
Coffee is most popular beverage in the world

Coffee” is the name of a tree, its fruits, seeds (known botanically as the “genus Coffea”) and the raw product produced from them, and is also the name of the roasted product when the green Coffee beans are processed. “Coffee” is also the name of the beverage in the cup for consumption.

Coffee is one of the most popular beverages in the world prepared from the roasted seeds of an evergreen plant of the genus Coffea. The two most important species of coffee are Coffea arabica (Arabica coffee) - which accounts for over 60 percent of world production - and Coffea canephora (Robusta coffee). Coffee plants are cultivated in more than 70 countries, mainly in equatorial Latin America, Southeast Asia, and Africa. Brewed Coffee has stimulating effect on humans because of its caffeine content. It not only gives us pleasure but also has powerful antioxidant properties, neutralizing free radicals and thus protecting the body’s cells from damage caused by stress. Coffee is one of the highly traded commodities in the world. In Nepal, coffee was introduced in late thirties in Aapchaur of Gulmi. The self-pollinating Coffee Arabica is a highly acclaimed species of the coffee and entire coffee of Nepal belongs to this species. The agroclimate of mid-hills is highly suitable for the farming of this high-value plant thereby contributing for livelihood, income generation and economic growth. It creates employment not only in the farms but also in pulping centers, coffee industries and café houses

Although coffee was known to the Yemenis and Ethiopian Natives of the Eastern Africa almost 1,000 years ago, it began its world wide spread only in the 16 century A.D. Today, there is hardly any place in the world where coffee is not consumed. During the course, it has spawned a comprehensive agro-industrial activity known as the coffee industry that includes cultivation of the coffee crop, curing and processing of coffee beans, manufacture, marketing and exports of coffee varieties as well as research and development work in all its aspects.

Coffee is one of the most important traded commodities in the world. The sector’s trade structure and performance have large development and poverty implications, given the high concentration of production by smallholders in poor developing countries. Coffee’s global value chains are quickly transforming because of shifts in demands and an increasing emphasis on product differentiation in importing countries (Ponte 2002; Daviron and Ponte 2005). There is a growing willingness-to-pay for premium, high quality coffee by rich consumers and the demand for specialty and certified coffee is on the rise.¹ Moreover, international coffee markets have experienced significant price variation over the last decade – prices were five times higher in 2011 than in 2002.

These changes have important implications for a number of the poorest developing countries, as most coffee production takes place in these countries, even though most coffee consumption is in developed countries (Pendergrast, 2010; Ponte, 2002). While there are a number of studies that have looked at price formation for different types of coffee at the retail consumption level in importing countries (e.g. Teuber and Herrmann, 2012), important questions remain on who benefits from this increasing willingness-to-pay for coffee and on how changes in global coffee markets are transmitted to producing countries. Moreover, few researchers have looked at how domestic policy change is affecting the performance of the coffee sector in these

exporting countries

Coffee in Nepal

Coffee plantation is still a new adventure in Nepal. In 1938 AD, a hermit Mr Hira Giri had brought some seeds of Coffee from Sindu Province of Myanmar (the then Burma) and had planted in Aapchaur of Gulmi District for the first time in Nepal. The crop remained unnoticed as a curiosity crop until 1970s. Then it spread from one farmer to another as a curiosity plant for about 4 decades.

In late seventies, expansion of Coffee as commercial crop to some extent took place when Government of Nepal imported Coffee seed from India for distribution. The major shift to commercial Coffee production took place in mid-eighties. After the establishment of Nepal Coffee Company (NeCCo) in Manigram, Rupandehi district, in 1983/84, the Coffee producers were able to sell Coffee. NeCCo used to collect dry cherry from the Coffee producers and processed the Coffee for domestic market. Until early 2000, Coffee producers were not very sure of Coffee being a source of income or income generating crop due to the market problem. However, after the year 2002, substantial increase in the export and also increase in domestic market consumption to some extent motivated Coffee producers to consider Coffee as a major income generating crop.

Respecting the interest of people on Coffee and favorable climatic conditions for its cultivation. Ministry of Agriculture decided to launch Coffee Development Programme in the country. The Government provided technical and financial support to the farmers; its cultivation has gradually spread to about 40 districts of the middle hills of Nepal. Lalitpur, Gulmi, Palpa, Shyangja, Kaski, Sidhupalchowk, Kavre, are some districts known for Coffee production.

Agriculture is the backbone of the national economy. About 57 percent of the population is involved in farming which contributes around 38 percent to the GDP. Nepal's agriculture has taken a step forward by going commercial recently. Among the cash crops cultivated in Nepal, coffee is a high value cash crop commercially grown in many parts of the country with environmental importance.