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MESSAGE FROM THE COUNTRY DIRECTOR

Dear Friends,

I present to you the January- June 2018 edition of our newsletter, which features the news and updates from this period.

After the successful completion of our flagship project Strengthening Smallholders Enterprises of Livestock Value Chain (SLVC I), Heifer International Nepal has launched the second phase of this project. It will be implemented in 31 districts and will capitalize on the gains made by SLVC I and demonstrate the synergistic relationship between social capital development and market engagement.

Multiple workshops and knowledge sharing sessions have taken place during this period. Policy Workshop on Goat Sub-sector, First National Goat Festival, and Golden Talent Award Ceremony are among them.

Heifer Nepal has been investing in innovative technologies and has developed a “Sabal” App for farmers. This user-friendly app calculates balanced nutritious diet for dairy animals with the locally available resources. The direct implication of the app is the reduced production cost and increased farmer’s income.

I hope this issue will be an interesting and insightful read to all. To learn more about our work, please find us on Facebook, YouTube and our website.

Thank-You



Dr. Shubh N. Mahato
Country Director
Heifer International Nepal

PROJECT LAUNCHED TO STRENGTHEN SMALLHOLDER ENTERPRISES IN LIVESTOCK VALUE CHAIN



Heifer International Nepal launched the second phase of its flagship project Strengthening Smallholder Enterprises in Livestock Value Chain (SLVC II) in the presence of representatives from the Government, bi- and multi-lateral

donors, I/NGOs, universities, farmers, bank and financial institutions, private sector, and media.

The SLVC II project capitalizes on the gains made by SLVC I and demonstrates

the synergistic relationship between social capital development and market engagement as envisioned by Heifer. The project will benefit directly 125,000 and indirectly 350,000 families in 31 districts. With a budget of USD 25.6 million, the project aims at increasing the annual household income of beneficiary families by 72%.

During the event, Hon. Minister for Labor, Employment and Social Security Mr. Gokarna Bista said, “projects such as SLVC II are a source of economic development, employment, and a means to bring prosperity in the country. When producers have both forward and backward linkages, then only the true potential of goat market can be really seen”. Dr. Mahendra Lohani, Heifer’s Sr. Vice President of Programs praised all the stakeholders and farmers for continuous motivation and support that helped Heifer to perform such wonderful work.

HEIFER PARTICIPATED IN THE INTERNATIONAL AGRI-TECH EXPO AND THE NATIONAL GOAT FESTIVAL

Heifer Nepal showed active participation in the 2nd Nepal Agri-tech International Expo held at Kathmandu and first National Goat Festival held at Nuwakot.

Heifer used the platform of Agri-tech Expo to promote local breed goat marketing for Social Entrepreneurs Women’s Cooperatives from Palpa and Sindhuli. It also educated visitors on importance of goat sub-sector as a tool for overcoming poverty and economic growth with the tagline “Goats for Growth”. The stall was visited by more than 50,000 enthusiasts. The expo ended with a lively panel discussion on goat meat value chain and the opportunities it brings for growth.

The National Goat Festival saw the massive presence of goat entrepreneurs from different parts of the country. More than 30,000 people visited Heifer stall that showcased animal friendly transportation vehicle, urea and molasses mineral block, improved goat



shed, weighing machine, fodder/forage, and seed animals. Technical facilitations and discussions were held together with the fair. Dr. Keshav Sah from Heifer highlighted the importance of feed and proper animal raising techniques to

increase the productivity of local breeds. Ms. Neena Joshi, Director of Programs informed on role of formal marketing at cooperatives to bring efficiency in goat value chain with additional return of 25-35% in producers’ share.

POLICY WORKSHOP ON GOAT SUB-SECTOR



Heifer International Nepal in collaboration with the Ministry of Agriculture, Land Management and Cooperative (MoALMC) conducted a policy workshop on goat sub-sector in Nepal with an objective to share the

major findings and recommendations of “Policy Study on Goat Sub-Sector in Nepal” conducted jointly by Heifer and MoALMC.

Representatives from the Government,

Federation of Nepalese Chamber of Commerce and Industry, private sector entrepreneurs, bank and financial institutions, producer cooperatives, bi and multilateral institutions, media and experts from various professions participated in the workshop. Dr. Bishwa Nath Oli, former Secretary of MoALMC mentioned how goat is preferred by all members of the society, irrespective of caste, ethnicity and religion thus making it a suitable means of nutrition as well as income. He also stressed the need to review and update existing policies and act at the opportunity at hand.

Goat is a commodity of national economic significance, however, majority of the goat meat consumed in Nepal finds its way from neighboring countries. Heifer has been working diligently with producer groups and their cooperatives to substitute this import through capacity building in farm enterprises and improving access to inputs such as finance, services, insurance, and market.

RESULTS-SHARING WORKSHOP ON “FEEDING AND HEALTH MANAGEMENT FOR ENHANCED DAIRY ANIMAL PRODUCTION”

Heifer Nepal organized a workshop on “Feeding and Health Management for Enhanced Dairy Animal Production” to share the results of two research projects entitled “Feeding Support Tool (FST) Development for Enhancing Dairy Animal Productivity” and “Improving Dairy Animal Productivity and Income of Dairy Farmers through Effective Control of Mastitis Disease.” The projects were funded by USAID Feed the Future, Innovation Lab for Livestock Systems, University of Florida. The workshop drew active participation from the Government, Nepal Dairy Development Board (NDDB), farmers, project participants, dairy associations, and private sector.

The Mastitis Control Project promoted mastitis control technologies like Post-Milk Teat Dipping, California Mastitis Test and Milk Conductivity Tests along with knowledge and awareness among 400 farmers on Good Husbandry Practices. This resulted in decreased cases of mastitis in cows and buffaloes.



Under FST project, Heifer developed a Ration Balancing Mobile App to calculate balanced nutritious diets for dairy animals. The direct implication of the app is reduced production cost, and increased farmer’s income by NPR 25/day.

The workshop was successful in bringing ownership of the research outcomes among stakeholders with the formation of two committees, each led by Department of Livestock Services, and NDDB.

HEIFER STAFF PLEDGES TO REDUCE PLASTIC USE ON WORLD ENVIRONMENT DAY



Following this year's theme "Beat Plastic Pollution", the staff of Heifer

International Nepal celebrated this World Environment Day by pledging to

reduce the use of plastic. Many aspects of plastic pollution and the steps to make our home and office a greener and cleaner space were discussed. Heifer Nepal has been promoting the use of cotton bags as an alternative to plastic bags.

Heifer Nepal is committed to making the environment better not only at its project sites but also in its office premises. Following this, multiple species of trees were planted in the office garden to boost biodiversity. Improving the environment is one of the cornerstones of Heifer working philosophy and all staff are committed to bring positive impact to the world and uplifting marginalized community through sustainable development.

SPECIAL REPORT

HEIFER RECOGNIZED WOMEN ENTREPRENEURS WITH GOLDEN TALENT AWARD

Heifer International Nepal awarded five female farm entrepreneurs, who have been able to broaden their lifestyle and make significant sustainable changes to their life, with the Golden Talent Award (GTA) of year 2017. This prestigious award is presented to individuals who have been able to convert a minimum number of locally available resources into a sustaining source of income while also taking active participation in helping other families and the community. The success stories of the GTA winners are presented below:

Kamala Bhandari – Bloomed Out of Cocoon

Kamala, 40 of Dhurkot, Gulmi had a small tea stall in her village which failed to provide her with income she needed to run a family while her husband was involved in labor work in India. This forced her to take loan of NPR. 30,000 with high interest rate. After a need assessment, Kamala received 9 does from Heifer's project along with trainings like Cornerstone, gender, improved animal management, fodder/forage management, nutrition, etc. In addition, she also received seed/saplings of fodder/forage and support to improve goat shed.

Kamala says, "after receiving trainings and resource support, I have felt confident and empowered. Earlier, I was even shy to introduce myself, today I am leading so many community groups in my village and am a socially involved economic actor of my family. I made



NPR 143,750 (\$ 1,450) from goat enterprise alone ". She further added, "I have realized that if hard work and determination are combined, no work is small and employment can be brought to the village itself". Realizing that goat entrepreneurship will not only bring Kamala out of poverty but also paved

her a way to provide a better future to her family, Kamala's husband has moved back to the village and the couple together run a small farm they have created in a leased land. Kamala has utilized the resources provided by the project, and has bloomed out of cocoon spreading her wings.

Humi Kumari Pade Magar- Bringing Income to Village



Humi Kumari of Phoksingkot, Palpa is able to change her life both socially and economically when she received 10 does along with social and technical trainings

from Heifer's project. Four years back, she was struggling to survive herself and her family while the little income that her husband bring back from labor work

from India was not enough for food alone.

Humi claims that there has been a radical change in her life. The improved animal management training helped Humi to improve her goat shed and plant various fodder/forage for her animals. She produces vegetables in her backyard. In the 4 years that she was involved in the project, she made an income of approx. NPR 712, 000 (\$ 7,120) by selling goats and vegetables. Humi who felt shy to speak out earlier, now boldly speaks up her mind. She is an active member of her group and involved in various community activities in education, health, gender, sanitation, and so on. The growth in her confidence level is commendable and so is the economic benefits that she has reaped from farm enterprise.

Samjhen Dolma – From Nothing to Something

Samjhen Dolma of Rangpur, Rautahat used to live under a debt and immense poverty. She worked in her fields but the income wasn't sufficient for her family of 6. While her husband enjoyed brewing alcohol and drinking it profusely while indulging in violence, the responsibility of taking care of her entire household fell solely upon Samjhen. She felt ostracized from her village as everyone looked down upon her and didn't want to socialize with her or her family. Samjhen joined the SLVC I project of Heifer where she was placed with 2 animals.

As she was only breadwinner of her family, she had difficulty in managing time to attend meetings and trainings. Samjhen received multiple trainings and inputs like vegetable seed, fodder forage seed and fruit saplings to start her garden. With these skills and inputs, Samjhen gave her heart and soul to bettering her life. Her economic state gradually improved, and at the end of four years she was able to make an income of NPR 548,500 (\$ 5,450) from goats and vegetables. The view of her



community towards her has also changed visibly. She has been able to buy land and expand vegetable farming. Samjhen, with her own hard work and

determination, has changed the face of her life.

Sita Shrestha – Goat Enterprise Changing Lives

Sita Shrestha from Dhading led a lonesome life tending to children and playing the role of a homemaker. The limited income of her husband was making it difficult for her to survive. Always occupied either by her children, cattle or field work, Sita found little or no time to mingle in the community or build relationship with her fellow community members.

Sita received trainings along with two does from Heifer’s project, which slowly

but gradually reinforced her confidence in herself and she began to prosper. By the second year of the project, she was able to make an income of NPR 80,000 (\$800) from goats NPR 27,000 (\$270) from ghee and additional NPR 12,600 (\$126) from vegetables. Sita has already passed on the gift of livestock and knowledge and advocating the benefit of improved shed among women like her. Sita joyfully claims, “after I got involved in group, my way of thinking has changed. Earlier I was not caring my

livestock in the way I do now. I have understood that animal management is pivotal for a goat entrepreneur”. She further added, “I have realized that I have a responsibility towards my community. Rather than investing your time and energy abroad, I feel that staying in Nepal and starting goat enterprise has much more potential, which will not only raise their standard of living but also contribute to the economy of the nation”.

Buddhi Khatri- Changing Women’s Perspective



Buddhi Khatri’s family from Rapti Sonari, Banke believed that the role of women should be limited to household chores and raising a baby. Despite huge loan and depleting economic status, she was not allowed to involve herself in income generating activity. With her husband frequenting India in hope of finding a job, responsibilities of the entire household came to her. She was denied access to loan and was often given verbal stress for not being able to return previous loan. After getting involved in women’s group formed by Heifer’s

project, she received a breeding buck and trainings to start farm enterprise. She also received a fund to improve her goat shed.

Buddhi, in a span of 5 years, has been able to make NPR 11,64,115 (\$11,641) by selling goats and vegetables. Buddhi has constructed a permanent house and buy some land using this income. Her husband who did not help her out earlier, has started to work together with her. She says, “I am positive towards my future and I am happy that my husband

is supporting me in my goat business as well as in household work”. She has a monthly saving in the cooperative. There has been a change in the traditional norm in her household which previously had set roles for men and women. Buddhi is an active member of her group and community, and is working towards its betterment every day. She has been a role model in motivating women to take up goat rearing as an enterprise, and changing the perspective people have on women.

LIVE WEIGHT SYSTEM OF MARKETING BY COOPERATIVES FOR GROWTH OF GOAT SUB-SECTOR IN NEPAL



Background:

Goats, commonly known as poor man's cow play an important role in livelihood of smallholders, marginal farmers and have a significant contribution in the National Economy (Sadeghi et al., 2010). The agriculture sector accounts to a 33% of National GDP (MoAD, 2016) and the contribution of livestock to total agricultural GDP (AGDP) is 27%. Goat contributes to 20% of the national meat production and has a share of 12% in the total livestock GDP. Heifer International Nepal has been implementing the Strengthening Smallholder Enterprises of Livestock Value Chain (SLVC) Project

since 2012 focusing on meat goat and milk value chains, with significant focus on goat value chain for increasing production, productivity and linking the rural smallholders to formal markets.

The goat value chain study completed in 2012 indicated that one of the major links missing in the goat market system was bulk collection. SLVC has demonstrated a strong evidence of farmers' cooperatives serving as aggregation agency which creates efficiency in the value chain benefiting both farmers and other actors in the chain.

Smallholders are the major victims of conventional market practices which is primarily based on bargaining and negotiation because of which the producers' share of profit along the value chain is significantly lower as compared to other market actors. In the absence of a tangible pricing system and low marketing power, producers are compelled to receive less competitive prices for their products. Similarly, sparse and scattered production sites has been another major challenge for market actors. Substantial amount of capital, time and resources is put in by the market actors during bulking of goats. They often face the problem of intermittent supply which directly decreases their business volume and profit margin.

Intervention:

Two innovative practices at cooperative level help address the above mentioned problem. They are:

1. Aggregating Goats by Cooperatives
2. Live Weight System of Marketing

Collective Goat Marketing	
Number of Cooperatives engaged	113
Transaction Volume (no. of goat/Month)	5199
Transaction Volume in NPR./month	52.5M
Number of farmers	70,886
<i>Source: Heifer International Field Survey, 2016 -18</i>	

Heifer International Nepal with 20 years of working in the livestock sector has been pushing the aggregation of goats at cooperative level and has increased the efficiency along the value chain. The market actors are now offering higher prices to the producers. Similarly, live weight marketing system deployed by cooperatives has proven to be tangible and transparent in transactions thus

minimizing the price risk.

A total of 113 cooperatives regularly aggregate goats produced by their member farmers and organize various sale events. On an average, 5,200 goats (NPR 52.5 million = USD 520,000) are sold every month in the formal market providing market access to the produce of 70,800 goat farmers. This is 50%

increase from that of last year. The cooperatives have negotiated prices and have formal/informal agreements with multiple buyers. The buyers are from local, regional, and terminal markets. This system has reduced the aggregation costs for buyers enabling them to offer higher rate to farmers.

CASE STUDY

Results:

Increase in Producers' Profitability

Heifer International Nepal has understood that marketing practice on live weight basis is producer friendly and is a fair marketing system. The assessments on this shows that the

farmers are getting 25-30% additional revenue from goat sales through cooperatives on live weight basis as compared to conventional marketing practices. During FY17/18, 113 different cooperatives made transactions of NPR 297 million from goat business.

Remarkably, the farmers participating in formal marketing practices were benefited by additional return of NPR 74 million which otherwise would have been lost in various layers in conventional market system.

Parameters	FY'16-17	FY'17-18	Increment %
No. of cooperatives engaged	67	113	66.4%
No. of goats Sold	17,130	28,503	75.4
Transaction Amount	169,602,266	297,425,637	75.4%
Additional Return of Cooperative Innovation (25-30%)**	42,400,566	74,356,409	75 %
Average price per goat (NPR.)	9900	10434	5.4 %
Average Price Per kg (NPR.)	336	341	1.5 %

Source: Heifer International Field Survey, 2016-18

Increase in Goat Quality

The market is a driving force for both production quality and the quantity of goats. Live weight, Carcass Percentage and general appearance of the animals are the major price determinants .

There is a direct correlation between price and live weight of animals in recently introduced innovative marketing system, small holders have perceived the direct benefit of producing quality animals with higher live weight and high dressing percentage.

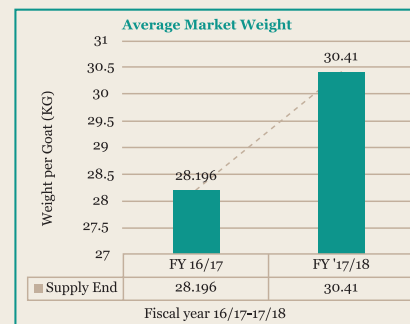
Increase in weight driven by the live weight marketing practices thus becomes a worthy achievement in goat sub-sector with significant contribution in net meat production from domestic level and substitution of Indian Imports.

Farmers are adapting stall feeding, control inbreeding and moving forward with improved animal management practices, as a result of which significant outcomes has been observed in marketed goats. The average weight of market goat during FY17-18 at is 30.41 kg which is 2.2 kg higher than that of previous year.

Conclusion:

The live weight system is a fee-based service that the cooperatives provide and the trend shows that this system will sustain. There were 67 Social Entrepreneurs Women Cooperatives implementing this innovative marketing practices during FY 16/17 while the number increased to 113 during FY17/18. This creates an alternative business opportunity to the cooperatives and fetches additional return to its members, indicating higher chances of sustainability and replication.

Smallholders, whose contribution in growth of goat sub-sector is significant are beyond the mainstream market development. Market power lies in the hand of traders, collectors and other market actors in the forward linkage. The aggregation followed by live weight system of goat marketing implemented by cooperatives has ensured market access to marginalized farmers. Since, cooperatives are formal, legal institution of small holders, it also contributes in enhancing the market power of the producers whose influence in governing market is negligible till date. Thus



cooperative becomes the viable market for sustaining smallholders.

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