

Bhakanje Tea Estate Pvt. Ltd.

## **Production Record**

of

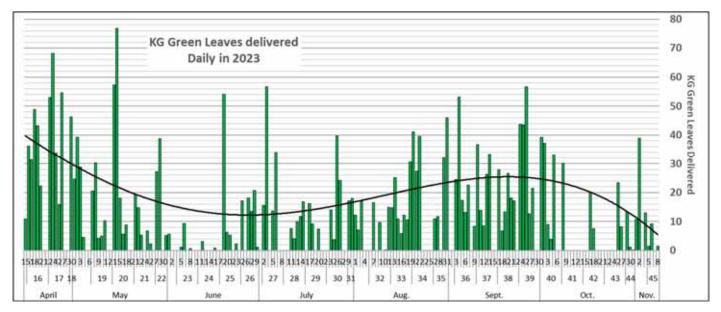
20232080

In 2023 the production of Orthodox Tea started on Baisakh 2. 2080 (15. April 2023) and last production was on Kartik 23. 2080 (9. November 2023).

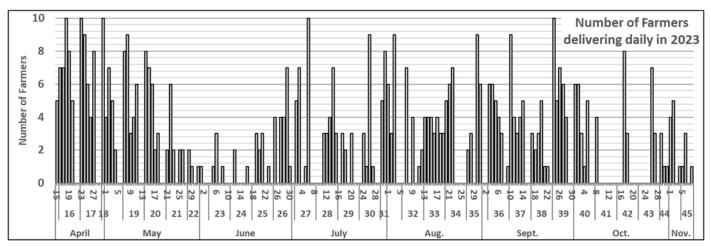
This period is covered by the Danish Fiscal year 1. January to 31. December 2023.

The Nepali Fiscal Year is dividing the period, first period starting Shrawan 1. 2079 (17. July 2022) to Ashadh 31. 2080 (16. July 2023), and second period starting Shrawan 1. 2080 (17. July 2023) to Ashadh 31. 2081 (15. July 2024).

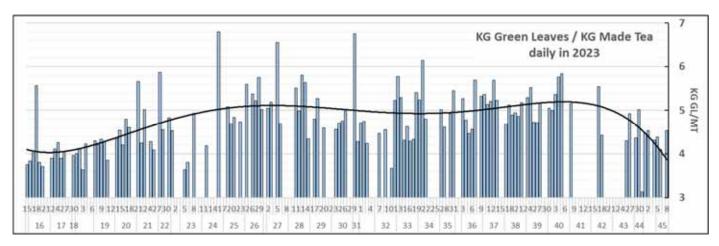
In 2023 we defined the Spring Flush to start at 15. April and ending at 25. June. Monsoon Flush starting at 27. June and ending at 31. August. Autumn Flush starting at 3. September and ending at 9. November.



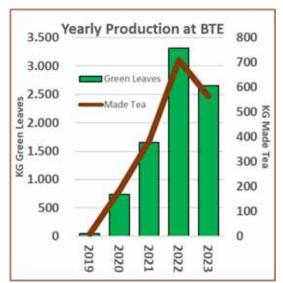
Like in 2022 there is a period in first half of June (last half of Jesth) where production has almost ceased. It could be considered to utilize this period for other activities at the Factory. The same can be seen in October where Dashain and Tihar is occupying the time and mind of people, with a few working days in between.



The daily delivery shows higher variation than the daily number of farmers delivering, due to the variation in delivery of major farmers. Oppositely it can be seen that huge numbers of farmers regularly deliver small quantities of leaves. It can be suitable to organize the daily delivery among farmers to achieve a more even daily production.



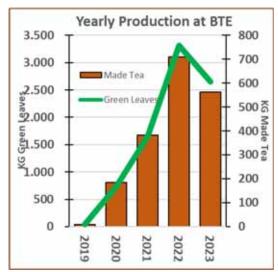
In 2023 there has been more rainy days than previously. In the dry period of spring and autumn the leaves contain less water as well as the surface is dry. In the monsoon period the leaves are more water-filled and in some days there even are water on the surface of the leaves, when picked and carried on a rainy day. Especially the withering process will be quite irregular due to this.

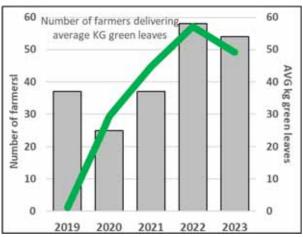


Following the pattern of the last 3 years production, it could be expected, that there would be a double up of production in 2023. Which didn't happen.

Many reasons can explain this.

First of all, the urge to raise delivery of leaves has diminished due to the poor surplus of the production in 2022. Expenses was high, especially on the diesel for the generator, and income was low due to low export during the year, as a majority of 2022 production was only exported in 2023. Some farmers therefore decided to take a hard pruning of their bushes during winter, giving less new shots (light green in next page list). Three of the major farmers had family problems, one was very



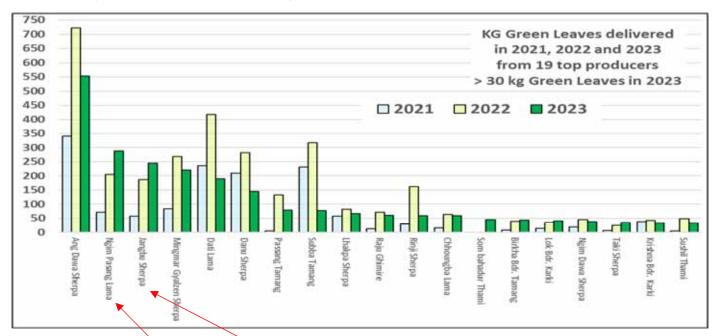


sick, now recovered, one died, and one lost his wife (orange in next page list). All those six families are among the major producers. It is also suggested that the climate changes have influenced the growth of the bushes. The winter has been unusual wet even it is supposed to be the dry and cold season, where bushes can rest. Also, spring was dominated by rain.

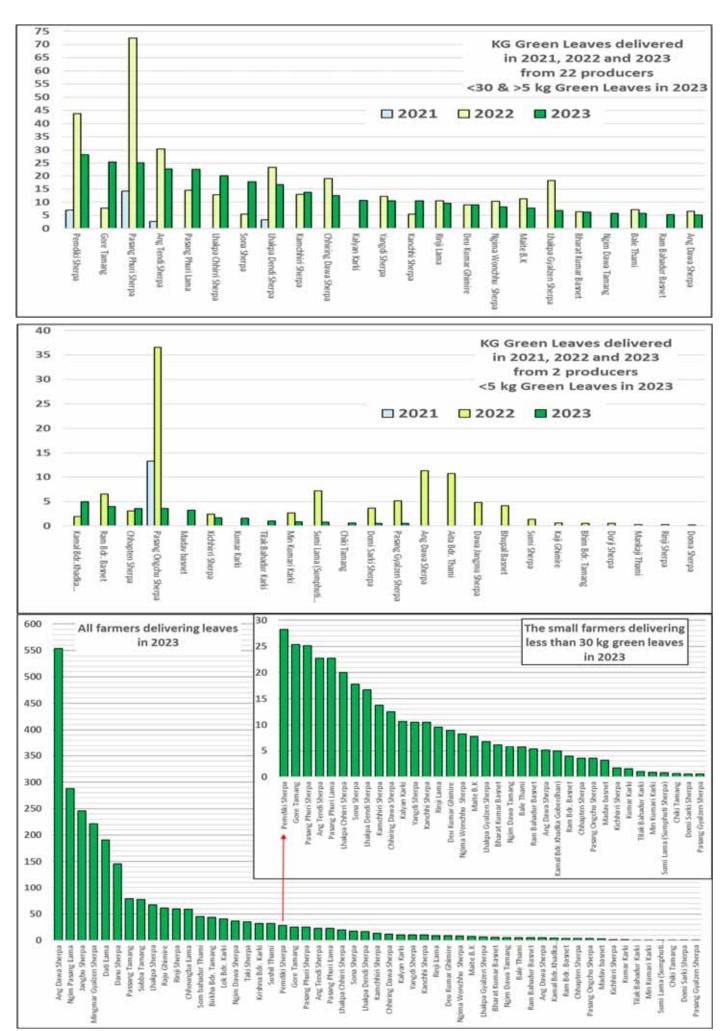
			2019	2020	2021	2022	2023
1255	Mankaji Thami	Chhimbu				0	
1256	Bale Thami	Murmuse				7	6
1259	Bhim Bdr Thami	Chhimbu		1			
1269	Jangbu Sherpa	Chhimbu			81	186	246
1273	Lhakpa Chhirri Sherpa	Patalekharka			1	13	20
1277	Passang Tamang & Bishnumaya	Patalekharka	1	15	12	133	79
1278	Bhim Bdr. Tamang	Patalekharka				1	
1287	Kamchhiri Sherpa	Temjeng			3	13	14
1294	Ang Dawa Sherpa & Sushma	Sete	10	282	367	722	554
1306	Aita Bdr. Thami	Murmuse				11	
1308	Subba Tamang & Purni Maya	Dakchhu (Thamjang)	10	44	256	318	77
1310	Ngim Dawa Tamang	Dakchhu					6
1313	Domi Sarki Sherpa	Dingmateng				4	1
1319	Lhakpa Gyalzen Sherpa	Dingmateng	0			18	7
1321	Maya Sherpa	Dingmateng	0				
1323	Sona Sherpa	Dingmateng		6	7	5	18
1324	Dorji Sherpa	Dingmateng	1			1	
1325	Rinji Sherpa & Pasi	Amdungkharka				0	
1327	Ang Tendi Sherpa	Bhakanje-4	1		3	30	23
1330	Ang Dawa Sherpa & Chhiki (Sonam)	Bhakanje			2	7	5
1331	Sumba Dorjee Sherpa & Dati	Dandatol	0	4	0		
1340	Yangdi Sherpa	Dandatol	0	6	13	12	11
1341	Danu Lama & Mingma Doma	Dandatol	1	43	217	282	146
1342	Ngim Pasang Lama & Furdiki	Bhakanje	5	17	77	205	288
1344	Chhapten Sherpa	Bhakanje				3	4
1345	Sumi Lama (Sumphuti)	Bhakanje	1	2		7	1
1348	Chhungba Lama & Maya	Bhakanje	0	3	19	64	<b>59</b>
1349	Ang Dawa Sherpa & Yangji	Nording			2		
1350	Lhakpa Sherpa	Bhakanje	1	<b>21</b>	49	82	<b>67</b>
1352	Lhakpa Dendi Sherpa	Bhakanje	0	2	4	23	17
1353	Sumi Sherpa	Bhakanje				1	
1354	Doma Sherpa (Sonam)	Bhakanje				0	
1355	Kichhirri Sherpa	Bhakanje				2	2
1356	Ngima Wonchhu Sherpa	Bhakanje	0		3	10	8
1358	Ngim Dawa Sherpa & Kanchima	Bhakanje	0		23	45	37
1360	Pasang Phuri Sherpa & Pasi	Bhakanje	1	2	20	72	25
1361	Som Bahadur Thami	•					46
1363	Pasang Ongchu Sherpa	Bhakanje		4	15	<b>37</b>	4
1364	Maite Bahadur Ghimire	Gongdanda				11	8
1369	Kaji Ghimire & Kamala	Gongdanda	1			1	
1372	Sushil Thami	Gongdanda			5	48	32
1374	Raju Ghimire	Gongdanda			19	72	61
1377	Mingmar Gyalzen Sherpa	Bhakanje	1	35	80	269	221
1379	Taki Sherpa	Chedingtar			4	26	35
1380	Dawa Jangmu Sherpa	Gumbaa Danda				5	
1385	Deu Kumar Ghimire	Gongdanda				9	9
1387	Kamal Bdr.Khadka (Goberdhan)	Sagardanda				2	5
1388	Krishna Bdr. Karki	Sagardanda			13	41	32
1389	Min Kumari Karki	Sagardanda				3	1
		- 300. 001100				_	-

1390	Kalyan Karki	Sagardanda					11
1391	Kumar Karki	Sagardanda					2
1396	Tilak Bahadur Karki	Sagardanda					1
1398	Lok Bdr. Karki	Sagardanda	1		18	34	41
1405	Ram Bdr. Basnet	Sagardanda		6	4	7	9
1408	Bharat Kumar Basnet	Sagardanda	1	9	7	6	6
1414	Bhupal Basnet	Sagardanda				4	
1421	Madav Basnet	Sagardanda					3
1445	Nimi & Rinji Sherpa	Thamjang	1	3	38	162	60
1446	Pemdiki Sherpa	Thamjang	1	3	7	44	28
1448	Kanchhi Sherpa	Thamjang				5	11
1449	Chiki Tamang	Thamjang					1
1450	Birkha Bahadur Tamang	Thamjang	0	1	11	40	44
1452	Dati Lama (Pasang)	Thamjang	4	205	242	418	191
1453	Phuri Sherpa	Thamjang		3			
1454	Ang Dawa Sherpa & Ang Maya	Thamjang				11	
1456	Rinji Lama & Sumi	Orale	0		4	11	10
1459	Ngimchhirri Lama	Orale	0				
1467	Gore Tamang	Marbu			3	8	25
1472	Pasang Phuri Lama & Tenji Dolma	Lole		18	<b>26</b>	15	23
1488	Pasang Gyalzen Sherpa	Chhirringkharka				5	1
1493	Chhiring Dawa Sherpa	Chhirringkharka			9	19	13

On the above list each individual farmer can be followed from the very beginning of Bhakanje Tea Factory in autumn 2019. The colored names are explained, but in several other cases we did not have the chance to ask. In total 71 farmers have now delivered at least one time, while only 16 have delivered regularly every year. Where zero KG is mentioned, it means that less than 0,5 KG has been delivered.



The same pattern can be seen from this diagram, where we could expect a development like number 2 and 3 (Ngim Pasang Lama and Jangbu Sherpa), but instead most of the farmers in all levels delivers less in 2023 than in 2022.



Page 6

The six major farmers delivering more than 100 kg leaves in 2023 account for 62% of the whole production, while the 49 smaller and small farmers only contribute with one third of the production. It seems like many of the small farmers have experienced harder conditions in 2023 than in 2022. Not being paid afterpayment for year 2022 of course makes their benefit for their effort very meager depriving them their mood for their garden. Also, the weather-conditions can have affected their younger gardens more than the more

established.

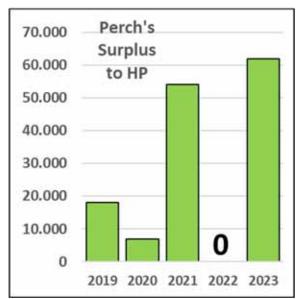
The reason not to distribute profit from the production as an after-payment was, that a major part of 2022 production was exported only in 2023 after the statement of the production year in April 2023.

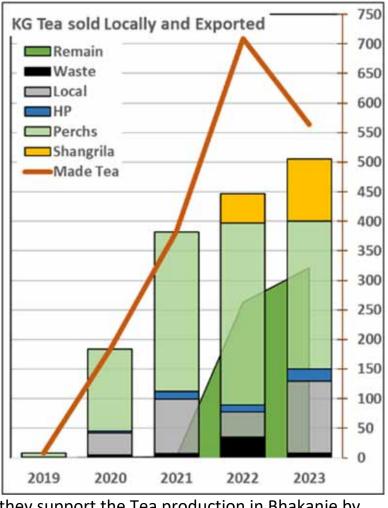
But here in 2023 there will be a profit to distribute in April 2024 even the year has been expensive especially due to the consumption of diesel to produce the electricity for machinery.

We expect the production year of 2024 to be supported by national grid electricity diminishing the expenses on production considerably. In 2023 the expenses on producing one kilo of tea has been 2.600 Rs, which we expect to be around 1.700 Rs in 2024.

We have the very special agreement

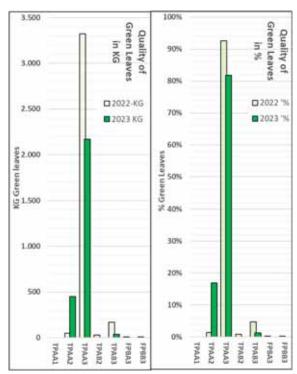
with Perch's Thehandel in Danmark that they support the Tea production in Bhakanje by returning their profit on Bhakanje Tea sold as Human Empowerment Tea to the benefit of the tea in Bhakanje. In 2021 this return was utilized to purchase more machinery. In 2022 the sale of Bhakanje tea was very meager and therefore no return, but in 2023 it was spent



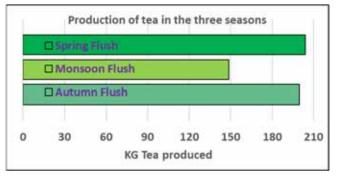


for adding to the expenses to build a Store Building and a Staff Quarter, which has shown to be a missing part of the factory.

There are several reasons for the poor turnover of 2022, but one of them is that the quality of the tea didn't meet the high expectations among the consumers. Our staff has improved their daily work both in evaluation of their results and in adjusting the production accordingly. Now the staff quarter facility will further improve this by making work shift possible, like night shift be practiced. Also, the new store will improve the quality of the tea.



The most characteristic quality of our tea is the very mild bitterness with very less tannin. This applies to all seasons and type. The spring flush have more flowery sweetness; the monsoon flush more heavy roundness; the autumn flush a more general sweetness and full mouth. So, spring and autumn is regarded more attractive.

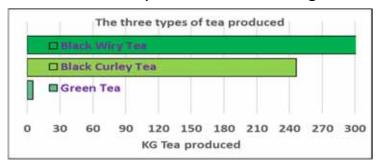


black tea taste, but bulkier. During autumn we experimented with producing Green Tea with a very attractive result. But the working process is more laborious and therefore the price will be higher and therefore it might not be a competitive product.

Many farmers have understood that their harvest is having considerable influence on the result. The TPAA2 consists of the tip and two pekoe leaves, while TPAA3 have three pekoe leaves. The younger the leaves the more powerful tea, but the weight of TPAA2 is 25-40% lower than TPAA3, so therefore still many farmers are tempted to harvest weight rather than quality. We are giving a higher kg-price for TPAA2, but now as we are trying to produce more green tea, we will slowly increase the gap between the two qualities, both in delivery and afterpayment. Even though this will also influence the production volume. Anyhow, the lower qualities are now almost vanishing.



Last year our pearl roaster was out of order from September and was only back in action from August current year. Therefore, the Curley tea was only monsoon and autumn flush. Due to the roasting of the oxidized tea, it has a little malty taste, which is attractive. But it is mostly valued for the compact shape and less packing volume. The Wiry tea has the most original



The new homepage of Himalayan Project and of HIPRON is giving an extensive description of the Bhakanje Highland Tea. The whole page can be translated into Danish, English, Nepali, German and the Scandinavian languages. **www.nepalhelp.net**