

# EMPOWERING RURAL PRODUCERS IN COMMERCIAL AGRICULTURE (EPIC): NEPAL



## PARTICIPATORY CONTEXT ANALYSIS SUMMARY REPORT

GAURADHA MUNICIPALITY-4, 5, & 6 &  
SHIVASATAKSHI MUNICIPALITY-1, 2, & 3 JHAPA

JUNE 2020



## Introduction:

EPIC Nepal<sup>1</sup> aims for more sustainable and locally beneficial investments in commercial agriculture. The work in Nepal is based on a notion that any transition to such a context, requires social transformation derived through action in three areas: enabling and empowering communities; mass conscientisation / public opinion; and policy and governance. For this, 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. It has four major result areas namely: i) Grassroots empowerment, ii) Agricultural entrepreneurship model development, iii) Policy advocacy, & iv) Knowledge generation and dissemination. It is through activities in these areas that EPIC aims to empower small-scale producers, landless & marginalized communities to influence public decision-making and negotiate with private sector actors for policies and practices that meet their commercial agriculture needs.

‘Participatory context analysis’ is a crucial part of EPIC interventions in Nepal. It establishes the baseline and carves out the implementation strategy. The analysis involves an in-depth study of the current status of land, agriculture, and cooperatives of the working area. The participatory approach makes the analysis the start of the engaging, empowerment and organising process. The process was lead by the local team of Gadhawa Rural Municipality, with support from social mobilizers and learning centre facilitators for data collection and organizing focus group discussions. Likewise, the members of learning Centers and cooperatives also effectively participated in the context analysis process identifying key areas for EPIC interventions. Here, inception and finding sharing meetings were also carried out with local government representatives for including their views & inputs in the process.

CSRC facilitated local-level participatory context analyses in Gadhawa Rural Municipality- ward no 5, Sabaila Municipality ward no -13 and Gauradaha Municipality of ward no-4, 5, & 6 of Dang, Dhanusha and Jhapa districts (respectively) during 2019.

The participatory context analysis in Garuadaha, Jhapa focused on commercial organic production and included the relationship between commercial organic farmers and Golyan-Agro trade. Whilst EPIC will work with producers in Wards 4,5, and 6, the analysis was also carried out in wards 1-3 to generate more robust data. This report shares the methodology, the issues arising, the possible solutions and the steps planned under EPIC.

---

<sup>1</sup> EPIC Nepal is a consortium project being implemented by Community Self Reliance Centre (CSRC) and Nepal Agricultural Co-operative Central Federation Ltd in technical partnership of International Institute for Environment and Development (IIED) in Gauradaha Municipality-4,5&6, Sabaila Municipality-13, and Gadhawa Rural Municipality of Jhapa, Dhanusha and Dang districts.

## Objectives:

- Study the relationship between farmers and Golyan agro-trade with a focus on land use, production and market relations in the area.
- Identify the key-issues and challenges in commercial organic farming facing the two parties.
- Conduct an in-depth analysis of the issues being faced and develop tools/way forwards for empowering farmers to get a better price for their product.

## Methodology:

The methodology adopted by CSRC for conducting the participatory context analysis is as follows:

- a) **Community/Enumerators Orientation:** Orientation sessions with local communities specifically engaged with Golyan agro-trade on the objectives and methods of the context analysis.
- b) **Coordination and Collaboration:** Regular communication and collaboration with local government to ensure good coordination, efficiency and validation of data
- c) **Information Collection:** Use of participatory tools such as tree analysis, issue ranking, and focus group discussions with farmers engaged in commercial organic farming & Golyan-Agro trade.
- d) **Draft Report Preparation:** A draft report was prepared on the basis of the information collected.
- e) **Report Publication and Dissemination:** A final report, incorporating feedback and inputs from key stakeholders, to be published and disseminated to wider audiences.

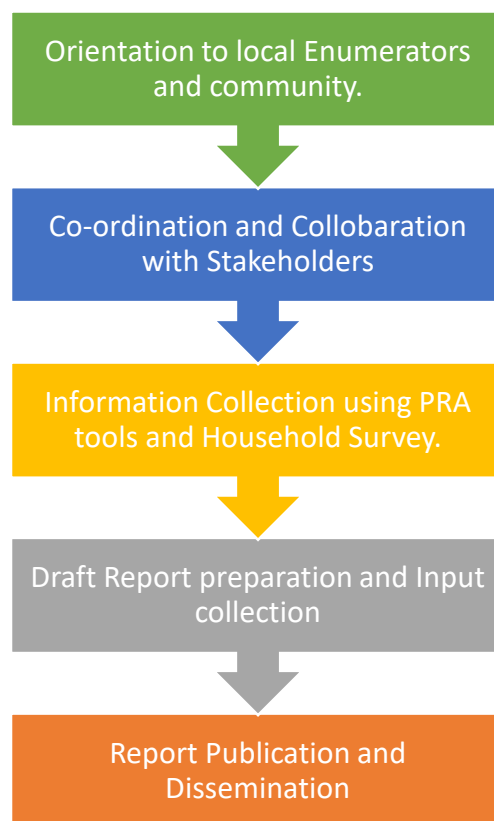


Figure 1: Methodology of Participatory Context Analysis.



## Key data and findings:

A total of 133 farmers (i.e. 105 BC, 26 Indigenous groups, 1 Dalit) farmers are engaged with Golyan Agro-trade in six wards of Gauradaha Municipality (3), & Shivasatakshi Municipality (3). Among these 55% are engaged in vegetable production over a total area of 4.66 hectares. Whilst, 45% of the farmers are engaged in paddy production over a total area of 20.66 hectares. Despite the focus being on vegetable production, Golyan Agro-trade initiated paddy plantation as well in order to establish good relations with farmers and to control the soil contamination from non-organic production. The farmers have been engaged in this farming for the past 1.5 years.

The farmers and the company identified a number of significant challenges in relation to issues such as the timeliness of payments and collection of produce by the company, and clarity on pricing mechanisms. These issues alongside price fluctuations in the market and lack of a formal agreement between the company and farmers have led to differing expectations and misunderstandings. With lack of recourse for farmers, this situation led to a breakdown in the relationship between the two parties.



Figure 2: Organic farmers of Jhapa selling their products through mobile tempos

## Recommendations:

The recommendations for the local government, EPIC, and the Cooperative to help address the issues identified by the farmers<sup>2</sup> and Golyan Agro-trade are as follows:

- **Committee Formation:** Form a tripartite committee including representatives of local government-Agri depart, Organic farmers, and EPIC-subject expert to analyze the current market for organic products. This committee should also work to develop organic markets within the municipality.
- **Inclusion in Cooperatives:** Maharanijhoda, SFACL to develop policies and programmes to include small-scale and landless producers in their initiatives such as plot farming<sup>3</sup>.
- **Market Strengthening:** Maharanijhoda SFACL in coordination with EPIC to support the establishment of organic market outlets. This would be to ensure a market for local organic produce even in the case that the company stop buying/marketing.
- **Market Research:** EPIC to carry out a market research study to identify potential sectors for investment in Gauradaha, which has strong potential for commercial farming. This research would inform an accessible loan initiative by Maharanijhoda SFACL for farmers/group to establish small-scale commercial enterprises.
- **Land Contract Extension:** Small-Scale producers selling to Golyan are compelled to make land lease agreements with their landlords on an annual basis. Here, the small-scale producer's hard efforts turn the barren land to arable. However, many of them have to leave those lands as their agreement gets terminated within a year. This was shared by both "golyan farmers" and general farmers of the area. EPIC, in coordination with district and village level land rights forum must advocate and organize dialogues with relevant stakeholders for ensuring farmers land contract is extended up-to a minimum of five years.
- **Value Chain Studies:** EPIC to carry out further value chain studies in the area and acquaint small-scale producers with the market context to identify strategies for strengthening commercial agriculture opportunities.

---

<sup>2</sup> The 94 farmer members of Maharanijhoda cooperative already engaged with Golyan Agro Trade for commercial farming

<sup>3</sup> Maharanijhoda SFACL, to promote paddy seeds produced from their in-house processing plant, has initiated paddy farming in a plot of 54.18 hectares (80 Bigha) leasing the land of its 20 members for 25 years. This utilizes their own produce and motivates its own members and other small-scale producers to use their seeds for production. Now, the cooperative needs to adopt new strategies for promotion and inclusion small-scale producers in these kind of programmes.

## Implementation plan:

Based on the context analysis findings, EPIC Nepal team has developed following plans;

- a) **Model Development:** Unlike other two sites, Maharanijhoda SFACL has the potential to engage with different private sector actors to establish market linkages with producers. So, the upcoming plan of EPIC for model developments in the area are as follows;
  - **Buy-back agreement:** An agreement ensuring the rights of small-scale producers over fair pricing of their products will be signed between the 94 farmers of Jhapa and Golyan Agro Trade Company.
  - **Mobile Marketing Strategy:** EPIC Nepal in coordination with Maharanijhoda, SFACL needs to promote mobile marketing strategies. This strategy will ensure that the surplus products produced by the golyan organic farmers can be marketed by the farmers itself. Here, EPIC needs to support on producing specific business plan focusing on scaling of these strategies for including other small-scale producers in these group as well.
  - **Organic Market Establishment:** Maharanijhoda SFACL, with the support of EPIC, will establish an organic market outlet in the area to sell organic produce of farmers. Likewise, the products will be exported to Kathmandu and other districts through the NACCFL "Kisan Ko Poko" brand.
- b) **Policy Level Engagement:** Policy Engagement with law-makers at all three tiers of government to ratify pro small-scale producer's laws, acts, and provisions.
- c) **Learning Center Strengthening:** Land and Agriculture learning centers established in the area can be promoted as an information focal point for sharing of governmental news & programmes establishing linkage between community and local government.
- d) **Land and Agriculture Campaign:** Most farmers engaged with the Golyan group have taken lands on lease for farming. In the discussions, many farmers complained of getting only annual contracts for lease. Hence, in coordination with the district and village level land rights forum regular discussions for establishing access/rights of small-scale producers over land will be carried out.
- e) **Knowledge Generation:** EPIC is an action research oriented project. Through its ground level interventions, the project will conduct micro researches and document and disseminate information on the development of tools specifically focused on empowering small-scale producers and strengthen their position in value chains at the end of project period.