

THE ROLE OF FARMERS HAS BEEN LIMITED TO PRODUCTION. MIDDLE-MEN CONTROL AGRICULTURAL PRODUCE AND DISTRIBUTION, MAINTAINING A PURE MONOPOLY OVER THE AGRICULTURAL MARKET.

Empowering Rural Producers in Commercial agriculture (EPIC): NEPAL

Context

Agriculture is a major pillar of the Nepalese economy and is a major source of employment for Nepalese people. It provides employment opportunities to 66 percent of the total population and contributes about 28.6¹ percent in the GDP. However, the number of families depending on agriculture has been decreasing rapidly in the last few years. Nepal's agriculture is based on a traditional family farming approach. In recent years, a number of business groups and companies have also entered the agriculture market. The role of farmers has been limited to production. Middle-men control agricultural produce and distribution, maintaining a pure monopoly over the agricultural market. On the one hand, farmers are not receiving a large proportion of the price for their products. While on the other, consumers are compelled to buy agricultural produce at a high price. There is also tough competition for the Nepalese farmers from cheap imported Indian produce. In some areas of Nepal, small-scale producers are organized in to strong cooperatives, managing collection centres which aggregate produce and sell to wholesalers. But in much of the country, small-scale producers do not have enough capacity to bargain a good price for their products.

The import of agro-products into Nepal is increasing. In 2016-17, for example, Nepal imported cereals worth Rs 40 billion; vegetables fats and oils of Rs. 28.8 billion; and vegetables of Rs. 21.5 billion. In total agro-products worth Rs. 196 million was imported into Nepal in the fiscal year 2016/17. While in the same period last year the amount was Rs 157.78 billion. This has pushed agro commodities to the top of list of imports knocking petroleum products from the number one spot.² The problem is not limited to production only. Transporting rural produce to the market is another major challenge. The absence of links between the market and the producers is the crucial problem for small-scale farmers. Government and private sectors have been advocating for the commercialization of agriculture. However the issue of empowering small-scale producers has been left out from this process. Small-Scale producers contribute more than 65% of the total agricultural output of the nation. Without empowerment of these producers, commercialization in agricultural is unattainable.

1 Central Bureau of Statistics (CBS), 2017

2 Department of customs Nepal <https://www.customs.gov.np/en/newdata.html> for reference



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The federal government has prepared and shared a model of the *Agribusiness Promotion Act* to the newly established local level government. Also at federal level, the Ministry of Agriculture and Development is formulating the *Agriculture Business Promotion Act*. However the issues of the small-scale producers and the landless has been neglected by the Act. Local level government has been mandated to formulate different acts and policies as per requirements that are inconsistent with the laws of provincial and federal government. This is a golden opportunity for organizations advocating for rights of small-scale producers and landless communities to influence local governments in order to formulate policies favouring these communities; and to plant seeds for the ground level transformation.

EPIC Perspective

EPIC Nepal is part of an international initiative which is investigating the role of socio-legal empowerment which aims to promote small-scale producer agency. Through this, it aims for more sustainable and locally beneficial investments in commercial agriculture. The work in Nepal is based on a notion that any transition to a context in which investment in commercial agriculture is sustainable and locally beneficial, requires social transformation derived through action in three areas: enabling and empowering communities; mass conscientisation / public opinion; and policy and governance. The EPIC project will engage with key policies shaping commercial agriculture and develop practical approaches to securing access to land and markets on more equitable terms; as well as generating evidence to further inform policy and practice.



Our Working Area: All Over Nepal, Dhanusha, Dang and Jhapa study areas.

Target Group: Small farmers, Marginalized rural small-scale producers, Landless and Squatters.

Project Duration: 1st January 2019 - 30th June 2021

Long-term impact: Landless and marginalised small-scale rural producers improve their livelihoods and strengthen their voice through more effective engagement with the policy and practice of commercial agriculture

Objective: To support a critical mass of landless and marginalised small-scale rural producers, and their support organisations, in empowering themselves to influence public and private sector policies and actions in favour of locally beneficial and sustainable investments in commercial agriculture.

Outcomes

1. Through their organisations, landless and other marginalised small-scale producers are empowered to: analyse problems and identify potential solutions; articulate their concerns and aspirations; and build alliances to advance their vision of commercial agriculture.
2. Inclusive agricultural entrepreneurship models and related policy proposals are developed from the bottom-up
3. A critical mass of landless and other small-scale producers and their supporting organisations, from a local to national level, are well equipped to engage with private sector actors and public decision makers in favour of locally beneficial and sustainable investments in commercial agriculture.
4. Generate evidence on the role of socio-legal empowerment in strengthening producer agency and document periodic participatory reflection and learning.

Methodology

(Transformative approaches adopted by EPIC)

Envisioned Transformation	Approaches
Grassroots Empowerment	<ul style="list-style-type: none"> • Participatory context and actor analysis in each site and nationally • Learning Centre embracing REFLECT pedagogy • Capacity Assessment of Ground level Landless, and Small-Scale Producers forum, and strengthening of Cooperatives. • Identification and Engagement with relevant stakeholders. • Development and Mainstreaming of learning documents.
Alternative Entrepreneurship Model Development	<ul style="list-style-type: none"> • Review of <i>Agri-Business Promotion Act</i> and produce a police brief. • Policy dialogue with stakeholders • Micro-research on issues of land, agriculture and markets. • Support in formulation of federal and provincial land and agriculture policies.
Produce Critical Mass through Social mobilization	<ul style="list-style-type: none"> • Capacity enhancement of small-scale producers on advocacy and collective-bargaining skills. • Development of strategy paper regarding landless and small-scale producer forums. • Claim of resources by landless and small-scale producers. • Orientation to three-tiers of government on Land and Agrarian rights. • Motivation building through effective actions.
Learning and Evidence	<ul style="list-style-type: none"> • Participatory review and reflection workshops/meetings. • Collection and Mainstreaming of change stories. • Learning Route reporting (with anecdotes etc)