

**Nepalese Cardamom**

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## **Product Information**

Cardamom is a spice that is added to a variety of dishes globally to add flavour (Epicentre, 2014). In recent years, however the number of uses for the crop has increased as it is now used as a perfume, and in medicinal and health products (ANSAB, 2014). The spice originated in Asia in countries such as Nepal, India, and China (Epicentre, 2014). This spice can be grown on hillsides and in high elevations where other crops have difficulty growing (Epicentre, 2014). Cardamom is considered the second most expensive spice on Earth behind only saffron (Epicentre, 2014). Farmers from Asia and parts of South America are trying to take advantage of the possibilities of high profit from this crop, as production has steadily been increasing in recent years (ANSAB, 2014). The value of this crop for Nepal in 2012 was \$3.968 million U.S. dollars (GIP, 2014). To continue to be a profitable crop in Nepal, new and expandable markets need to be explored.

Firstly, cardamom is a crop that needs to be grown at an altitude between 600 and 2000 metres (ANSAB, 2014). Nepal meets this criteria as the crop is grown on hillsides in the mountainous regions on the eastern side of the country where the average elevation is around 1500 metres (Geo Comm, 2014). Cardamom is grown on a hillside where it is difficult to grow other crops (Chapagain, 2011). The crop is grown most efficiently when shaded by trees as this protects it from direct sunlight which can be harmful to the spice bearing crop in some cases (Chapagain, 2011). The most common type of tree that is used to provide shade for cardamom is an aster tree (Chapagain, 2011). The aster tree not only provides shade for the cardamom plant but also provides nitrogen fertilizer through its roots and organic material provided by falling leaves (Chapagain, 2011). The crop is grown sustainably with the aid of aster trees by preventing erosion and landslides on hillsides (Chapagain, 2011). As the crop needs two to three years to

grow to produce a harvestable crop these trees have a very important role in the protection of the crop (ANSAB, 2014). If the trees were not present the risk of crop failure would greatly increase and would take another two to three years before a crop could be harvested again (ANSAB, 2014). These trees can also be used as a sustainable resource for Nepalese cardamom farmers as it can be used as a source of either fuel or be sold as lumber (Chapagian, 2011). Overall, Nepal farmers should continue to use this sustainable practice as well as finding other ways to protect the soil for generations to come.

The need to produce a high quality product should be one of the most important objectives for Nepal cardamom farmers. Competition in the export market is strong as Guatemala alone exported 67% of the total cardamom globally in 2012 (GIP, 2014). The total value of the exports worldwide in 2012 were valued at 370 million USD (GIP, 2014). Nepal has been able to export nearly all of the crop to one market, neighbouring India (GIP, 2014). Due to this heavy reliance on India to import the crop, Nepal needs to ensure the quality of the spice is excellent or risk losing a part of the market in the country. Cardamom needs to be dried and cured for about 24 hours (ANSAB, 2014). In some cases farmers pour water onto the crop after being dried to increase the weight of the product (ANSAB, 2014). This significantly reduces the quality of the product and in some cases also reduces the amount paid to the farmer (ANSAB, 2014). Generally, Nepalese farmers are producing a high quality spice however Nepalese farmers should consider quality as one of the most important attributes of producing the crop.

Threats towards cardamom however are substantial that could derail any export expansion plans into even the trade relations already set up with India. Major threats include soil fertility, prolonged drought, and the usage of older plants (Chapagain, 2011). Farmers must find ways to maintain steady soil fertility through the use of animal manure and organic material

(Chapagain, 2011). By doing so the effects of a drought may not be as severe (Chapagain, 2011). To prevent the problem of older plants not being productive, producers should use seeds that are highly productive and disease free (Chapagain, 2011). A nursery could also be built in the country to allow growers to transfer seedlings that are already beginning to grow (Chapagain, 2011). Overall Nepalese farmers should be vigilant on reducing the risks to their cardamom plants and always to be looking for ways to improve the product.

### **Export Potential to Canada**

Canada is an export market that should be targeted by Nepal for this crop. Canada already has a semi-established market for cardamom (GIP, 2014). In 2012 Canada imported 1 tonne of the spice valued at \$15 000 USD (GIP, 2014). As stated earlier India is a major purchaser of cardamom. Since the year 2006 India has been the second largest country by number of immigrants into Canada (CIC, 2014). In the 2001 census of Canada 700 000 people reported being of Indian origin lived in the country (CIC, 2014). Of this number 67% were born in India (CIC, 2014). With this large population of Indian Canadians, Nepal has the ability to set up a new trade partner to provide this population with quality cardamom spice.

Another market of Canadians that Nepalese cardamom producers should target is health conscious shoppers. Shoppers in Canada are more health conscious today than ever before (Canada, 2007). Health benefits of cardamom include treatment of cold symptoms, stomach pains, and liver and gallbladder issues (WebMD, 2014). Pursuing this section of the market and analyzing the successfulness of it would provide Nepalese producers the option to target health conscious shoppers around the globe.

The spice should be marketed in chain grocery stores across the country but specifically in Vancouver and Toronto. This is because both these large cities consist of large Indian populations (CIC, 2014). By providing the spice in major grocery stores it would be both accessible to Indian Canadians and health conscious people. Potential Nepalese exporters of cardamom could contact Loblaws through email at [customerservice@loblaws.ca](mailto:customerservice@loblaws.ca) (Loblaws, 2014).

In conclusion, the cardamom export market to Canada is currently in its beginning stages (GIP, 2014). Through continued strong management of the crop, finding ways to produce an even higher quality product, and a growing Canadian market for the spice, Nepal should begin to explore ways to export this product on a larger scale to Canada.

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