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“Competition for Resources in a Changing World:
New Drive for Rural Development”

Problems and Potentials of Organic Agriculture Development in Nepal

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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 specialised 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 maximise production, hammering proactive policy, providing market incentives and institutionalisation of Nepalese organic movement are imperative to further enhance organic sector in Nepal.

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