

# Commercial Agriculture Development Project Orientation Program **PROCEEDING**



*Organized by :*

**Government of Nepal  
Ministry of Agriculture and Cooperatives  
Department of Agriculture**

**Commercial Agriculture Development Project(CADP)**

**Biratnagar, Morang**

**27 August, 2007**

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## Abbreviations

ADB	-	Asian Development Bank
AOA	-	Agreement on Agriculture
CADP	-	Commercial Agriculture Development Project
CAA	-	Commercial Agriculture Alliance
CAF	-	Commercial Agriculture Fund
DDC	-	District Development Committee
DOA	-	Department of Agriculture
EDR	-	Eastern Development Region
GDP	-	Gross Domestic Product
HVC	-	High value Crop
JFPR	-	Japanese Fund for Poverty Reduction
MOAC	-	Ministry of Agriculture and Cooperatives
PMU	-	Project Management Unit
PSC	-	Project Steering Committee
SPS	-	Sanitary and Phyto-Sanitary
TBT	-	Technical Barriers for Trade
VDC	-	Village Development Committee
WTO	-	World Trade Organization

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## CHAPTER-I

### 1. INTRODUCTION

#### 1.1 Background

In Nepal, agriculture is the main source of employment and livelihood where 65.6 percent of the people are engaged. Agriculture sector alone contributes about 38 percent of the Gross Domestic Product (GDP), which plays the lead role in the economic development of the country. However, due to the lack of modernization and commercialization in agriculture, farmers could not benefited as per their expectation.

The Government of Nepal (GON) and the Asian Development Bank (ADB/N) agreed to launch Commercial Agriculture Development Project (CADP) on 23 February, 2006. The project is designed to efficiently deliver development to poor and socially excluded people, through equitable and sustainable commercialization of agriculture. The project will directly generate employment opportunities to poor and marginal farmers and landless people by promoting high value crops (HVC) production and marketing, transporting agriculture products from the field to storage and processing centers. CADP also assisting small scale community based market infrastructure development.

This project is implemented in 11 districts of Eastern Development Region (EDR) including 5 hill districts (Dhankuta, Ilam, Panchthar, Terahthum, and Udayapur), 5 Terai districts (Jhapa, Morang, Sunsari, Siraha, and Saptari) and one mountain district (Taplejung). The project beneficiaries will be the farmers (including subsistence, semi-commercial, commercial and women farmers) growing or interested in growing HVCs such as vegetables, fruits, and spices; and entrepreneurs located in the identified high potential areas of EDR.

Mostly, farmers and traders are facing the problems of: lack of knowledge and skills about production and marketing technology of high value crops (HVCs), lack of transportation and marketing infrastructures. Despite of those constraints, EDR has extreme variation in the soil conditions, elevation, and temperature in the project districts, that's why there is high scope for the production of wide range of agricultural commodities including fruits, vegetables, spices and cereals. The Commercial Agriculture Development Project is market oriented and demand driven.

To achieve the targeted outputs, the project sets following objectives:

- To increase employment opportunities in rural areas.
- To add market value of the agricultural commodities.
- To raise the income level of rural people.

#### **Objectives of the orientation program:**

- To introduce line-agencies and stakeholders about project's rationale, objectives, expected output, opportunities, and constraints of the project.
- To create awareness about roles and responsibilities of partners (CADP, CAA and JFPR) and other stakeholders.

**Date and Venue:**

Program was conducted on 27 August, 2007 in the seminar hall of the Regional Agriculture Directorate, Biratnagar.

**Procedure:**

- Registration of the participants.
- Introduction among participants.
- Chairman: Mr. Diwakar Poudel, Joint Secretary, MoAC.
- Chief guest : Mr. Hari Bhandari, Chief of Seed quality Control Centre, MoAC.
- Special guest chaired: Mr. Badri Bishal Karmacharya, DDG, DoA, Mr. Jagannath Mahaseth, RD, RAD, Biratnagar, Mr. Ashok Murarka, Chairman, CAA.
- Other guest were as shown in Appendix- 2
- Papers were presented by:
  - Ø Mr. Yogendra Kumar Karki. Project Manager, CADP, Biratnagar.
  - Ø Mr. Ram Kumar Sharma, General Manager, CAA, Biratnagar.
  - Ø Mrs. Rita Koirala, Regional Coordinator, JFPR, Biratnagar and chief guest was delivered his views, suggestions, and wishes for the success of the project.
- Vote of thanks was expressed by Dr. Dilli Bahadur KC, Planning Officer, CADP, Biratnagar.
- At last, Chairperson summarized and closed the session with his the best wishes, views, and suggestions.

## CHAPTER – II

### Summary of Presentation

*Karki, Yogendra Kumar (Project Manager) CADP: At a Glance, 27 August, 2007.*

Mr. Karki in his presentation, stated about introduction, overall objective, project command districts, proposed financing plan, expected impacts and outcomes, project components, and project implementation arrangement system of CADP.

During his presentation he highlighted that the project is funded by ADB, implemented by DOA and duration of the project is for six years. (July, 2007 to December, 2012). The overall goal of the project is sustainably increasing the level of commercialization of agriculture in EDR. The specific objective is to reduce poverty in rural communities in 11 project districts through equitable and commercialization of agriculture.

The project investment cost is estimated as US \$ 24 million, out of which, the contribution of ADB, Nepal Govt., CAA, DDC, and FC is 18, 0.8, 4, 0.4, 0.5 million US \$ respectively. The expected impacts and outcomes of this project will be improved efficiency of marketing and processing of HVCs (vegetables, fruits, tea, and spices).

**The major components of the project are:**

1. Agriculture investment and management.
2. Inclusive development of stakeholders.
3. Market information dissemination.
4. Project partners capacity enhancement.
5. Project implementation support.

The MOAC is the executive agency, the CAA is implementing agency for commercial agriculture investment & management, and DOA is implementing agency for the other component 2, 3, 4, and 5.

For efficient implementation of the program, each line –agency and other stakeholders should work as partners with beneficiaries (Farmers, Traders, and Processors).

**The success of the project will depend upon level of the co-ordination among stakeholders, for that; regular interaction will be must, for their clear roles, and responsibilities.**

*Sharma, Ram Kumar, (General Manager, CAA); Commercial Agriculture Alliance: A brief introduction, 27 August, 2007.*

Mr. Sharma, in his presentation stated the establishment of Commercial Agriculture Alliance (CAA), its objectives, project area, membership, offices, main tasks, Commercial Agriculture Fund(CAF) and roles and responsibilities of stakeholders.

CAA is not-for-Profit Company established in 29 September, 2006. The objectives of CAA: Promoting commercial agriculture by forming groups of stakeholders; transferring knowledge and skill about agricultural production technology and marketing to farmers and others stakeholders directly involved in the agriculture business; conducting awareness program and helping its members in protecting the intellectual property rights.

Commercial Agriculture Alliance will implement its program in 11 districts of Eastern Development Region. CAA will have two types of members i.e. general and nominated. General members comprise farmer's groups, cooperatives, traders and processors whereas representatives from Ministry of Agriculture and Cooperatives, Ministry of Local Development, District Development Committee of 11 project districts, and Agro Enterprise Centers are the nominated members of CAA. CAA will establish its central office at Biratnagar and branch offices at district headquarter of 11 project districts.

CAA will have a cost sharing Commercial Agriculture Fund (CAF) of US\$13.3 million. CAA will provide grant to its members for the development of community based infrastructures such as collection centers, suspension bridges, ropeways, farm to market road improvement, cold stores and so on. It will also provide fund for the non-infrastructure activities such as, production and market promotion of High Value Crops (HVCs) in the project area. The fund for community based infrastructures is mobilized through District Development Committee and for non-infrastructure activities through agricultural cooperatives, processors and traders of agricultural commodities. The stakeholders should play their roles in creating awareness at local level, selection of appropriate projects, recommendation of grant for feasible projects and regular monitoring and evaluation of the projects.

**The CAA is established as a non profit earning company with definite objectives and well defined roles and responsibilities. Commercial Agriculture Fund that will have to manage by CAA, will be allocated for the commercialization of agriculture in the Eastern Development Region.**

*Koirala, Rita, Role of DEPROSC, 27 August, 2007*

Mrs. Koirala, in her presentation stated brief introduction, program status, working districts, expected outputs, project components, organizational structure for the project implementation, investment plan, role and staff structure of DEPROSC,-Nepal and JFPR.

DEPROSC- Nepal, established in September 1993 affiliated with Social Welfare Council, working districts 27 and there are 20 on going projects. Whereas JFPR established in 20 July,2007, project duration is 3 years, executing agency is Ministry of Agriculture and Cooperatives and working districts are 4 (Morang, Sunsari, Saptari, Dhankuta ).

The expected outputs of this project will be 600 new capable and well mobilized groups, 6000 people's capacity enhanced and linked with micro finance services and 3000 families come up from below poverty line.

JFPR will focus on four components:

- Social mobilization.
- Income generation.
- Capacity building.
- Project coordination.

Operational structure is established for the project implementation including MOAC as executing agency, ADB as donor agency and CADP/PMU and district coordination committee as monitor and evaluator agency. The total program budget of the JFPR is US\$1,314,000 out of which CADP contributes US\$ 314000.

Roles of DEPROSC-Nepal and JFPR will be

- Selection, coordination and management of NGO consortium affairs.
- Clearly defined responsibilities of partner NGO.
- Implementation of overall capacity building program.
- Enter in to the legal contract with ADB and with other partners.
- Focus on participatory program planning approach.

**JFPR always believes on coordination and participatory approach for program planning and implementation, which is the beauty of the JFPR.**

**Closing session:**

**Mr. Ashok Murarka( Chair person) CAA, 27 Aug, 2007.**

Mr Murarka started his speech with background, objectives, working plan & expected outputs & outcomes of the CAA. He told that, probably CADP is the first project in Nepal, which will be implemented in public and private partnership, & especially, focused on production & marketing aspects, where as, generally, other projects mainly concentrated in production & extension aspects in Nepal. He seriously expressed that , it is opportunity as well as challenge for us, to be succeed on our own mission, strong coordination among stakeholders will be needed.

He suggested about Technical Barriers to Trade, Sanitary & Phyto-sanitary measures as WTO point of view. He also added his experiences about TBT/SPS related problems faced by Nepal. Similarly, Mr. Murarka focused his view on organic farming of the potential crops in EDR. especially, tea. He also described , the overview of SPS agreement with special focus on Plant Sanitary Measures (SPS) , Pest Risk Analysis (PRA) , Pest Free Areas(PFA) pest status survey, pest reporting & establishing & strengthing of laboratories for effective phyto-sanitary measures.

Lastly, he expressed his hope and believes that the project will achieve its goal by strong support & coordination from stakeholders.

**Mr. Jagannath Mahaseth, (RD) RAD, Biratnagar.**

Mr. Mahaseth expressed his views on project activities and co-ordination among different stakeholder in project district. Project is mainly concentrated in developing the small infrastructures such as collection centers, ropeways, suspension bridges, cold stores and improvement of farm to market link road. He added that the beauty of this project is to promote selected HVC in potential area of the project district.

At present , farmers of EDR are producing different types of HVC in small scale and they are not commercialized .Due to the poor access to market, farmers are reluctant to increase the production of HVC . He added that availability of suitable climatic condition & socio-economic environment, EDR has greater scope for the commercialization of agriculture.

He ensured that he will be fully devoted to provide support in every step of project implementation. He also hoped that SADO of the project districts will provide needed help during project implementation. RD suggested that the success of the project depends upon the co- ordination among different agencies involved in CADP. For effective co-ordination, roles, & responsibilities of MOAC, line ministries, NGOs, farmers & processors should be clearly defined .At last , he convey his kind wishes for grand success of the project.

### **Mr Badri Bishal Karmacharya.(DDG),DOA**

His speech mainly, focused on expected output & outcomes of the project . He expressed his view that, the expected output of project is to be increased public and private investment in commercial agriculture, induction of poor & semi commercial stakeholders in commercial agriculture , timely availability of market information to farmers & enhanced capacity of project partners in supporting farmers. He also cleared that these outputs will help to be improved efficiency of marketing & processing of high-value crops(HCV) such as vegetables, fruits, tea & spices in the EDR. which will support to reduce poverty in the rural community of project districts, through equitable and sustainable commercialization of agriculture.

Mr. Karmacharya, also described about implementation aspects of the project. He told that, the project activities will be managed & implemented by PMU/CADP &CAA. The main activities of PUM will be planning, procurement, accounting, M&E , Consulting Services, Physical facilities, Transport, Public hearing , Website establishment, Contract awards, Funding, Baseline survey, Product & Market chain analysis, Training & Report. Where as CAA's activities will be supervision, management, & capacity building of the stakeholders, social mobilization & farmer's group formation & training.

He concluded his speech with wishes for success of the project.

### **Hari Bhandari (Chief), National Seed Quality Control Centre, Harihar Bhawan.**

Mr. Bhandari expressed his happiness for implementing the CADP in EDR. He remembered his past experiences while he was working as agricultural worker in different districts of EDR and realized a lot of positive changes occurred in agriculture as compare to past .

He stated that the agriculture is the main basis of livelihood of people and accelerator of overall development in EDR. He expressed his hope and belief that CADP will bring new era in the development of EDR. The activities selected by CADP are most appropriate according to the need of people and all stakeholders get benefited from the project. He added that the inclusion of high value crops as project activities will certainly bring positive changes in EDR. Quality seed is the prime factor of crop production. Due to the limited supply of quality cereal seed, farmers are unable to get expected output. So, he suggested to include quality seed production program in the project activity.

Lastly, he concluded his remarks by wishing bright future of the project.

### **Chairperson: Mr. Diwakar Paudel: (Join Secretary) MOAC.**

First of all , chairperson expressed vote of thanks to program organizer (CADP) instead of opportunity provided him for chairmanship . He summarized the whole session along with valuable suggestions & comments.

He described in brief, the CADP from WTO point of view. He expressed his view on Agreement of Agriculture (AOA) & it's implication in Nepalese agriculture, Agreement on Sanitary & Phytosanitary(SPS) measures. He also expressed his view on Technical Barriers to Trade (TBT). TBT related problems that faced by Nepal & suggested measures to over come these threats. Mr. Paudel also delivered his experience about potential exportable agricultural commodities of Eastern Development Region of Nepal.

Meantime, he described the value chain & its actor's role in production & marketing of agricultural commodities such as introduction of value chain, structural segments of the value chain , role of input supplier, output traders, farmers, cooperatives , consumers & transporters.

He concluded his speech with importance of value added chain and hoped that, CADP will reduce the poverty of rural communities of project districts in EDR through equitable & sustainable commercialization of agriculture. He closed the session by wishing the success in every walks of project implementation.

## Appendix-1 : Program schedule.

Commercial Agriculture Development Project

### Orientation Program

Date:27 August, 2007

time: 1:15 PM to 3:30 PM

Venue: At Seminar Hall of the Regional Agriculture Directorate, Biratnagar

Time	Program	Responsible Persons
1:15-1:30	Chairmanship of the Chairperson	Mr. Diwakar Paudel, Joint Secretary -MOAC
	Chairmanship of Chief Guest	Mr. Hari Bhandari, Chief- NSQCC
	Chairmanship of Guests	
Paper Presentation		
1:30-1:50	CADP- At a Glance.	Mr. Yogendra Kumar Karki, PM-CADP
1:50-2:00	CAA- A Brief Introduction.	Mr. Ram Kumar Sharma, GM-CAA
2:00-2:10	JFPR Project: Role of DEPROSC-Nepal	Mrs. Rita Koirala
2:10-2:25	Discussion Program	
Speech Program		
2:25-2:35		Mr. Ashok Muraka, Chairperson- CAA
2:35-2:45		Mr. Jagannath Mahaseth, RD-RAD, Biratnagar
2:45-2:55		Mr. Badri Bishal Karmacharya, DDG-DOA
2:55-3:10		Mr. Hari Bhandari, Chief Guest
Closing Program		
3:10-3:30		Mr. Diwakar Paudel, Chair Person

## Appendix-2: Name List of Participants.

S.N	Name	Designation	Office
1	Mr.Diwakar poudel	Joint Secretary	Ministry of Agriculture & Cooperative
2	Mr.Hari Bhandari	Chief	NSQCC, Hariharbhavan
3	Mr.Badribishal Karmacharya	DDG	Dept of agriculture
4	Mr.Anand Ratna Bajracharya	Program Director	MDD, Hariharbhavan
5	Mr.Jagannath Mahaseth	Regional Director	RAD, Biratnagar
6	Mr.Phulgen Pradhan	Program Director	Agriculture Engineering Directorate, Hariharbhavan
7	Mr.Yogendra Kumar Karki	Project Manager	CADP, Biratnagar
8	Mr.Ram Kumar Sharma	GM	CAA
9	Mr.Dilli Ram Sharma	Act.Program Director	DPP, Hariharbhavan
10	Mr.Satya Narayan Mandal	For.Chief Soil Specialist	SMD, Hariharbhavan
11	Mr.Anup Lal Shah	SADO	DADO , Terahthum
12	Mr.Mohan Bahadur Thapa	SADO	DADO ,Morang
13	Dr. Shyam Kishore Saha	SADO	DADO, Illam
14	Mr.Shree Narayan Sharma	SADO	DADO,Siraha
15	Mr.Balaram Koirala	SADO	DADO, Pachthar
16	Mr.Sanjay Yadav	SADO	DADO,Jhapa
17	Mr. Dwarika Prasad Dahal	SATO	RATC ,Jhumka
18	Mr.Bhagawan Khatiwada	Act.SADO	DADO, Solu
19	Mr. Shambhu Prasad Dev	Act.SADO	DADO , Sankhuwasabha
20	Mr.Mahendra Pd.Chaudhari	Act.SADO	DADO, Khotang
21	Mr. Sarbajeet Yadav	Act.SADO	DADO, Sunsari
22	Mr.Shyam Sundar Lal Karna	Act.SADO	DADO, Bhojpur
23	Mr. Harendra Kr Shreevastava	Act.SADO	DADO, Okhaldhunga
24	Mr. Surendra Prs. Rijal	HO	National Citrus Crop Management Program, Kirtipur
25	Mr.Dilip Kumar Bachchhar	Agronomist	Directorate of Soil Management
26	Mr. Rabindra Subedi	AEO	DOAE
27	Mr. Prakash Kumar Dangj	AEO	RAD, Biratnagar
28	Mr. Bhagirath Yadav	AEO	RAD, Biratnagar
29	Mr. Manoj Kumar Yadav	AEO	RAD, Biratnagar

30	Mr. Pushparaj Paudel	AEO	DADO, Dhankutta
31	Mr. Shiva Prasad Aryal	AEO	Post Harvest
32	Mr. Shankar Prasad Saha	Agri.Economist	Dept of Agriculture
33	Mr. Rajan Nepal	LO	Dept of Agriculture
34	Mr. Shambhu Raj Katuwal	Manager	Agri. Market , Dharan
35	Mr.Keshavraj Kafle	Plant Protection Officer	CIDD , Hariharbhavan
36	Mr.Saroj Kanta Adhakari	AEO	Dept of agriculture
37	Mr.Ram Babu Adhakari	AO	MOAC
38	Mr. Bhanubhakta Mainali	Plant Protection Officer	RPPD,Morang
39	Mr. Arun Ghimire	Plant Protection Officer	PQO,Morang
40	Mr.Pashupati Pokharel	Planning Officer	DADO, Jhapa
41	Mr. Motilal Yadav	For.SADO	DADO, Taplejung
42	Mr. Ram Prasad Siwakoti	Planning Officer	DADO, Morang
43	Mr. Rajesh K.C.	HDO	HDD, Lalitpur
44	Mr. Dilli Bahadur K.C.	Planning Officer	CADP, Biratnagar
45	Mr. Kamalesh Tiwari	AEO	CADP, Biratnagar
46	Mr. Hasta Bahadur Bista	Planning Officer	CADP, Biratnagar
47	Mr. Surya Prasad Baral	HDO	MA OC
48	Mr. Harihar Thapa	President	FNCCI
49	Mr.Nirmal Gadal	CDO	Dept of Agriculture
50	Mr. Nunu Lal Uraw	SS	RSTL, Jhumka.
51	Mr. Muktanath Kunwar	SS	STL, Surunga
52	Mr. Bhaskar Sharma Nepal	AO	Dept of Agriculture
53	Mr. Bedananda Chaudhari	Coordinator	Jute RC Itahari
54	Dr. Niranjan Adhikari	Chief	ARC, Pakhribas
55	Dr.Tanka Prasad Barakoti	SS	ARC, Pakhribas
56	Mr. Nilam Subba	Scientist	ARC, Pakhribas
57	Mr. Sukh Dev Mainali	PPO	RPP Jhapa
58	Mr. Rajesh Giri	SO	Dept of Agriculture
59	Mr. Krishna Timsina	Program Officer	Help Nepal
60	Mr.Amrit Prs. Rupakheti	SRO	DEPROSC-Nepal
61	Mr.Ananda Kumar Thakur	DC	DEPROSC- Nepal

62	Mr. Digbijay Dhakal	TFO	DEPROSC- Nepal
63	Mr.Sundar Jha	DC	DEPROSC- Nepal
64	Mrs. Rita Koirala	RC	JFPR / DEPROSC- Nepal
65	Mr. Kul Prasad Dawadi	DC	JFPR / DEPROSC- Nepal
66	Mr. Anil Neupane	DC	JFPR / DEPROSC- Nepal
67	Mr. Jageshwar Yadav	FDO	Fisheries Farm, Phattepur
68	Mr Krishna Dev Tiwari	FC	CDS, Biratnagar
69	Mr. Keshab Devkota	TO	Agri. Training Directorate
70	Mr.Binay Kumar Shah	JT	PQO,Bhantabari
71	Mr. Krishna Prasad Trital		PQO,Bhantabari
72	Mr. Ramshrestha Shah	OC	RAD, Biratnagar
73	Mr. Bhawani Khatiwada	JT	CADP, Biratnagar
74	Mr. Tek Bahadur Pokharel	JT	CADP, Biratnagar
75	Mr. Netramani Kafle	JT	DADO, Terathum
76	Mr. Nanda Kishore Adhikari	JT	DADO, Dhankutta
77	Mr. Manoj Kumar Chaudhari	OC	RAD, Biratnagar
78	Mr.Suresh Kumar Shah	JT	DADO, Terathum
79	Mr. Hari Kumar Shrestha	JT	SPC,Itahari
80	Mr.Sagar Prasad Bhattarai	JT	DADO, Morang
81	Mrs. Samjhana Koirala	JT	RAD, Biratnagar
82	Mrs. Krishna Bhattarai	CO	RAD, Biratnagar
83	Mr. Ganga Prasad Yadav	JT	SPC,Itahari
84	Mr. Prakash Mani Kafle	JT	DADO, Taplejung
85	Mr. Shyamraj Bista	JT	RAD, Biratnagar
86	Mr. Basanta Raj Aryal	JT	DADO, Morang
87	Mr.Tek Raj Maskey	JT	RAD, Biratnagar
88	Mr.Bhim Prasad Guragain	Accountant	DADO, Biratnagar
89	Mr. Binod Bhandari	Reporter	Kantipur Dailly
90	Mrs. Saloja Dahal	Reporter	Gorkhapatra daily
91	Mr. Ram Ashish Yadav	JT	STL, Surunga
92	Mr. Ganesh Khatri	JT	DADO, Bhojpur
93	Mr. Ram Narayan Mandal	JT	DADO, Illam
94	Mr. Suresh Kumar Kamat	JT	DADO, Terathum

95	Mr. Shanta Kumar Mandal	JTA	DADO, Dhankutta
96	Mr. Kalananda Mandal	JT	DADO, Pachthar
97	Mr. Kausal Kumar Yadav	JT	DADO, Khotang
98	Mr. Devchandra Saha	Agri.Technician	Agri.Farm,Chandradangi
99	Mr. Bharat Bhattarai		Ag. Farm, Chandradangi
100	Mr. Rajendra Prasad Yadav	JT	RSTL, Jhumka.