

EMPOWERING RURAL PRODUCERS IN COMMERCIAL AGRICULTURE (EPIC): NEPAL



PARTICIPATORY CONTEXT ANALYSIS SUMMARY REPORT SABAILA MUNICIPALITY-13, DHANUSHA

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Introduction:

EPIC Nepal¹ 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. 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 Model entrepreneurship development, iii) Policy advocacy, & iv) Knowledge Generation. EPIC focusses to achieve its envisioned change of empowering small-scale producers, landless & marginalized communities to influence public decisions and bargain with private sectors for formulating policies & programs in their favors through these approaches.

‘Participatory context analysis’ is a crucial part of EPIC interventions in Nepal. It sets the baseline and carves out the intervention plan. This 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.

This report presents a summary of the analysis carried out in Sabaila Municipality-13, of Dhanusha district. It includes the methodology, key findings, opportunities and proposed implementations strategy.

¹ 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:

The objectives of the participatory context analysis are as follows;

- Study the current land and agricultural status in relation with the agricultural value chain of the area.
- Conduct in-depth analysis of the land use scenario of the ward through social and resource maps of 17 Settlements (*Tole*) of the ward.
- Collect administrative information of the ward through household-survey.
- Assess the current issues, challenges and opportunities regarding agriculture and market of the area.

Methodology:

The methodology adopted by CSRC for conducting the participatory context analysis are as follows;

- a) **Community/Enumerators Orientation:** Firstly, orientation sessions were conducted local communities on significance and procedure of the context analysis process. Likewise, training and mock test was also provided to enumerators on the context analysis process.
- b) **Coordination and Collaboration:** Regular coordination and collaboration with local government were conducted to inform and collect feedbacks to make the context analysis process effective for both parties.
- c) **Data Collection:** Participatory tools like tree analysis, issue ranking, and household survey were used to collect information required for the analysis.
- d) **Data Analysis:** Qualitative data was collected through focus group discussions with the community. Whilst, the quantitative data was analyzed using excel.
- e) **Draft Report Preparation:** A draft report was prepared on the basis of the collected information.
- f) **Finding Sharing Workshop:** Based on the household data and information, a finding sharing workshop was conducted with local government to collect their feedback and inputs on the draft report.
- g) **Report Publication and Dissemination:** Incorporating all the inputs and feedbacks a final report of the context analysis will be published and disseminated to wider audiences.

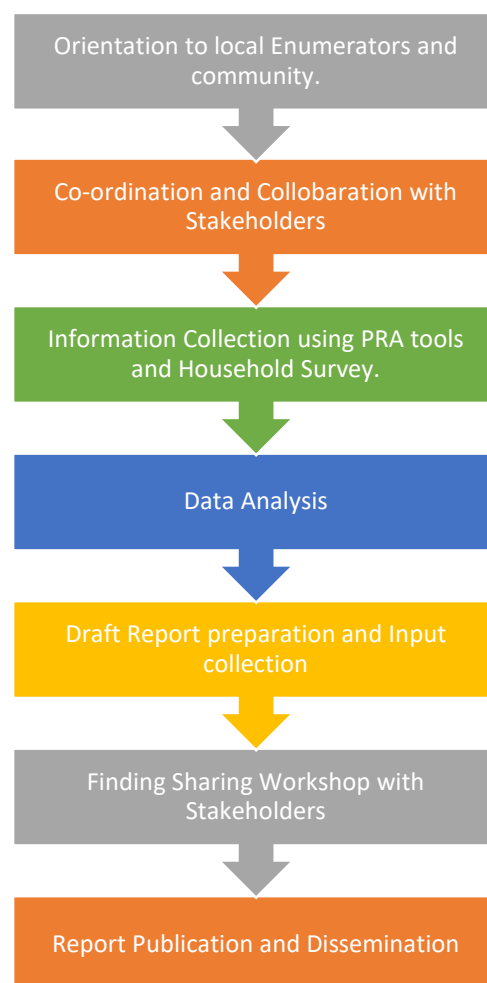


Figure 1: Methodology of Participatory Context Analysis.

Key Data: The key data obtained through the household survey are as follows:

Total HH's: 1236 HH's							
Total Population: 6254	Female 3172			Male 3082			
Caste/Ethnicity: HH's	Yadav/ Mahatto 533	Terai Dalit 293	Terai Indigenous 210	Muslim 176	Hilly Indigenous 13	Hilly Dalit 9	Hilly BC ² 2
Total Area: 1543 Hectares							
Settlement Details: HH's	Own land 784	Tenancy land 1		Village Block 363	Others land 37	Unregistered land 50	Public land 1
Women Land ownership ³ : HH's	Yes 513				No 723		
Food self-sufficiency ⁴ HH's	No production- 290		1-3 Months 78	3-6 Months 144	6-9 Months 117		Whole Year 606
Farming type ⁵ (more than one selected): HH's	Food production ⁶ 802	Livestock rearing 489	Fish Farming 7		Vegetable Farming 189	Commercial farming ⁷ 2	Other farming 3
Members of Cooperative: HH's	Yes 349				No 887		
Presence of Market ⁸ : HH's	Yes 1168				No 68		
Selling of produces: HH's	Food 8	Paddy 29	Wheat 10		Vegetables 21		

²Hill Brahmin/Chhetri

³ Number of households having either land or house ownership certificate in name of female members of the household. This can include both female only and joint ownership certificates.

⁴ Number of households producing own food for the given number of months.

⁵ Number of households engaged in the different farming types

⁶ Includes most produce used by Nepali as a staple diet like paddy, wheat, maize, barley and others.

⁷ Farming done specifically with the purpose of selling their products in the market.

⁸ Market for exchanging or selling produce reachable within one hour.

Major Issues:

The major issues identified by the participatory context analysis are as follows:

- **Landless families:** 34.22 % of the HH's reside on unregistered lands and Village blocks⁹. 290 HH's donot have own production due to not owning a piece of land. Further, around 75 hectares of the river bed and unregistered land have been occupied by landlords.
- **Share Cropping:** Only 1.21% of farmers reported to do farming in lease. As a crop sharer has to pay all the irrigation, labor and seeds charges, farmers are opting out of the crop sharing practice, with repercussions not only on arable land being left barren, but, working population forced to migrate to India and other third world country in search of employment.
- **Tenancy:** Nepal Government has legally abolished the dual land ownership system in the country. According to the Land Act, any land that has a tenant must be equally divided between landlords and tenants. However, 8 tenant farmers of Sabaila-13 have still not received legal ownership certificate of their land.
- **Microfinance Cycle:** 112 HH's of are members of more than two microfinances¹⁰, admitting to have taken loans from these agencies and are unable to payback.
- **Village Block:** 363 HH's reside on Village blocks. Despite, the survey of these lands being completed months ago, due to inactiveness of local government these HH's have not received their ownership certificate.
- **Drinking water:** 35 HH's do not have specific drinking water source. While, the tube well and wells have arsenic present
- **Irrigation:** 353 HH's do not have irrigation facilities in lands they are farming.
- **Agricultural Roads:** Tracks within the ward gets washed up during the monsoon. This washing up in agricultural season creates hindrances for farmers to get required pesticides and fertilizers in time.

⁹ Land not surveyed individually registered in a block. Individual families cannot have land ownership certificates. This hampers their socio-economic status as they cannot take loans from banks, nor benefit from other financial gain by selling their lands. Further, they are also at risk of eviction by the government.

¹⁰ A serious situation of indebtedness was studied during the context analysis whereby families who have taken loans from the microfinance institutions but are unable to pay them back have left their village to avoid paying back the loans. As loans are often taken as a group (as a safety net for the lender), indebted borrowers leaving the village is not only problematic for the individuals fleeing but the remaining members are responsible for the full repayment thereby pushing others into further debt

Key-findings and Opportunities:

- i. **General Information:** Agriculture is the major occupation of Sabaila Municipality ward-13 with 81.23% of the population adopting it. Around 8% of the populations are engaged in foreign migration. In terms of residency, 58.25% of the population resides in temporary¹¹ houses. Drinking water access is limited. 4.89% of the HH's depend on communal and neighbor's tube wells for drinking water. Firewood is the major source of fuel for cooking to 96.11% HH's. While in terms of sanitation and hygiene 18.69% of HH's do not have own latrines.
- ii. **Land:** 34.22 % of the HH's reside on unregistered lands and village blocks¹². 7.69% of the HH's do farming on unregistered and village block land and therefore have no piece of land to call their own. 290 HH's do not produce food due to lack of land access. among which 190HH's (44.83%) are of Dalit HH's. The ward has an area of 1543 hectares comprising mostly of fertile arable land. The ward has around 75 hectares of Kamala river bed land and unregistered government land, the majority of which is being used by farmers for paddy farming. However, the analysis revealed that it is mostly larger-scale¹³ farmers and landlords that using this land, with small-scale producers & landless having limited access. The majority of these land depends on the Kamala irrigation canal which dries up from December till February, and even March in dry seasons. For four months, the arable land of the ward is left barren due to lack of irrigation. Likewise, rather than providing land in lease, these owners promote crop-sharing for their benefits. Only 1.21% of farmers reported to do farming in lease. As a sharecropper has to pay all the irrigation, labor and seeds charges, farmers are opting out of the sharecropping practice, meaning that arable land is being left barren whilst working populations migrate to India and other countries in search of employment.

Opportunities identified:

- The occupation of the 75 hectares of Kamala river bed and unregistered arable land by big farmers and landlords means that the small-scale producers not benefiting from this land, nor is the ward gaining any revenue from it. A specific land and agriculture act of the rural municipality focusing on establishing access of small-scale producers over these lands could benefit both the parties.
- The river bed land could be utilized for Watermelon, Peanuts, Cucumbers and other off-seasonal farming by the landless communities. Ward office could introduce lease policies for providing river bed land to these communities. Further, input and technical

¹¹ House with mud wall and Hay roof.

¹² Land not surveyed individually registered in a block.

¹³ Farmers owning more than 2 hectares of land.

support in groups from EPIC and government based on the productivity of land could yield better results.

- 363 HH's reside in Village block land. These lands were surveyed by the Dhanusha Survey Office six months ago. The provision of ownership certificates by local government will end centuries of landlessness for these marginalized communities.
 - EPIC through its learning centers can support the community to promote lease farming in the ward. This would start with acquainting communities on benefits of lease farming over sharecropping.
 - Small scale producers of the ward own from 0.067 to 0.5 hectares of arable land. Raghunathpur SFACL through its annual programmes and budget could support producers/members to move towards collective farming. This will increase the production of these farmers and also organize them together for advocating their rights.
- iii. **Agriculture:** 81.23 % of the population depend on agriculture for their livelihood. With major production of ward being paddy and wheat. 802 HH's are engaged in food production. While, only 2 HH's reported to be engaged in commercial farming¹⁴. Despite the Kamala Irrigation project in the area, with farmers paying annual tax of Rs 5 per 0.034 hectares of land, 28.56% of the HH's still lack irrigation facilities. The canal dries up for approximately four months of the year. Proper irrigation would mean off-seasonal vegetable farming could be carried out during those months. All the HH's reported that no agriculture & livestock technician services were provided in past year. The municipality has allocated a limited budget for the agriculture sector (only NRs 15 hundred thousand) in the fiscal year of 2076/77.

Opportunities identified:

- Kamala dries up for four months. The provision of proper irrigation, inputs and technical support could enable commercial off seasonal farming in this ward.
- 5 ponds are present in the ward, used solely for livestock rearing. The provision of proper support and training could enable fish farming, with high potential not only within the ward, but near Indian markets as well.
- The concept of one settlement focusing on one cash crop could be implemented. For example: Kiratpur has huge area of river bed fallow land which can be used for watermelon and similar types of farming. Whereas Persahi, and Sirka having large area of fertile lands suitable for vegetables only.
- in the lack of agriculture and livestock technician services needs to be addressed in the annual programmes of the municipality.

¹⁴ Farming solely for selling in market.

- Federal and Provincial government are investing huge sum of money in agriculture and the concept of 'pocket areas' is evolving. Given the productivity potential of the triver bed land for watermelon and cucumbers, the Ward could prioritize this area, establishing Sabaila as a pocket area for fruits specifically grown in wetlands.

iv. **Co-operative and Market:** 71.77% of the HH's are not members of Raghunathpur SFACL. 9.08% of the HH's are members of more than two microfinance institutions, admitting to have taken loans from these agencies and are unable to payback. This is both an opportunity and challenge for the SFACL. All the 17 settlements are located near the market. 94.50% of the HH's reported to have a market within an hour reach. Three settlements have a weekly haat-bajar. But contrary to the data, out of the 802 HH's engaged in food production only 8 HH's (0.99%) reported to sell in market.

Opportunities for Co-operative and agri-markets identified;

- Cooperative needs to diversify their funds into animal husbandry and fish farming for better economic empowerment of small-scale producers.
- 81.23% of the ward is engaged in agriculture. The cooperative could provide low-interest loans for small-scale producers and landless to initiate commercial farming in the area.
- Specific monitoring and evaluation programmes by the cooperative management team needs to be regularized.



Figure 2: Small-Scale producers of Sabaila Municipality-13, selling their agro-produces.

- As the analysis has shown the ward to produce up to 1500 quintals of paddy on annual basis, the cooperative could establish a rice-mill for the Ward's production in the municipality itself. This will result in farmers getting fix price of their products, with cooperative gaining profit from selling rice. Currently, around 40% of this paddy is being sold to traders, while 60% is used for domestic consumption.
 - Establish a haat bazar in the ward. SFACL could conduct a weekly market in their premise to promote the produce of small-scale producers. This will decrease the number of intermediaries and ensure farmers a fix price.
- v. **Government Linkage:** In the household survey only 1.21 % of the household reported to receive any kind of support from the government. The remaining 98.79 have not received any kind of support from the local government to improve their agricultural practices. Likewise, all the HH's reported to have not received any technical support from the local government. This data showcases a gap between the service provider and rights holders. EPIC through its learning centers could act as a bridge between these two linking the programmes of the government to the real target groups by empowering and capacitating the small-scale producers to articulate & claim their rights.



Figure 3: Ladies finger collected for the local market of Sabaila Municipality.

Recommendations:

Recommendations for local government, EPIC, and the Cooperative from the participatory context analysis team are as follows:

- **Guidelines for Lease Farming:** Sabaila Municipality-13 has a huge area of arable land left fallow. Majority landowners of this area live in big cities. Sabaila Municipality needs to formulate specific guidelines for promoting lease farming in the ward. These guidelines must favor and include the voices of small-scale producers and landless communities.
- **Agricultural Pocket areas:** Sabaila-13 has land suitable for both seasonal and off-seasonal vegetable farming. The ward office needs to identify such land through testing and provide seeds and technical supports to farmers for increasing commercial agriculture of the area.
- **Formulation of Land & Agriculture Act:** Sabaila-13 has arable land, sufficient markets, and hard-working farmers. However, big farmers and landowners are benefiting more from these assets. This could be changed through the formulation of people centered land and agriculture policies. This is supported by the Constitutional mandate of local government to formulate context-based laws and policies.
- **Agriculture Budget and Programmes:** Irrigation is the crucial issue of the ward. Local government could initiate one settlement one tube-well campaign to resolve the issue at ward level. EPIC also needs to support on improving the irrigational facilities as part of its wider support on commercial farming.
- **Agriculture Diversification:** Agriculture diversification needs to be promoted. The Municipality has significant areas of forest and grasslands and livestock rearing and dairy productions have high potential. For this, programmes like livestock insurance, technical inputs and support for high quality livestock need to be provided by the government.
- **Value Chain Development:** Sabaila Municipality needs to invest specifically to improve the Agri-value chains of the area through coordination with the Raghunathpur SFACL. This could include a rice mill, weekly market establishment, and irrigational improvements.
- **Establishing Collection Centers:** Vegetable farming also has significant potential. Ward and Municipality offices alike need to introduce grants and programmes to support farmers in this area. The municipality could establish collection centers and play a role in the exporting of produce to neighboring municipalities and Indian markets as well.

Upcoming plans:

Based on the findings, EPIC Nepal team has developed strategies:

- **Cooperative marketing and front-line leader empowerment:** Empowering Manjari SFACL to develop a cooperative marketing strategy including establishing the cooperative as a collection centres and acting as a link between producers and market. Likewise, EPIC can capacitate front line cooperative leaders through trainings and strategies to replace the intermediary traders and act as a linkage between producers and the market.
- **Utilization of fallow land for commercial agriculture:** In coordination with land rights forum and SFACL's, policy level dialogues, and discussions with relevant local government, EPIC can support a process for identifying and using fallow lands for commercial agriculture by small-scale producers and landless communities.
- **Value chain development:** Promoting value chain development like buy back agreements, and market linkage at central level. This will be implemented after the research report on value chain development is finalized.
- **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.
- **Synergy:** Establishing synergy with other organizations working on the issues relating to land and agriculture for collaborations and potential upscaling to other areas.
- **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.
- **Land and agriculture campaign:** In coordination with National, Provincial, District and Village land rights forum campaigns to ensure the rights of small-scale producers and landless over access of land can be carried out from local to National level.
- **Knowledge generation:** EPIC is an action research oriented project. Through its ground level interventions, the project will conduct micro researches and document and disseminate the development of tools specifically focused on empowering small-scale producers in their position in value chains.