

# Marphal apple brandy

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Class: AGR 2150

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Date: November 18, 2014

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The Mustang district of Nepal is famous for its fruit production. A village in the district, named Marpha, is the epicenter of the production of apples in the country. Most of the area is high in altitude and very dry, almost desert like and because of this, it has very different vegetation in comparison to the rest of Nepal. Commercial fruit growing is not a traditional form of agriculture in Nepal, but apple, pear, peach and plum trees are naturally plentiful in this region and can be used to produce brandy. Fruit brandy is a type of liquor that is made by fermenting fruit juice. It typically contains 40-45% alcohol. This product could be consumed over ice or used in a mixed drink.

In Nepal, these fruit trees grow well naturally that fruit often goes unused and rots at the base of the trees. These trees in the Mustang district also have a high rate of yield. As of 1997 the yield of Nepalese apple, pear, peach and plum trees were 9.51, 11.48, 7.26, and 7.03 Metric tonnes per hectare, respectively.<sup>1</sup> This would lead to a more than satisfactory work to production ratio. In Nepal, it appears that these brandies are only produced in low-tech facilities for local consumption but there is significant potential to commercialize these products for export.

Financing from a NGO, government grant/loan or private investor would be required to cover the start up costs, such as the planting of rows of trees, equipment,

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<sup>1</sup> Lok Nath Devkota, "Deciduous fruit production in Asia and the Pacific...", FAO CORPORATE DOCUMENT REPOSITORY, FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS REGIONAL OFFICE FOR ASIA AND THE PACIFIC, 1999, <http://www.fao.org/docrep/004/ab985e/ab985e09.htm>

wages and a production plant. There are however some drawbacks this project. There could quite easily be a loss of cultural traditions if this venture were successful. If the company grew sizeably, much of Marpha and the surrounding area would become dependent on the production of the fruit brandy and many people may stop working traditional jobs to find more gainful employment for the company. Regardless of how the business comes about and operates, it would create a sustainable income source to the area, plenty of jobs and extra tourism.

### **Export potential to Canada**

There is a lucrative consumer market in Western nations for drink collectors and adventurous people who like to try different beverages. If one is to reach that market, in Canada, they must first reach the provincial distributors such as the LCBO, LDB, NSLC, etc. The fruit brandy could then be sold in freight to licenced alcohol venders such as bars, restaurants and social clubs (yachting, golf, tennis etc.) to be used in their mixed drinks menus.

There is a strong business case for the sale of fruit brandy in Canada. "Statistics Canada says beer and liquor stores sold \$20.3 billion worth of alcoholic beverages in the fiscal year ending March 31, 2011, up to two percent from the previous year."<sup>2</sup> This means, that as of 2011, if this fruit brandy company were able to get just 0.1% of the Canadian market, sales would be \$20,300,000. If that number seems large, consider as of November 2014 that translates to roughly 1,796,000,000

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<sup>2</sup> "Canada Alcohol Sales: 20-2011 Sales Up, Beer Still Canadians' Favourite," The Canadian Press, The Huffington Post, [http://www.huffingtonpost.ca/2012/03/26/canada-alcohol-sales-beer-favourite\\_n\\_1379448.html](http://www.huffingtonpost.ca/2012/03/26/canada-alcohol-sales-beer-favourite_n_1379448.html)

Nepalese Rupees. This is a lot of money for Marpha, a town of 1600 people, in a country whose GDP was only 29.6 Billion US Dollars in 2014.<sup>3</sup> As mentioned before, depending on the structure of the business the amount it helps the people of Nepal will vary. There are various ways this operation could function. The people of the Mustang area could run it as an autonomous collective, paying out a dividend to those involved, with the guidance of knowledgeable people in the industry. Foreign interests, while still buying fruit off of and employing Nepalese workers, could own the business. There are many cost effective marketing avenues for the brandy. Gaining Fair Trade status and placing it on the packaging along with classic Nepalese art, is a sure way to draw people to the company's brand. There are countless ways this could work out quite positively and considering all these facts I believe there is a great opportunity to reach the mentioned markets and make plenty of money for Nepalese Farmers.

In conclusion, fruit brandy made from apples, pears, peaches and plums in the Mustang district of Nepal seems, from the evidence provided above, to be a plausible and realistic option that could be implemented on a small to large scale. There are many positives, such as job creation, use and expansion of existing natural resources, large product margins, amongst others, to support it. A potential drawback seemed to be the possible loss of cultural traditions. =

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<sup>3</sup> "World GDP Ranking 2013 Data and Charts," Ivan Kolesnikov, Knoema, <http://knoema.com/nwnfkne/world-gdp-ranking-2014-data-and-charts>

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