion kit will need to be purchased to run this appliance in Nepal.

Conair Travel Plug Adapters and Voltage Converter:

The Conair Travel Adapter and Voltage Converter (Fig.4) is a Canadian tire product and converts 220-240 volts of electricity to 110-120 volts of electricity. The kit includes three different plus adapters and the voltage converter. This is for appliances that run on 50 to 1875 watts of electricity. This product costs \$27.99 Canadian dollars (Canadian Tire, 2014).



(Fig.4) Conair Travel Adapter and Voltage Converter

http://www.canadiantire.ca/en/home/personal-care/hair-dryers/conair-travel-plug-adapters-voltage-converter-438950p.html?utm_campaign=bazaarvoice&utm_medium=SearchVoice&utm_source=AskAndAnswer&utm_content=Default#

In 1922 J.W. and A.J. Billes who are brothers, collectively pooled their money to buy Hamilton Tire and Garage Ltd. in Toronto. Then in 1923 they moved making the name Canadian Tire Corporation. Canadian Tire was officially incorporated in 1927 and named Canadian Tire. Now in 2011 Canadian Tire obtains the largest national sporting goods store in Canada (Canadian Tire, 2014).

Benefits to Canada:

There are several benefits to shipping this product from Canada to Nepal. One of the benefits to Canada is that Canada could create a trade opportunity with Nepal. Canada could potentially send the commercial spice grinder to Nepal and in return trade some of the unique Nepalese spices to Canada. Canada would get recognition for their products and potentially

create more business. Distributing the Waring Commercial Spice Grinder and Conair Travel Plug Adapter and Voltage Converter could benefit the Canadian the economy by creating jobs for Canada. The UPS would need a person to dispatch a truck to pick up the shipments and truck them to the designated areas. Potentially, they could dispatch a trained worker to Nepal to show the Nepalese people how to operate the appliance since the instructions for the Spice Grinder are in English (Bargreen Ellingson, 2014) and the Nepalese use Nepali, but the literacy rate of Nepal is 48% (Ethnologue, 2014), so it would be ideal to send a trained worker to Nepal to give instructions on the use of the spice grinding product.

Critical Analysis of potential benefits to Nepal:

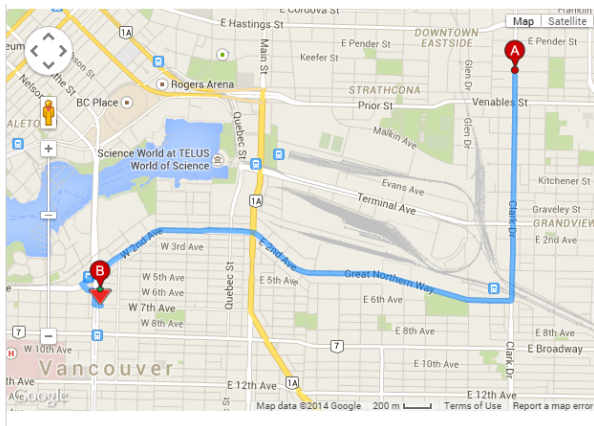
Target Audience:

The target audience for this product is the people of Nepal who grind their spices by pestle and mortar or grinding stone which is individual farmers who have low income earnings. This product would save a lot of time in the day by having the spice grinder, and it would increase the production rate of spices in Nepal. This product would be an essential in harvest season when many hours are taken to ground many of the spices.

Costs in Distributing the Commercial Spice Grinder:

To ship the Waring Commercial Spice Grinder to Nepal and the conversion kit in one package together, it would cost around \$461.14 (UPS, 2014) Canadian dollars to ship through Ups by an airplane from Vancouver B.C. to the capital city in Nepal, Kathmandu (Nations Online, 2014). This is to send one Waring Commercial Spice Grinder and one conversion kit to Nepal with the weight being shipped to be around 15 pounds and the packaging being 12 by 12 by 14 inches, with a declared value of \$176 Canadian dollars as this would include both the

conversion kit and the spice grinder costs. This was if the packages was to be sent on Saturday November 22, 2014, it would be guaranteed to reach Kathmandu, Nepal by Wednesday December 3, 2014. Included in this cost ups will be taking care of all the paper work that is needed to ship the products to Nepal (UPS, 2014). The Spice Grinder would need to be shipped to the Ups store to be shipped to Kathmandu, Nepal. Bargreen Ellignson company is located at 1040 Parker Street, Vancouver BC, Canada (Bargreen Ellignson, 2014) and the closed UPS store to this located is 2 minutes away from the Bargreen Ellignson company at 735/745 Clark Street, Vancouver BC, Canada. Ups makes local deliveries and pickups and because this location is so close it would be very convent for shipping (UPS, 2014). To ship the conversion kit from Canadian Tire located at 485 West 7th Avenue, Vancouver BC, Canada (Canadian Tire, 2014) and the UPS store located at 735/745 Clark Street, Vancouver BC, Canada (UPS, 2014) it would only take around eight minutes for Ups to make a pickup at Canadian Tire (Canadian Tire, 2014), this is also convent for shipping since the locations are so close together (Fig.5).



(Fig.5) Map of UPS to Canadian Tire
<http://www.canadiantire.ca/en/store-locator/bc/cambie-7th-bc.store.html>

Once the shipment arrives in Nepal an additional tax will be added to the price of the shipment, through custom and duties. For goods and machinery that are related to basic needs get charge a 5% duty (Encyclopedia of the Nations, 2014). This means that the total cost of this shipment

from Vancouver BC, Canada to Kathmandu, Nepal will cost approximately \$484.20 Canadian dollars, this works out to be around \$42831.00 Nepalese rupees (XE, 2014).

Concerns with Distributing the Commercial Spice Grinder to Nepal:

One of the major concerns with exporting this product is the cost of what the product is to what the average Nepalese would make, and the possibility if they are able to afford the commercial spice grinder product itself. In 2012, the GNI per capita in Nepal was \$700 in United States dollars (UNICEF, 2014), which converts to approximately \$69606.24 Nepalese rupees as one Nepalese rupee is approximately \$0.01 United States dollars. This means that if it costs \$484.20 Canadian dollars which converted to Nepalese rupees is \$42831.00 (XE, 2014). This means that the average Nepalese person could not afford to buy a spice grinder for themselves. It would be more reasonable to buy one or two spice grinders within a community and share to between all the others. Another concern with shipping the spice grinder to Nepal is if there would be electricity that is available for those people who would be using the commercial spice grinder. Also, many of the Nepalese people cannot afford to pay for the electricity. In Nepal only approximately 40% of the Nepalese population have access to electricity. Even though Nepal has the potential to have some of the world's largest hydroelectric projects because of the nature of the rivers and the steep gradient of the country's landscape that provides these ideal conditions. Many of Nepalese get there energy from wood as about 68% of the energy the Nepalese use is created by fuel wood (Ippan, 2014).

Benefits to Nepal:

This product will also benefit the Nepalese people as the spice grinder would save a lot of time as the spice grinder would be grinding the spices faster than if the spices were being ground by pestle and mortar. There is potential that the spice grinder will pay itself off through the time

that is saved and through the sales of the ground spice to the mills that the Nepalese would make (FAO, 2014). The spice grinder can increase the rate at which a person can grind their spices and would be an essential in harvest season when many hours would be taken to grind the spices and this means that the grinder would only be needed during the harvest season. During harvest time there is approximately 1000 tonnes of fresh ginger, chilli, garlic and turmeric that the farmers have and will need to dry, grind and sell these spices to the mills (FAO, 2014). The Waring Commercial Spice Grinder will increase the rate of production at which the Nepalese can produce these spices. The spice grinder may not be affordable for individual smallholder farmers but would be affordable if the entire village purchased the product together, or purchased two of the products to be shared within the village. The spice grinder could indirectly benefit the farmers as there could be an increased need for spices, causing the farmers to grow more spices, generating more income for the farmers.

Other Products:

There are other commercial spice grinders that are sold, one of the spice grinders that is sold is the Stainless Steel Electric Spice Grinder produced and sold in China. This spice grinder costs between \$1000 - \$5000 United States dollars depending on how many spice grinders are bought. The spice grinder is stainless steel runs off of 220 volts of electricity and weights around 75kg. It also has a spindle speed of 4200 with a one year warranty (Alibaba, 2014). Since China is located near Nepal and is its neighbouring country (Maps of the World, 2013) there is no duty paid on shipping the product and importing it to Nepal (Department of Customs, 2014). Since this spice grinder runs off of 220 volts of electricity (Alibaba, 2014) so there would be no need for a conversion kit and since this product is near Nepal it would be cheaper to ship as it doesn't have near as far to travel compared to the Waring Commercial Spice Grinder. There is another

spice grinder that is produced and sold in China. It is \$6-8 United States Dollars per piece if it is bought in quantities of 1500. The grinder runs off of 220 volts of electricity with a 50 hertz frequency and containing plastic housing (Alibaba, 2014). This product would be much more beneficial for individual buyers as it is much cheaper and some of the Nepalese people would be able to afford this product. Plus there is no duty paid on shipping the product from China to Nepal (Department of Customs, 2014). This product would also not need a conversion kit because Nepal has electricity that is 220 volts and has a 50 hertz frequency (WPR, 2014). In the United States there is a similar commercial spice grinder sold to the Waring Commercial Spice Grinder but runs off of 230 volts of electricity and a 50 hertz frequency. This grinder costs \$244 United States dollars and is sold from Sam Stores. A conversion kit would not need to be purchased for this spice grinder if it is being sent to Nepal (Sam Stores, 2014). This product is would cost around the same as the Waring Commercial Spice grinder to ship to Nepal since Canada and United States are closer in proximity.

Recommendations:

The recommendations that I recommend is that the cost could be lower of the commercial spice grinder, then it is more likely that an individual farmer would be able to afford a commercial spice grinder. It could also be recommended that an organization be set up raised money and take donations to send over spice grinders to Nepal, that may set up stations were electricity is available for those farmers who are unable to access electricity to use the spice grinder. Also setting up stations or placed for repair to get the spice grinder repair when it breaks down, so another one does not need to be shipped from Canada. Also for Canada to produce a spice grinder very similar to the Waring Commercial Spice Grinder only produce it so that it works on 220 volts and with the appropriate outlets and plugs. It isn't likely that this is a

business someone would want to start in Nepal because once all the farmers had their spice grinders they would last several year before they break down, it would be more beneficial to create a company that would carry other products as well or create a business with a similar business that is already in Nepal.

Unknowns to Exporting to Product:

One of the unknowns of exporting the Waring Commercial Spice Grinder to Nepal is if the government will allow the grinder to export to Nepal. Some other unknowns of exporting this product is if there is any more addition costs required to ship the Waring Commercial Spice Grinder and the Conair Travel Adapter and Voltage Converter in to Nepal.

To conclude, Nepal is a land locked country (Maps of the World, 2013) that would benefit from having a Commercial Spice Grinder within the villages throughout Nepal, as the Nepalese would be able to increase the production rate at which they produce there spices potentially increasing the amount of money they can make. With all of the concerns of sending the grinder to Nepal it would be beneficial to have the spice grinder if there was an organization or a business to fund it, which would supply Nepal with the spice grinder, as well as supplying Nepal villages with stations that they could use electricity.

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