



Sector Brief – Vegetable

Vision

Smallholder vegetable farmers, including women and disadvantaged groups, have improved access to agro-input markets, knowledge and extension services, and to markets for the end products and therefore increase their income.

Why Vegetable Sector?

Vegetable farming is very common in rural areas of Nepal. Farmers grow vegetables mainly for subsistence, with only 18% growing for the market (CBS, 2010). Many farmers engage in vegetable farming because they can be grown all year round -- approximately 52% of total farming household of the country grow vegetables (CBS, 2013). In addition to this, vegetable is also considered to be more profitable compared to cereal crops.

There are growing trends in consumption, demand, production, area coverage and productivity of vegetables. However, despite the growing production, with the growing consumption of vegetables, the demand is yet unmet.

It provides a source of income as well as nutrition for smallholder farmers, including women and disadvantaged backgrounds. The vegetable sector creates significant job opportunities at different nodes of the value-chain.

Sahaj targets smallholder vegetable farmers, including women and people from disadvantaged groups, with the objective of increasing their income from vegetable farming.

What are the problems?

The productivity of vegetable is lower in Nepal than many other comparable countries. This can largely be attributed to lack of access to quality inputs such as seeds, crop protection inputs and fertilisers. In cases where the input is available, it is sold in large packets that are generally too expensive for smallholder farmers. Furthermore, most of the vegetable farmers have limited knowledge on proper production practices. Few agro-input companies invest in directly reaching out to farmers to create awareness about quality products. Most of the companies heavily depend on the distributors and large input retailers. Agro-input retailers, in general, lack knowledge and incentive on recommending

Sahaj, also known as the Nepal Agricultural Market Development Programme, is a joint initiative of the Government of Nepal and the Government of Switzerland. It is mandated by the Swiss Agency for Development and Cooperation (SDC) and designed as a 12-year programme. For the first phase from March 2016 to December 2019, Sahaj works in the goat, maize and vegetable sectors, and crop protection and post-harvest cross-sectors.

Sahaj, during the first half of Phase 1, focused on two geographical clusters in Nepal. Based on the pro-poor market potential of the selected sectors, Sahaj has gradually been expanding with a national focus to other road corridors from mid-2017. While maintaining the national mandate, Sahaj has been intensifying its activities in Province 1 and in the Terai region.

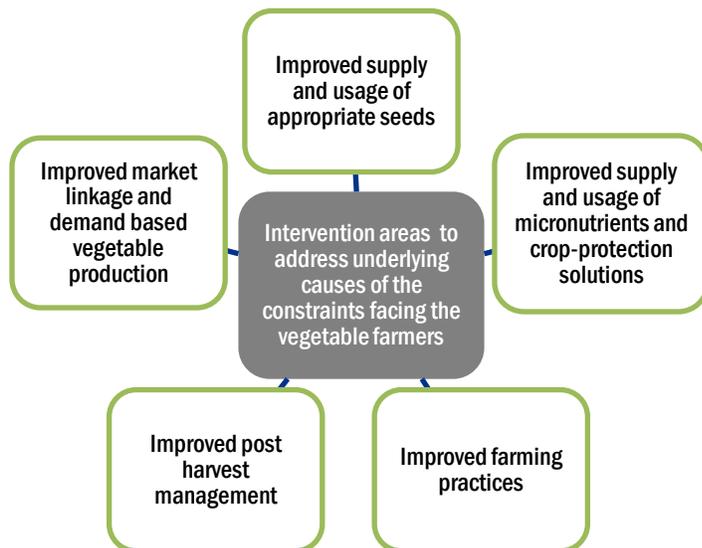
appropriate agro-inputs and information on the application of those inputs. While prescribing agro-inputs to the farmers, they often focus on the margin than the quality.

Farmers are consistently getting suboptimal revenue from their produce. Most farmers grow the same vegetables in the same seasons, resulting in seasonal overproduction. Because vegetable is a perishable commodity, this overproduction significantly drives prices down and decreases farmers' income in the peak production seasons. In addition, apart from the Terai region, transportation of vegetables is both costly and difficult. Inappropriate packaging leads to damaged goods during transportation, further depleting the profit of the farmers. Farmers in general lack the knowledge or skills for proper post-harvest management.

What are the opportunities?

At the farm level, there are opportunities to cultivate off-season vegetables which may significantly increase income. In spite of the dependence on agro-input retailers, there are a few private sector input companies seeking to expand their products and embedded services, into new geographical areas and to more farmers.

Vegetable traders and processing companies are interested to engage in demand-based production, which provides a reliable source of income for farmers and consistent supply of high-value off-season vegetables. Many farmers engaged in vegetable farming are involved in farming groups as well as cooperatives. This provides vegetable traders as well as the input suppliers with opportunities to reach out to farmers more easily.



Vegetable has been prioritised as a value-chain commodity by the government in Agriculture Development Strategy.

How do we plan to bring changes?

Following the Inclusive Markets approach, Sahaj, in partnership with different market actors, analyses the constraints facing the poor farmers and addresses the root-causes of the constraints in the vegetable sector with targeted interventions. It adopts an indirect and facilitative approach where the market actors lead the design and implementation of pro-poor business models and activities.

Sahaj works with agro-inputs companies that provide advisory services to smallholder farmers as part of their marketing and distribution strategy. The programme also connects traders with smallholder farmers to increase demand-based production and strengthen the linkage between smallholder farmers and the commercial vegetable markets. The traders provide information on proper harvest and post-harvest management practices and often help smallholder farmers with proper inputs and farming

related advices. Business Enabling Environment (BEE) is also a cross-cutting intervention area of the programme in the sector.

