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Farmers’ and academia’s views”

## Financial feasibility of the drumstick (*Moringa oleifera* Lam.) enterprise in eastern Nepal

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### Abstract

Drumstick (*Moringa oleifera* Lam.) is an underutilised crop and limited to the backyard farming in Nepal. However, drumstick farming is considered as low investment enterprise with an immediate return. The study analyses the financial feasibility of the drumstick enterprise in the Terai belt of Eastern Nepal. The primary information was obtained from drumstick producers (105) through a household survey, interviews with the key informants (7), and conduction of the focus group discussions (3). Besides, relevant literature was reviewed for secondary information. Drumstick farming could be a viable enterprise for smallholder farmers in the Terai. The drumstick enterprise is economically profitable for continuous ten years of production plan. However, a comparison was made between continuous ten years (same plant) and each five years of production (new plantation in every 5<sup>th</sup> year). The average Benefit Cost Ratios (BCRs) for continuous ten years and every fifth year plantation in drumstick production were 2.20 and 2.22 respectively. The Net Present Value (NPV) was NPR 6,870,992 and NPR 8,039,131 per hectare, and the Internal Rate of Return (IRR) was 127.1% and 142.2% for continuous ten years and each five years of drumstick production respectively. Drumstick enterprise was profitable even with the 10% increase in total cost and 10% decrease in total revenue during the production. The Payback Period (PBP) was 2.56 years of continuous ten year period, and 2.56 years and 2.38 years for each five year period of drumstick production. Therefore, an establishment of the new orchard every fifth year of drumstick production is more profitable compared to the continuous ten years of production from the same plant in the Terai belt of Eastern Nepal.

**Keywords:** Drumstick, investment, production