

Potential aplenty



Vegetable farming

Nepal's agricultural imports have registered a three-fold increase in the last five years, and the cost surpassed a record 100 billion rupees in 2014. One plausible solution to this ballooning import of agro products is to encourage and support farmers to grow vegetables, more so during the off-season. Vegetable farming can be an important source of income amid the increasing consumption of vegetables in the country and market growth in adjoining cities in India. Vegetables being high-value crops have high returns, and low investment and gestation periods.

According to a national estimate carried out in 2010 by the Central Bureau of Statistics (CBS), Nepal already produces vegetables worth 45 billion rupees annually, with around 70 percent of total households involved in vegetable farming. Cultivation of vegetable is on the rise with increase of production area by almost 50 percent from 140, 500 ha to 245, 037 ha between 1991/92 and 2011/12. In the same period, production increased almost three-fold from 1,127,884 mt to 3,298,816 mt, while production per hectare increased 1.6 times from 8,028 kg/ha to 13,463 kg/ha.

What is surprising is that among the 3.2 million vegetable holdings—69 percent of the total households in Nepal—only 18 percent are engaged in commercial farming of vegetables, and thus vegetable farming is not able to keep pace with domestic demand. Moreover, vegetable sector shows a peculiar trend of both exports and imports. Nepal imported edible vegetables and certain roots and tubers (HS code 07) worth US \$259 million during the period of January 2009-December 2013 from India. In the same period, vegetables worth US \$7 million were exported to India according to the Trade and Export Promotion Center. Such exports to India occur almost exclusively during the rainy season or off-season, from June to October.

We need to have adequate production of vegetables for their trade and export. There has been a recent trend of getting into farming business in urban and semi-urban areas, including in vegetable farming. It needs to be encouraged through monetary and institutional support to lure potential entrepreneurs. For the new entrants, and regular farmers, the factors that support the business such as quality of seeds, disease and pest control measures, cold storage and irrigation should be made easily accessible.

A big chunk of government investment is spent in buying fertilizers which should rather be up-scaled and channeled more to infrastructure development such as construction of link roads and irrigation canals that support production and trade of agro products. There should be coordination between government agencies and non-governmental agencies for timely supply of production and transportation technology to increase productivity. In the rural areas, marketing training and establishing linkages between farmers and traders are necessary. Farm subsidy, which has increased in recent years, should benefit real farmers that are in need of such money to invest in inputs and facilities so that they produce, process, trade and export vegetables.

Proper regulation of vegetables can contribute to the uplift of all actors in the vegetable value chain, including poor farmers, thus benefitting the Nepali economy. No doubt, India presents a vast market for Nepali vegetables where they may get premium price during some seasons, generally in June and July, when demand there is high. Moreover, vegetables constitute five months' expenditure of households in Nepal, according to the CBS.

But vegetable export to India is a daunting task. A number of non-tariff barriers, such as transferring of produce to Indian trucks at the border points, considerable delays in customs clearance, to name a few, are hindering Nepali vegetable exports to India. India's Plant Quarantine Order 2003 requires quarantine and/or pest risk analysis certificates for entry of plants and plant products into India.

But Indian customs officials allegedly allow Nepali vegetables in their market only when there is a shortage of vegetables there, and rest of the time samples have to be sent to laboratories in New Delhi and Kolkata, for they refuse to recognize certificates issued by Nepal. Consequently, delays in delivery of test results cause consignments to rot and farmers incur losses. We should thus expedite setting-up certification labs at Raxaul and Gorakhpur for testing Nepali vegetables and perishable goods before exporting them, as proposed by Nepal during the recent bilateral talks with Indian officials.

There have been some promising starts in designing innovative development projects that provide farmers and entrepreneurs with farm support, and marketing and trading support, including in vegetable sector. But there is a case for recognizing vegetable sector as a distinct sub-sector within the agriculture sector.

Sectoral policies should be formulated with short- and long-term planning to overcome production constraints and to remove export barriers. It is time vegetable sector be taken seriously to make it an effective means of livelihood and income generation for our farmers.

asish.subedi@gmail.com