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Problems and Potentials of Organic Agriculture Development in Nepal

Gopal Datt Bhatta, Werner Doppler and Krishna Bahadur KC

Institute of Agricultural Economics and Social Sciences in the Tropics and Subtropics (490C),
University of Hohenheim, Stuttgart, Germany

ABSTRACT

Current research focuses on the problems and potentials of organic agriculture in Nepal basing on the study of stakeholders of organic agriculture. It has been found out that about 2.5% of households of urban areas are consuming organic products and almost 30% are found to have desire. Most of the organic production and marketing system in Nepal is on the basis of community trust. Market for organic products is quite rudimentary and legal certification hasn't started. There has been lacuna in research on the technologies to support organic agriculture. Most of the farmers are well aware about the negative repercussion of the indiscriminate use of the agro-chemicals in their farm and opined that they would like to shift from inorganic towards organic agriculture; however, marketing for such products is the greatest bottleneck. All domestic organics reach to consumers without labeling. Consumers have a belief that organic food is healthier, less polluted and more natural, than conventionally produced foods. Many of the consumers are of the view that quality of the organic products is good and that's why these products are expensive. Most of them are willing to pay 10-15% of more price to the organic products over inorganic while they are willing to pay 20-30% more price to the organic products if they are labeled. Organic products are usually sold directly from farmers or through specialized shops and restaurants. Organic industry is too small and a long way to go in Nepal. Due to the lack of financial support for conversion, organic farmers rely only on consumers' willingness to pay higher prices to obtain compensation for lower yields or higher costs that may arise due to the organic practice. Till date there is a vacuum of government policy to support organic opportunities in the country. Managing own Internal Control Systems better prepares farmers to manage plethora of other standards that are increasingly mandated for the trade. Political commitments such as avoiding conflicting drive to maximize production, hammering proactive policy, providing market incentives and institutionalization of Nepalese organic movement are imperative to further enhance organic sector in Nepal.

Key words: Consumers, Marketing, Labeling, Households, Organic agriculture

INTRODUCTION

Inorganic farming has led to the declination of factor productivity, deforestation, soil erosion, landslides and loss of indigenous crop varieties which has raised the question of sustainability of production system and consequently gave birth to the organic agriculture in many parts of the country especially where assured infrastructure is available. Organic agriculture ensures economic advantages through diversification of agriculture and it has an important impact on local food security and resilience. Organic farming claims to have the potential to provide benefits in terms of environmental protection, conservation of non-renewable resources, improved food quality, improve health status and the reorientation of agriculture towards areas of market demand. While trends of rising consumer demand for organics are becoming discernible, sustainability in production has become the prime concern in agriculture development. Considering the potential environmental benefits of organic production and its compatibility with integrated agricultural approaches to rural development, organic agriculture may be considered as a development vehicle for developing countries like Nepal.

RESEARCH PROBLEM

Excessive and unbalanced use of agro-chemicals have led to the declination of soil fertility and factor productivity, loss of indigenous crop varieties and less economic return along with negative repercussion in the health of the consumers and farmers thereby raising the question of sustainability of farming systems.

OBJECTIVES

Overall objective of the study is to find out the potentiality of organic agriculture in promoting rural livelihoods.

The specific objectives are:

- To find out how farmers perceive organic farming.
- To investigate consumers' knowledge about organic products and reactions to organic and inorganic products in the markets.
- To examine the impact of organic agriculture development in promoting sustainable livelihood of the farmers.
- To simulate the potential development of organic agriculture and its impact on overall wellbeing of the farmers at family and spatial levels.

MATERIALS AND METHODS

- Primary data collected from 130 farm families, 90 consumers and 40 traders using structured questionnaires
- Key persons interviews at village and at the district level
- Comparative analysis of farming systems by descriptive statistics, econometrics and GIS methodologies
- Modelling and testing future strategies related to organic farming using family and spatial explicit models.

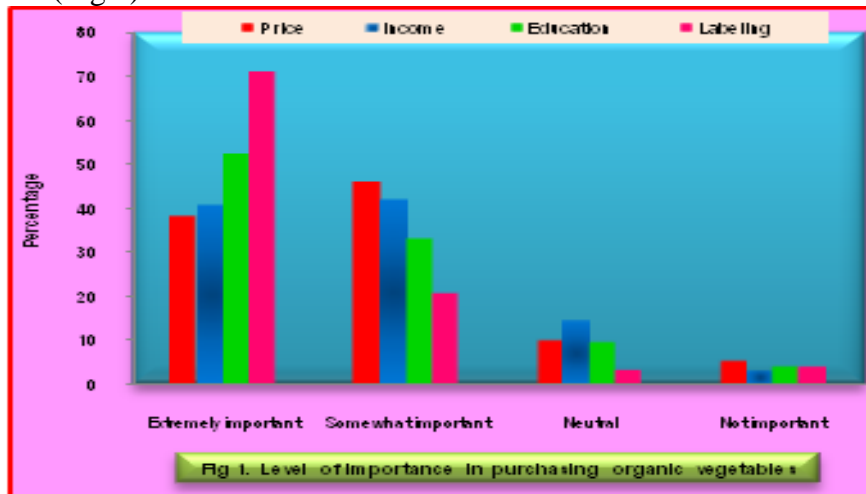
PRELIMINARY RESULTS

- The closer the farmers are to the market and information centres, the better the tendency to adopt organic farming.
- Market for organic products is poorly developed and organic products are either home delivered and or sold in the few supermarkets and hotels.

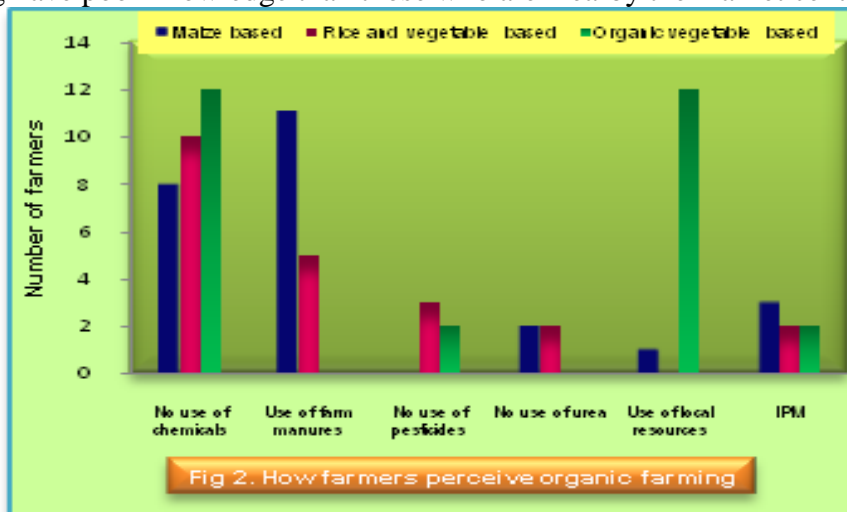


Photographs showing how organic products are produced and marketed

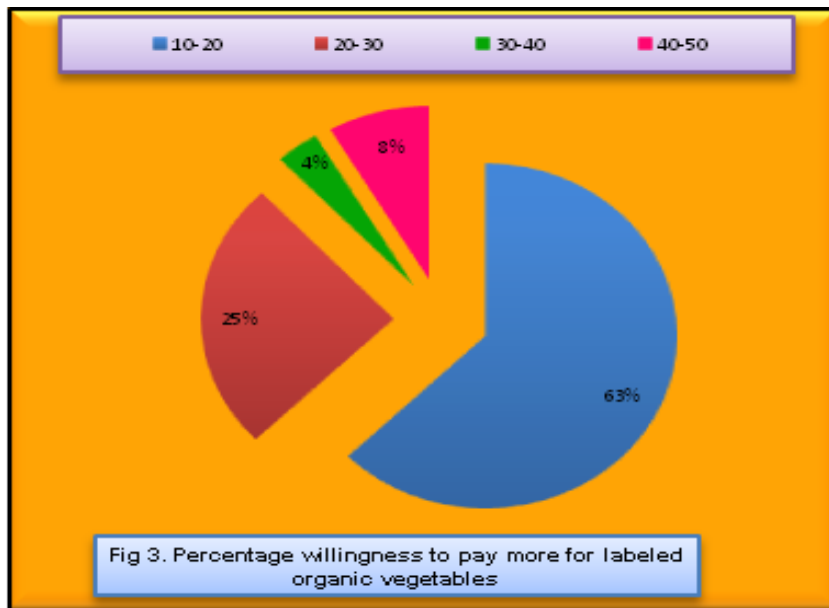
- Factors like price, income, education and labeling play crucial role in purchasing organic vegetables (Fig 1).



- The level of understanding among the farmers about organic farming differs as per the locations and farming practices (Fig 2). Farmers in high altitude adopting maize-based farming have poor knowledge than those who are nearby the market centers.



- Consumers are willing to pay 10-20% additional cost to the organic products if they are labelled (Fig 3).



EXPECTED RESULTS

- Description of different farming systems.
- The overall interrelation between farm size, spatial location, market accessibility and organic farming development.
- Modelling future strategies in the area of organic farming and its potential impact on the improvement of living standard and rural development.

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