



Export of Vegetables and Fruits from Eastern Region: Challenges and Prospects

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Outlines of presentation

- Objectives and methodology of study
 - Vegetable production and consumption
 - Export of vegetables and fruits from the eastern region.
 - Imports of vegetables and fruits.
 - Issues and challenges
 - Policy recommendations.
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Objectives and methodology

- ▶ Brief study undertaken by SAWTEE under SDIP supported by CUTS International.
- ▶ Focuses on export of vegetables and fruits from Eastern Region of Nepal
- ▶ Objectives
 - ▶ Identify underlying policy, institutional and infrastructural issues that affect the competitiveness of Nepali vegetables in export to India.
 - ▶ Identify NTBs faced by vegetable exporters.
 - ▶ Prescribe policy recommendations to address barriers in export of vegetables and support to the livelihoods of the vegetable farmers.



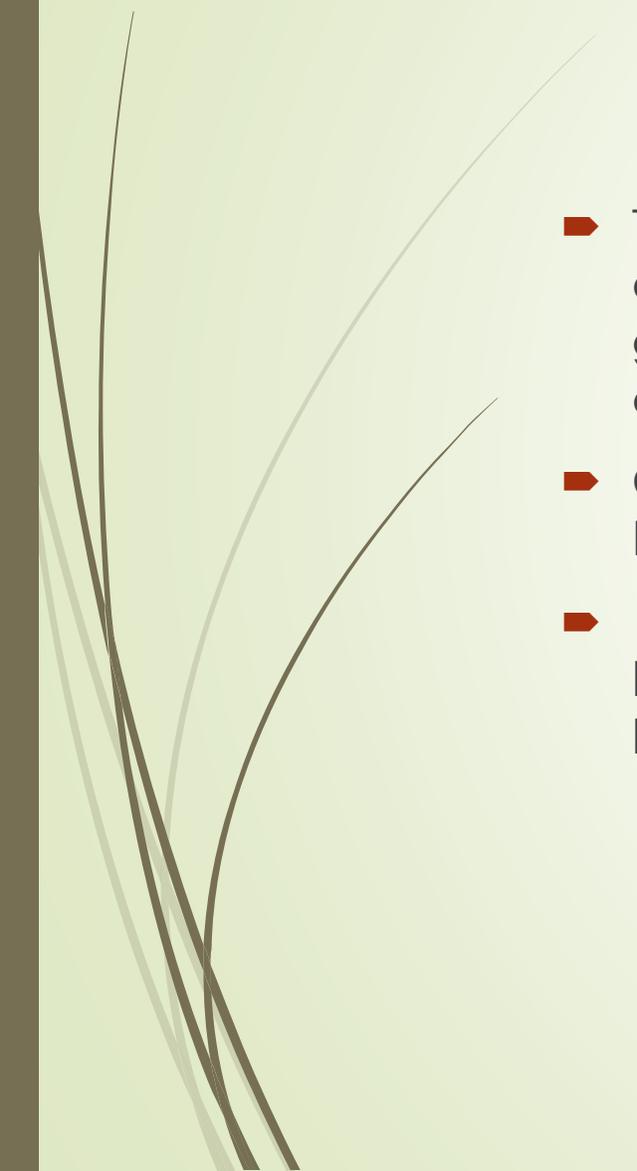
Methodology



- Recollection of background information on vegetable and fruit farming in Nepal
- Field visit to the eastern region.
- Personal interview with the vegetable farmers, road-head traders, wholesalers, exporter/importers and border agency officials.
- Collection of data and information from the border customs, quarantine and food safety agencies.
- Mapping of export-import procedures in consultation with the stakeholders.
- Identification of issues in consultation with the above stakeholders.



Production and consumption pattern

- Traditionally, production and consumption of cereal got more priority over other crops. Consumption of vegetables and fruits picked up as the people got health education and aware of the importance of those horticultural crops as source of energy and nutrition.
 - Contribution of Vegetables to the national GDP is 2 percent (NRs 36 billion: HVAP-2011)
 - Per capita per year consumption of vegetables in Nepal increased from 49 kg in 1995 to 60 kg in 2005. The standard requirement is 104 kg/year/person.
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Production and consumption pattern

- ▶ Fruits and vegetables comprises of significant amount in import. In 2009-10, Nepal imported fruits of NRs 4.7 billion and vegetables of NRs. 2.1 billion and exported worth of NRs 486 million and NRs 26 million respectively; thus a huge gap between export and import.
- ▶ Substantial quantity of vegetables and fruits are traded informally across the borders.
- ▶ Plant quarantine and food safety are the major impediments in formal export of vegetables and fruits.

Production and consumption pattern (Export of vegetables from the Eastern

	English Name	Scientific Name	Remarks
Moola	Radish	Rapnus Sativus	
Band Kopi	Cabbage	Brassica Oleracea va. capitata	
Kauli	Cauliflower	Brassica Oleracea	
Farsi	Pumpkin	Cucurbita Moschata	
Iskush	Ishkush	Chayote Squash	
Aduwa	Ginger	Zinziber Officinale	
Golbhenda	Tomato	Lycopersicum Esculentum	
Kerau	Peas	Pisum Sativum	

Production and consumption pattern

(Vegetable production in the eastern region; 2012-13)

Geographical Region	No of Districts	Production (Th. Mt)	Major vegetables
Mountain	3	30.7	Cabbage, tomato, radish, mustard leaf, peas
Hill	8	379.6	Cauliflower, cabbage, radish, squash, broccoli
Terai	5	534.8	Cauliflower, cabbage, tomato, French bean etc.
Total	16	945.1 (29% of total)	
Total for the country	75	3301.7	

Export of vegetables and fruits from the eastern region (Kakarbhitta Customs)

(Thousand Rupees)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	Major products
Export to India				
Fruits	84.3	0	36.5	Citrus orange, Banana
Vegetables	33,684.2	36,381.4	56,297.5	Cauliflower, Beans, Chilly, Potato etc
Total	33,768.5	36,381.4	56,334.0	
Import from India				
Fruits	27,246.6	41,816.0	84,543.8	Watermelon, Apple, Pineapple, Banana etc.

Export of vegetables and fruits from the eastern region (Kakarbhitta Customs)

(Thousand Rupees)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	Major products
Export of vegetables to Bangladesh	0	0	0	None
Imports of fruits and vegetables from Bangladesh				
Fruits	0	0	0	None
Vegetables	0	6,781.5	657,359.7	Potato
Total	0	6,781.5	657,359.7	

Export of vegetables and fruits from the eastern region (Pashupatinagar Customs)

Fiscal Year	Qty (kg)	Value (RS. 000)	Products
2010-11	1400	8.7	Peas, squash, cauliflower and cabbage
2011-12	6,200	76.7	-do-
2012-13	76,800	614.4	-do-
2013-14	122,310	700.1	-do-
2014-15	71,789	6,242.1	Off season cabbage, cauliflower and peas

Supply chain of vegetables and fruits





Process on export and import

- ▶ Official export of vegetable and fruits requires prior permission from the plant quarantine offices in India. The permit includes name and address of importer and exporter; product description, quantity and SPS requirement.
- ▶ Plant quarantine office in Nepal makes certification that the product meets all SPS requirement as mentioned in the import permit.
- ▶ Import of fruit and vegetables into Nepal requires a number of documents; Firm registration, PAN/VAT registration, tax clearance certificates and import fee of Rs. 200 for each permit. In case of import of seeds, certificates from Central Seed Office is required; seed import for research purpose requires recommendations from the NARC office.



Issues and challenges

- ▶ Production related issues: low scale- lack of commercialization; dependency over traditional crops and local varieties having low yield; ineffective extension services, lack of irrigation, inadequate support for production.
- ▶ Districts in the eastern region are mostly designated for cash crops and spices and MAPs under ODOP program. Four districts; Illam (for Kiwi), Bhojpur (for orange), Siraha and Saptari (for mango) are designated as fruit growing areas but not a single district designated for vegetable production.



Issues and challenges

- Lack of transport infrastructures to link the production pocket areas, particularly in the hills and mountains.
 - Very few collection centers and the limited centers are not well organized.
 - Lack of cold warehouses. Bumper crops often results losses to the farmers due to sharp decline in prices.
 - Poor post harvest operations; substantial losses during transportation, poor storage, grading and sorting etc.
 - Inadequate development of vegetable and fruit based industries; poor value added activities of the products.
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Issues and challenges

- Incidence of multiple taxes (barriers) during transportation of goods.
- Too many change of hands in completing the export process.
- Use of pesticides and agro-chemicals are not monitored properly (importers often raising issues of PRA and PRM).
- Lack of harmonization of quality standards and test and certification mechanisms for meeting the SPS standards of the importing countries.
- Poor coordination between the research institutions, extension services and the farmers groups.



Policy recommendations (Production related interventions)

- Expand the production base with identification of pocket areas for vegetable and fruits.
- Promote off-season and organic production.
- Promote good agricultural and handling practices.
- Introduce kitchen gardening as the campaign for meeting the dietary needs of the people.
- Enforce PRA and PRM mechanisms in order to ensure health safety of fruits and vegetables.
- Encourage formation of farmers cooperatives for facilitation of productions.



Policy recommendations (Post harvest operations)

- ▶ Carry out training and awareness programs to manage the post harvest operation with a view to reduce losses and maintain the quality of products.
- ▶ Support packaging industries and provide affordable technologies for safe keeping of the harvest.
- ▶ Develop and implement plan for supporting hardware and infrastructures for transportation and safe-keeping (collection centers, cold warehouses, storage racks, refer trucks etc)



Policy recommendations (Export related)

- ▶ Provide market information (price, place, process) to the farmers and their cooperatives. Right information in the right time.
- ▶ Remove unofficial taxes and collect all official charges at a single location.
- ▶ Create a provincial level trade facilitation committee.
- ▶ Improve operation of laboratories at the border customs.
- ▶ Strengthen the cross-border coordination and facilitation mechanism.



Thank you for your attention
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