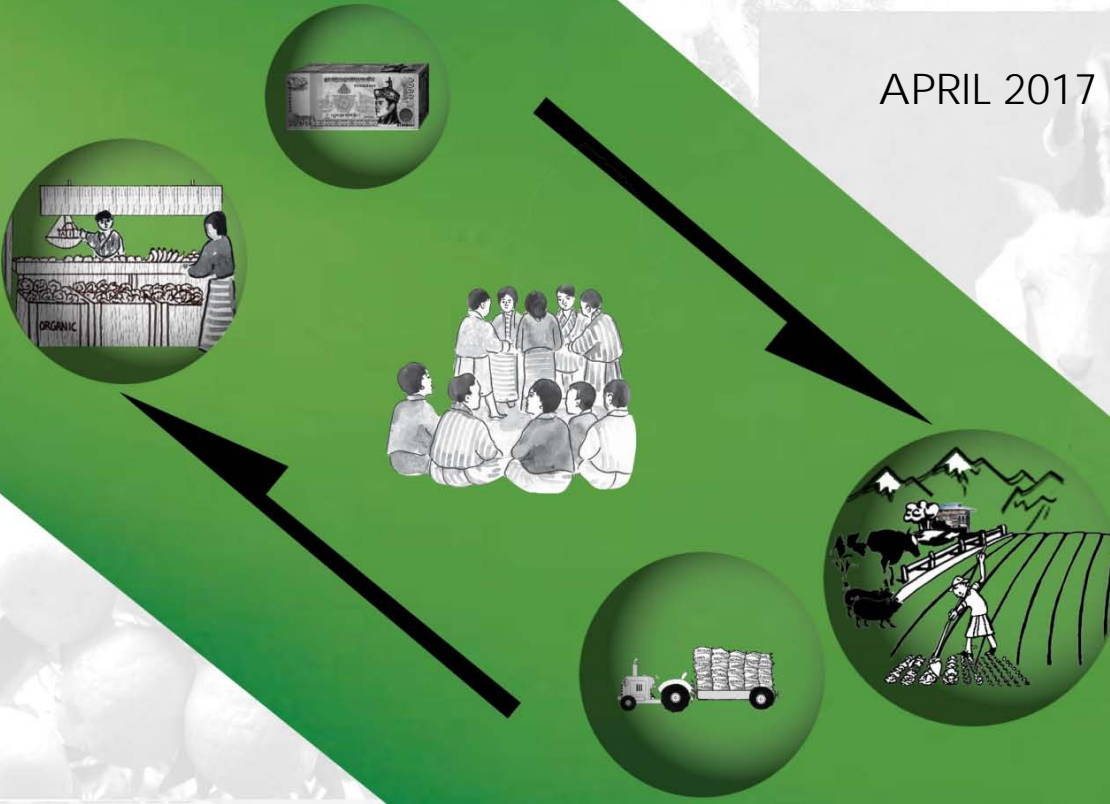




Enquiry on Market for Cardamom in the Middle- Eastern Countries

APRIL 2017



Market Information & Research Division
Department of Agricultural Marketing & Cooperatives
Ministry of Agriculture & Forests
Thimphu, Bhutan

PABX +975-2-322909, 335741, 331638 Fax: +975-2-324898
www.agrimarket.gov.bt

1. Introduction

Cardamom (*Amomum subulatum*) is one of the largest export crops in Bhutan. In 2016, Bhutan exported 1,289.01 MT of cardamom to India and Bangladesh (Table I). The total recorded production in 2015 is 2,091MT. Recent trend shows that cardamom production is on the rise (Figure I). However; market channel for cardamom is not very well-established. Bhutanese growers, after harvest and curing sell it to local traders or traders from across the border. In areas with little or no access to roads, small-scale farmers sell the produce to the traders in the vicinity. From a high of Nu. 1,200 to Nu 1,500 a kg in 2015, the farm-gate price dipped to a low of Nu. 800 to 900 per kilogram in 2016.

Local traders purchase the produce directly from farmers and sell it to traders in border towns of Phuentsholing or directly to Indian traders across border. The Indian traders sell it in major markets such as Siliguri wholesale market and in Cooch Behar and Kolkata. Many challenges confront the cardamom sellers and traders. Besides the dominance of informal markets, many farmers are tied to the traders through advances received from them.

In recent years, exports to Bangladesh have picked up (Mehta, Rabgyal & Acharya, 2015). The market beyond is not clearly understood since no full market chain studies have been done in the past.

Table I: Export of cardamom from Bhutan in 2016

Produce	INDIA		BANGLADESH	
	Quantity (MT)	Amount (Nu. In millions)	Quantity (MT)	Amount (Nu. In millions)
Cardamom	713.01	633.85	576.00	708.53

Data Source: Bhutan Trade Statistics, 2016

2. Market Exploration in the Middle-east

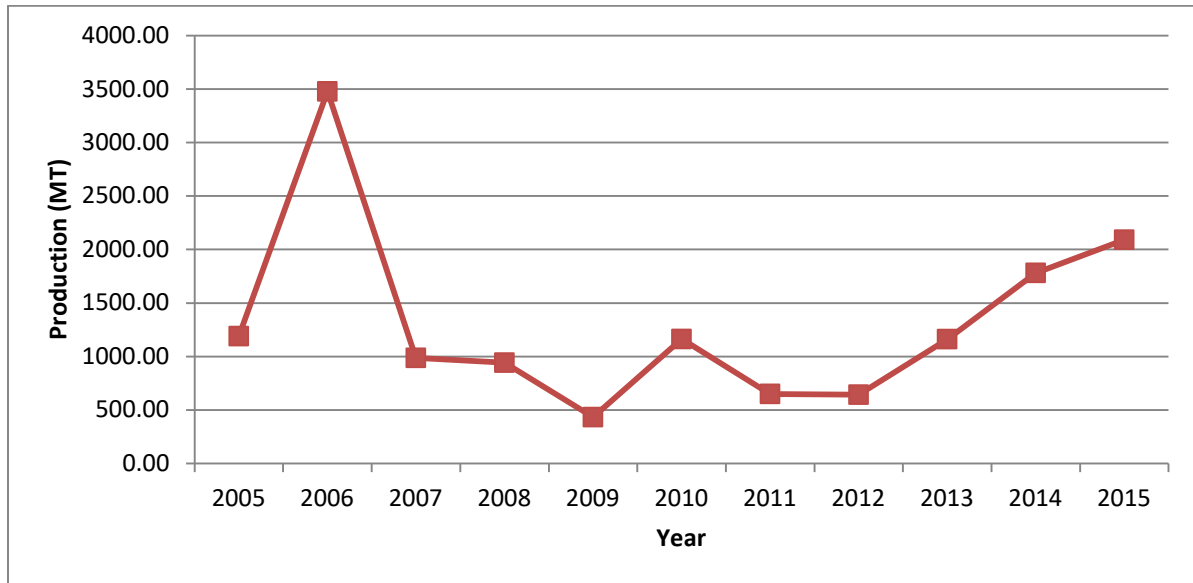
There is however a general perception those Bhutanese cardamom growers are paid much below what traders actually earn in the final markets. It is understood that Bhutanese cardamoms end up being exported to third countries, particularly the Middle-East, reaping high profits.

The private sector has therefore asked the government to validate this view and support market exploration in the middle-east.

The Department of Agricultural Marketing & Cooperatives (DAMC) communicated with the Royal Bhutanese Embassy (RBE) Kuwait through the Ministry of Foreign

Affairs to find out interested importers in Kuwait and other GCC countries; with the aim to dispatch relevant officials along with samples of produce to meet the probable importers of the Middle-East to discuss trade.

Figure I: Production trend of large cardamom in Bhutan



Data Source: Agriculture Statistics, 2005-2015.

However, based on a rapid market appraisal carried out by the RBE, Kuwait, it was confirmed that while there is a good market for green cardamom for preparation of Arabic tea and coffee, the demand for the black cardamom; which we produce in Bhutan, is limited. The black cardamom is normally used in an Arabic dish called *Machboss* which is prepared only for special occasion and therefore the demand is considered seasonal and negligible (personal communication, April 13, 2017).

Further, the RBE had assisted two Bhutanese exporters who visited Kuwait of their own accord to explore markets for black cardamom in January 2017. The samples of black cardamom carried by the Bhutanese exporters during the visit were confirmed to be not the one in demand in Kuwait.

Based on the feedback from the RBE, it is concluded that market potential in the middle-east for black cardamom is not promising. However, since a large volume of cardamom is exported from Bhutan, there is a need to examine the entire market chain in detail to confirm the final destination of the produce and the market demand and prices of that/ those market(s).

3. References

- AEIMS, Various years, Agriculture Statistics, Department of Agriculture, Thimphu.
- DRC, Various years, Bhutan Trade Statistics, Department of Revenue & Customs, Thimphu.
- Mehta, P. M., Rabgyal, J. & Acharya, S. 2015, Commodity Chain Analysis of Large Cardamom in Bhutan.