

Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC
स्वीस सरकार विकास सहयोग एसडिसि



Sector Brief – Maize

Vision

Smallholder maize farmers in the mid-Hills and the Terai, 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 Maize?

Maize is an important crop in Nepal, grown vastly across different terrains. Although the mid-Hills produce the highest volume of maize, maize production is more commercialised in the Terai region.

In the last five years, the production of maize has grown by 23% (FAOSTAT, 2016). It serves as a source of nutrition as well as a source of food and fodder for livestock (animals) in the mid-Hills. Maize is also a key ingredient in poultry feed. Growing poultry and feed industry has significantly increased the demand for maize in Nepal over the last decade.

Most maize farmers are smallholders, where women and disadvantaged groups are engaged as labourers across the value-chain. Sahaj targets smallholder maize farmers, including women and people from disadvantaged backgrounds, with the objective of increasing their income from maize farming.

What are the problems?

The maize sector has different sets of problems in different parts of the country. The average productivity of maize in the mid-Hills is only 2.39 metric ton per hectare (Krishi Diary, 2015). The majority of the mid-Hill maize farmers do not consider maize a commercial crop and rely on traditional farming practices. Consequently the farmers in the mid-Hills have limited access to commercial maize markets. For those who want to engage in commercial maize farming, there is inadequate availability of information and knowledge of improved farming techniques. The commercial supply of quality inputs, including high yielding seeds is very limited in the mid-Hills further compounding the problem. Farmers usually retain seeds from the previous year's harvest, resulting in low productivity.

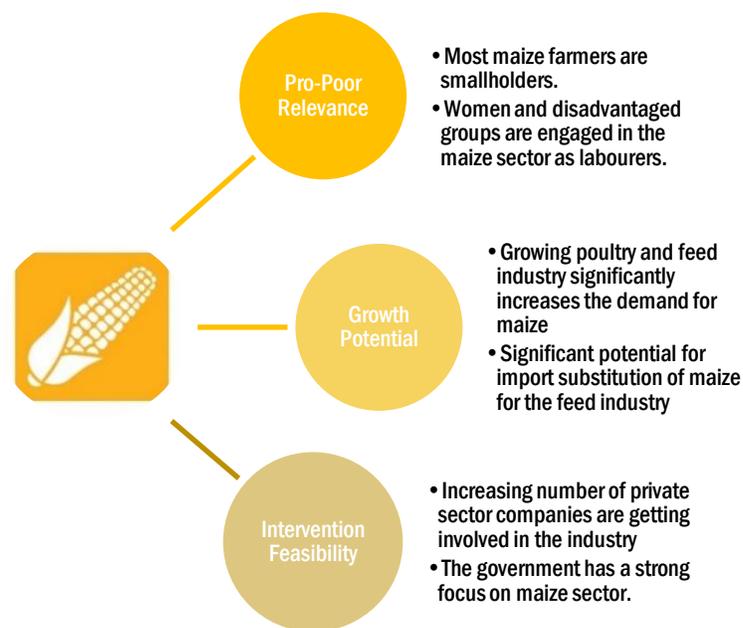
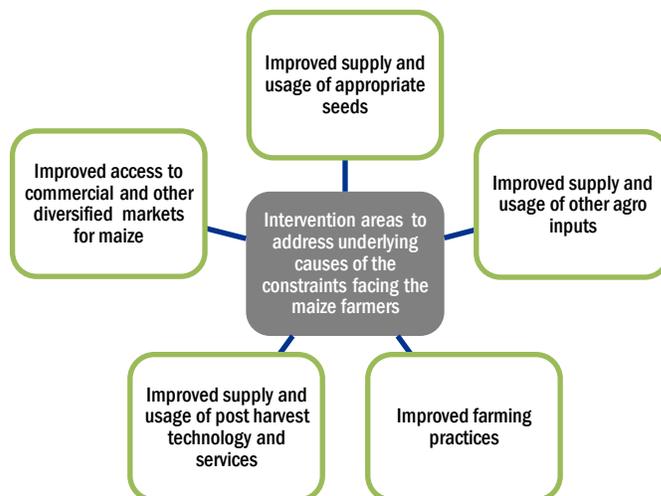
Sahaj, also known as the Nepal Agricultural Market Development Programme, is a joint initiative of the Government of Nepal and the Government of Switzerland. It is mandated by the Swiss Agency for Development and Cooperation (SDC) and designed as a 12-year programme. For the first phase from March 2016 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.

In the *Terai* region, there are pockets of commercial and semi-commercial maize farming areas. However many farmers produce maize at a suboptimal level as they do not always have strong linkage with the poultry feed industry and maize traders. More specifically, farmers in the Eastern *Terai* have better access to high yielding seeds and are linked with the poultry feed industry and the maize traders. The Western *Terai* maize market is poorly linked with the feed industry and flooded with substandard seeds that are often unregistered. This discourages the suppliers of good quality seed from commercially promoting and distributing their products. Additionally, inadequate postharvest management skills – for instance, lack of equipment or technical know-how to dry maize to an industrial standard - also result in inferior quality of maize.

What are the opportunities?

There is significant potential for import substitution of maize for the feed industry. Many farmers in the *Terai* region are engaged in semi-commercial farming and therefore recognise the value of strengthening their linkages with the end markets. Moreover the increased consumption of corn flakes, grits, cornflour, corncob offers a diversified demand for maize in Nepal. There are opportunities for improving the commercial supply of registered hybrid maize seeds within the Eastern part of the Narayani river, below 800 meters (Seed Quality Control Centre Report, 2074). Many Nepali seed companies are showing interest in the commercial production and supply of improved open pollinated varieties of maize seeds in the mid-Hills and the Western *Terai*.



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 maize 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 adopts different interventions in mid-Hills and the *Terai* to reflect the variation between cultivation practices in these areas. It works with maize seed companies to address the low usage and limited supply of improved seeds; feed companies to link smallholder farmers directly to the end markets; conducts soil tests to improve soil fertility; facilitates collective aggregation of maize. Business Enabling Environment (BEE) is also a cross-cutting intervention area of the programme in the sector.