## FARMER-OWNED AGRIBUSINESSES • NEPAL



## **Country Context**

Two-thirds of Nepal's rural population relies on agriculture as their main source of livelihood, with most smallholder farmers owning less than half a hectare of land. Integrated crop-livestock systems are a key feature of Nepalese farming life. Working on small plots of land, farmers generally have little surplus to sell, with goat meat and cow and buffalo milk providing important sources of income.

Despite women's critical role in the livestock sector, prevailing gender biases mean that their contribution remains undervalued. Women farmers are constrained by limited mobility, household decision-making powers and a lack of access to resources and markets. As an increasing number of Nepalese men migrate to other countries for work, women must be viewed as primary farmers, not contributors. Participating in farmer-owned businesses such as cooperatives enables women farmers to increase their economic empowerment as they integrate into the dairy and goat sectors.

## Impact

Heifer Nepal has cultivated links between cooperatives and financial institutions and signed agreements with seven commercial banks to increase access to finance for farmers. Its successes have attracted the attention of other development actors, including local and regional governments and Non-Governmental Organizations that have partnered with cooperatives, amplifying their work.

Cooperatives, such as the Bihani Social Entrepreneur Women's Cooperative in Kapilvastu District, are generating profits, enabling them to expand quickly. Having established a dairy hub in 2016, the cooperative now collects up to 265 gallons of milk a day from 1,165 smallholder farming members, generating more than \$100,000 annually. A commercial dairy purchases most of the milk, with the remainder used to produce dairy products such as ice cream, curd and cottage cheese sold by a coffee shop.

In 2018, with Heifer Nepal's support, 15 cooperatives representing 15,000 farmers from three districts, established the Banke District Union, a business center that acts as a venue for goat collection, aggregation and trade to urban markets. With the capacity to hold 500 goats at once, this state-of-the-art facility supports its members with inputs, agro-veterinary services and access to loans and insurance. Several cooperatives and five local governments have invested in five modern abattoirs to ensure quality goat meat for consumers.



Heifer International is a pioneer in the livestock sector in Nepal, supporting more than 227 cooperatives from 2012 to 2020, representing 107,460 members — 99.1% of them women



Between 2019 and 2020, Heifer-supported cooperatives sold more than 145,000 goats totaling \$14.25 million and 4.75 million liters of milk totaling \$2.1 million



Cooperatives saved \$22.7 million and issued loans of approximately \$47.4 million between 2012 and 2020



## Strategy

From its first shipment of high-yielding livestock in 1957 at the government's request to formally establishing a country office in 1997, Heifer International has had a longstanding presence in Nepal, supporting families on the path to living incomes — the amount of money each person in a household needs per day to live a dignified life.

Heifer Nepal's strategy has been to work directly with women farmers, supporting them to organize into selfhelp groups to build or strengthen social capital and leverage the benefits of collective action. It is through these groups that Heifer Nepal enables women to build the skills, technology and knowledge to fulfill their entrepreneurial potential. Men also participate in trainings as part of Heifer International's Values-Based Holistic Community Development approach, which emphasizes gender equality, social cohesion and family harmony.

As self-help groups become well-established, Heifer Nepal facilitates their registration with the Department of Cooperatives. Most cooperatives are Social Entrepreneur Women's cooperatives focused on goat and dairy production. They maintain contracts with agricultural inputs and agro-veterinary services suppliers. The cooperatives run savings and loans mechanisms focused on income-generation and personal and social priorities. Some of them negotiate loans with banks and lend at a slight premium to individual farmers who are otherwise unable to access formal bank loans.

The Langanshil Social Entrepreneur Women's Cooperative specializes in goat farming and represents 300 members in Chitwan District. By partnering with private and public banks, it is expanding to absorb smallholder farmers from surrounding villages that remain cut-off from markets.

This cooperative and others is able to build its capacity with Heifer Nepal's support to improve governance and financial management. Heifer Nepal also facilitates cooperatives to access upstream and downstream market actors. Its approach emphasizes the importance of mutual trust and cooperation and enhanced technical, operational and entrepreneurial management skills.